

POLICYHOLDER NOTICE

Thank you for purchasing insurance from a member company of American International Group, Inc. (AIG). The AIG member 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 AIG member companies to brokers and independent agents in the United States by visiting our website at www.aig.com/producercompensation or by calling 1-800-706-3102.

FORMS SCHEDULE**Named Insured:** PHOSPHATE HOLDINGS, INC.**Policy Number:** PLS 23062202**Effective 12:01 AM:** December 22, 2014

End't. No.	Form Name	Form Number/ Edition Date	
	PLL Select 2010 AIGSIC Declarations	104831	(11/13)
	PLL Select 2010 AIGSIC Policy	104827	(05/14)
	Notice of Loss/Notice of Claim	91968	(12/06)
1	Cargo Coverage Endorsement	105691	(06/10)
2	100% Minimum Earned Premium Endorsement	105197	(04/10)
3	Crisis Response And Crisis Management Endorsement	109874	(09/11)
4	Schedule Of Approved Crisis Management Firms Endor	109876	(09/12)
5	Self-Insured Retention Endorsement	105440	(04/10)
6	Named Insured Endorsement	105191	(04/10)
7	Terrorism Excl - All (Incl Cert Acts Of Terrorism)	97640	(03/08)
8	Sched of Ins Prop, Cov, & Cov Sect Limits & Deduct	105179	(04/10)
9	Discovery-Restricted Pollution Coverage Endorsemen	MNSCPT	(12/14)
10	Known Cond Excl with Rep Ref w/ NFA Clause	MNSCPT	(12/14)

Gaining the Ultimate Value-Added Advantage Through AIG Environmental

Insured: PHOSPHATE HOLDINGS, INC.

Policy # : PLS 23062202

Effective Date: December 22, 2014

Thank you for purchasing your environmental insurance policy through AIG Environmental!

At AIG Environmental, we enhance the coverage of every environmental insurance policy by providing insureds complimentary access to the following tools and programs to help manage environmental risk, mitigate environmental loss, and conduct loss control:

PIER (Pollution Incident and Environmental Response)®

Policyholders have access to pre-screened crisis management specialists who respond in a timely manner to environmental incidents, including indoor air quality issues such as mold and Legionella pneumophila. Rates are pre-negotiated, thus helping insureds to minimize or mitigate loss associated with such incidents. Environmental insurance policyholders are automatically enrolled in this program.

- To access the right resources to respond to an environmental incident, call 1-877-PIER-NOW (743-7669) and speak with a representative regarding the nature of your incident

Claims Expertise

Our pollution claims operation, with 80+ claims specialists, is the largest in the industry. The depth and breadth of our operation means we can devote expertise to environmental claims of all types.

- Report your claim by sending a fax to 866-260-0104 or emailing SeverityFNOL@aig.com.

GLP RiskTool System®

The complimentary, web-based system brings together a myriad of information that a company needs to manage Environmental, Health and Safety (EH&S) programs in one virtual "reference desk." By supporting on-line management and tracking of EH&S issues and providing templates, GLP RiskTool System presents a turnkey approach to establish your own EH&S program.

- Register for GLP RiskTool System by visiting www.risktool.com. All you need is your environmental insurance policy number.

Transportation Loss Control Programs

We provide a number of transportation-related programs for insureds that reinforce positive driving behavior and potential improvements in loss reduction. These programs include preventive driving sessions and mock Department of Transportation audits.

- To learn more, contact environmental@aig.com.

Environmental Portal

Portal is a secure, Internet-based system that allows our clients to track environmental insurance policies for multiple site portfolios. Policyholders can check the status of coverage requests 24/7, upload and download policy-related reports and documents, and more.

- Register for Environmental Portal by visiting www.aig.com.

AIG Environmental is committed to the achievement of effective risk management objectives for clients as well as providing them access to incident response assistance in the event of a pollution-release event.

Thank you,



Lana Fulton Keppel
Environmental Division Executive



AIG SPECIALTY INSURANCE COMPANY
 (A Capital Stock Company, herein called the Company)
 175 WATER STREET
 NEW YORK, NY 10038

POLLUTION LEGAL LIABILITY SELECT® POLICY

THIS IS A CLAIMS-MADE AND REPORTED POLICY. PLEASE READ CAREFULLY.

DECLARATIONS

POLICY NUMBER: PLS 23062202

Item 1. NAMED INSURED: PHOSPHATE HOLDINGS, INC.

ADDRESS: 601 INDUSTRIAL ROAD
 PO BOX 848
 PASCAGOULA, MS 39568

Item 2. POLICY PERIOD: FROM December 22, 2014 TO December 22, 2015
 12:01 AM STANDARD TIME AT THE ADDRESS OF THE NAMED INSURED SHOWN ABOVE

Item 3. COVERAGES AND COVERAGE SECTION LIMITS AND DEDUCTIBLES:

This Policy includes only those Coverages as stated in Section I of the Policy for which deductibles and limits of liability appear below. If no deductible or limits of liability appears for a Coverage, that Coverage has not been purchased.

Coverage	Deductible-Each Incident	Each Incident Limit	Coverage Section Aggregate Limit
A	\$200,000	\$10,000,000	\$10,000,000
B	\$200,000	\$10,000,000	\$10,000,000
C	\$200,000	\$10,000,000	\$10,000,000
D	\$200,000	\$10,000,000	\$10,000,000
E	\$200,000	\$10,000,000	\$10,000,000
F	\$200,000	\$250,000	\$1,000,000
G	\$200,000	\$10,000,000	\$10,000,000
H			
I	\$200,000	\$10,000,000	\$10,000,000

Coverage	Business Interruption (\$) Limit
J	\$10,000,000

Item 4. POLICY AGGREGATE LIMIT: \$10,000,000

Item 5. INSURED PROPERTY(IES): 601 INDUSTRIAL ROAD
PASCAGOULA, MS 39567

Item 6. POLICY PREMIUM: \$333,014.00

Premium for Certified Acts of Terrorism Coverage Under Terrorism Risk Insurance Act 2002:
Not Applicable

Item 7. INDOOR AIR QUALITY RETROACTIVE DATE: Pollution Condition(s) must commence on or after the date shown below.

Retroactive Date: February 5, 2012
(Enter date or "none" if no Retroactive Date Applies.)

Item 8. CONTINUITY DATE: December 22, 2014

Item 9. BROKER: ARTHUR J GALLAGHER RISK MNGT SERV INC
2 WESTCHESTER PARK DR, 3RD FLOOR
WHITE PLAINS, NY 10604

By S. Smith
AUTHORIZED REPRESENTATIVE
or countersignature (in states where applicable)

AIG SPECIALTY INSURANCE COMPANY

POLLUTION LEGAL LIABILITY SELECT[®] POLICY

MANY OF THE COVERAGES CONTAIN CLAIMS-MADE AND REPORTED REQUIREMENTS. PLEASE READ CAREFULLY. ADDITIONALLY, THIS POLICY HAS CERTAIN PROVISIONS AND REQUIREMENTS UNIQUE TO IT AND MAY BE DIFFERENT FROM OTHER POLICIES THE INSURED MAY HAVE PURCHASED. DEFINED TERMS, OTHER THAN HEADINGS, APPEAR IN BOLD FACE TYPE.

NOTICE: THE DESCRIPTIONS IN ANY HEADINGS OR SUB-HEADINGS OF THIS POLICY ARE INSERTED SOLELY FOR CONVENIENCE AND DO NOT CONSTITUTE ANY PART OF THE TERMS OR CONDITIONS HEREOF.

Various provisions in this Policy restrict coverage. Read the entire Policy carefully to determine the rights and duties hereunder and what is and is not covered. This Policy is issued in reliance upon the statements in the Application, deemed to be annexed hereto. In consideration of the payment of the premium and pursuant to all of the terms of this Policy, the Company agrees with the **Named Insured** as follows:

I. INSURING AGREEMENTS

1. COVERAGES:

THE FOLLOWING COVERAGES ARE IN EFFECT ONLY IF SCHEDULED IN THE DECLARATIONS.

COVERAGE A - ON-SITE CLEAN-UP OF PRE-EXISTING CONDITIONS

1. To pay on behalf of the **Insured**, **Clean-Up Costs** resulting from a **Pollution Condition** on or under the **Insured Property** that first commenced prior to the **Continuity Date** provided:
 - (a) A **Responsible Insured** first becomes aware of such **Pollution Condition** during the **Policy Period** and such **Pollution Condition** is reported to the Company in writing as soon as possible after such discovery and in any event during the **Policy Period** in accordance with Section III. of the Policy.
 - (b) Where required, such **Pollution Condition** has been reported to the appropriate governmental agency in substantial compliance with applicable **Environmental Laws** in effect as of the date of discovery.
2. To pay on behalf of the **Insured**, **Loss** that the **Insured** is legally obligated to pay as a result of a **Claim** for **Clean-Up Costs** resulting from a **Pollution Condition** on or under the **Insured Property**, which **Pollution Condition** first commenced prior to the **Continuity Date**, provided such **Claim** is first made against the **Insured** and reported to the Company in writing during the **Policy Period** in accordance with Section III. of the Policy, or during the **Extended Reporting Period** if applicable.

COVERAGE B - ON-SITE CLEAN-UP OF NEW CONDITIONS

1. To pay on behalf of the **Insured**, **Clean-Up Costs** resulting from a **Pollution Condition** on or under the **Insured Property** that first commenced on or after the **Continuity Date**, provided:
 - (a) A **Responsible Insured** first becomes aware of such **Pollution Condition** during the **Policy Period** and such **Pollution Condition** is reported to the Company in writing as soon as possible after such discovery and in any event during the **Policy Period** in accordance with Section III. of the Policy.
 - (b) Where required, such **Pollution Condition** has been reported to the appropriate governmental agency in substantial compliance with applicable **Environmental Laws** in effect as of the date of discovery.
2. To pay on behalf of the **Insured**, **Loss** that the **Insured** is legally obligated to pay as a result of a **Claim** for **Clean-Up Costs** resulting from a **Pollution Condition** on or under the **Insured Property**, which **Pollution Condition** first commenced on or after the **Continuity Date**, provided such **Claim** is first made against the **Insured** and reported to the Company in writing during the **Policy Period** in accordance with Section III. of the Policy, or during the **Extended Reporting Period** if applicable.

NOTICE: THIS INSURER IS NOT LICENSED IN THE STATE OF NEW YORK AND IS NOT SUBJECT TO ITS SUPERVISION

COVERAGE C - THIRD-PARTY CLAIMS FOR OFF-SITE CLEAN-UP RESULTING FROM PRE-EXISTING CONDITIONS

To pay on behalf of the **Insured**, **Loss** that the **Insured** becomes legally obligated to pay as a result of a **Claim** for **Clean-Up Costs** resulting from a **Pollution Condition**, beyond the boundaries of the **Insured Property**, that first commenced prior to the **Continuity Date**, and migrated from or through the **Insured Property**, provided such **Claim** is first made against the **Insured** and reported to the Company in writing during the **Policy Period** in accordance with Section III. of the Policy, or during the **Extended Reporting Period** if applicable.

COVERAGE D - THIRD-PARTY CLAIMS FOR OFF-SITE CLEAN-UP RESULTING FROM NEW CONDITIONS

To pay on behalf of the **Insured**, **Loss** that the **Insured** becomes legally obligated to pay as a result of a **Claim** for **Clean-Up Costs** resulting from a **Pollution Condition**, beyond the boundaries of the **Insured Property**, that first commenced on or after the **Continuity Date**, and migrated from or through the **Insured Property**, provided such **Claim** is first made against the **Insured** and reported to the Company in writing during the **Policy Period** in accordance with Section III. of the Policy, or during the **Extended Reporting Period** if applicable.

COVERAGE E - THIRD-PARTY CLAIMS FOR BODILY INJURY AND PROPERTY DAMAGE

To pay on behalf of the **Insured**, **Loss** that the **Insured** becomes legally obligated to pay as a result of a **Claim** for **Bodily Injury** or **Property Damage** resulting from a **Pollution Condition** on, under or migrating from or through the **Insured Property**, provided such **Claim** is first made against the **Insured** and reported to the Company in writing during the **Policy Period** in accordance with Section III. of the Policy, or during the **Extended Reporting Period** if applicable.

COVERAGE F - EMERGENCY RESPONSE COSTS

1. The Company will pay **Emergency Response Costs** resulting from a **Pollution Condition** on, under or migrating from the **Insured Property**. **Emergency Response Costs** must be first incurred by the **Insured** and reported to the Company during the **Policy Period**.

For this Coverage to apply, all of the following conditions must be satisfied:

- (a) The **Insured** must report the **Emergency Response Costs** to the Company in accordance with Section III. of the Policy.
- (b) **COVERAGE B - ON-SITE CLEAN UP OF NEW CONDITIONS** is purchased.

2. The Company will pay **Emergency Response Costs** resulting from a **Pollution Condition** caused by **Transportation** or **Covered Operations**. **Emergency Response Costs** must be first incurred by the **Insured** and reported to the Company during the **Policy Period**.

For this Coverage to apply, all of the following conditions must be satisfied:

- (a) The **Insured** must report the **Emergency Response Costs** to the Company in accordance with Section III. of the Policy.
- (b) With respect to **Covered Operations**, **COVERAGE H - THIRD-PARTY CLAIMS FOR COVERED OPERATIONS** is purchased and with respect to **Transportation**, **COVERAGE I - THIRD-PARTY CLAIMS RESULTING FROM THE TRANSPORTATION OF CARGO** is purchased.

COVERAGE G - THIRD-PARTY CLAIMS FOR NON-OWNED LOCATIONS

To pay on behalf of the **Insured**, **Loss** that the **Insured** becomes legally obligated to pay as a result of a **Claim** for **Bodily Injury** or **Property Damage** of parties other than the owners, operators or contractors of the **Non-Owned Location**, or their employees, or **Clean-Up Costs** resulting from a **Pollution Condition** on, under or migrating from the **Non-Owned Location**, provided such **Claim** is first made against the **Insured** and reported to the Company in writing during the **Policy Period** in accordance with Section III. of the Policy, or during the **Extended Reporting Period** if applicable.

COVERAGE H - THIRD-PARTY CLAIMS FOR COVERED OPERATIONS

To pay on behalf of the **Insured**, **Loss** that the **Insured** becomes legally obligated to pay as a result of a **Claim** for **Bodily Injury**, **Property Damage** or **Clean-Up Costs** resulting from a **Pollution Condition** caused by **Covered Operations**, provided such **Claim** is first made against the **Insured** and reported to the Company in writing during the **Policy Period** in accordance with Section III. of the Policy, or during the **Extended Reporting Period** if applicable.

For this Coverage to apply, the **Covered Operations** which result in a **Claim** must be performed on or after the **Continuity Date** shown in Item 8. of the Declarations.

COVERAGE I - THIRD-PARTY CLAIMS RESULTING FROM THE TRANSPORTATION OF CARGO

To pay on behalf of the **Insured**, **Loss** that the **Insured** becomes legally obligated to pay as a result of a **Claim** for **Bodily Injury**, **Property Damage** or **Clean-Up Costs** resulting from a **Pollution Condition** caused by **Transportation of Cargo**, provided such **Claim** is first made against the **Insured** and reported to the Company in writing during the **Policy Period** in accordance with Section III. of the Policy, or during the **Extended Reporting Period** if applicable. Provided, however, this Coverage shall not be utilized to evidence financial responsibility of any **Insured** under any federal, state, provincial or local law.

COVERAGE J - BUSINESS INTERRUPTION EXPENSES

To pay the **Named Insured's Interruption Expenses**, resulting from an **Interruption** caused directly by a **Pollution Condition** on or under the **Insured Property** that results in on-site **Clean-Up Costs** covered by this Policy. If the **Interruption** is caused by such **Pollution Condition** and any other cause, the Company shall pay only for that portion of **Interruption Expenses** caused solely and directly by such **Pollution Condition**. An **Interruption** must be reported to the Company in accordance with Section III. of the Policy and the **Named Insured** shall resume normal operation of the business and dispense with **Extra Expense** as soon as practicable.

2. LEGAL EXPENSE AND DEFENSE

When a **Claim** is made against the **Insured** to which Section I. **INSURING AGREEMENTS, 1. COVERAGES, COVERAGES A, B, C, D, E, G, H** or **I** applies, and provided the **Named Insured** has purchased such Coverage(s), the Company has the right to defend, including but not limited to the right to appoint counsel, and the duty to defend such **Claim**, even if groundless, false, or fraudulent. With respect to any such **Claim** being defended by the Company, the Company shall pay all reasonable expenses incurred by the **Insured** at the Company's request to assist it in the investigation or defense of the **Claim**, including actual loss of earnings up to \$500 a day because of time off from work; provided, however, that the Company's aggregate liability for all such expenses under this Policy shall not exceed \$5,000.

Upon the **Insured's** satisfaction of any applicable deductible amount for the Coverage Section that applies and is shown in Item 3. of the Declarations, defense costs, charges and expenses shall be paid by the Company and such payments shall be included as **Loss** and reduce the available limits of liability (except for the expenses incurred by the **Insured** as described and limited above). The Company shall not be obligated to defend or continue to defend any **Claim** after the applicable limit of liability has been exhausted by payment of **Loss**.

3. SETTLEMENT

The Company will present any monetary settlement offers to the **Insured**, and if the **Insured** refuses to consent to any monetary settlement within the applicable limits of liability of this Policy recommended by the Company and acceptable to the claimant, the Company's duty to defend the **Insured** shall then cease and the **Insured** shall thereafter negotiate or defend such **Claim** independently of the Company and the Company's liability shall not exceed the amount, less the Deductible or any outstanding Deductible balance, for which the **Claim** could have been settled if such recommendation was consented to by the **Insured**.

4. DISCOVERY OF A POLLUTION CONDITION OR CLAIMS ARISING FROM EACH INCIDENT

1. If the **Insured** first discovers a **Pollution Condition** during this **Policy Period** and reports it to the Company in accordance with Section III. of the Policy, such **Pollution Condition** arising from **Each Incident** and reported to the Company under a subsequent Pollution Legal Liability Policy issued by the Company or its affiliate providing substantially the same coverage as this Policy shall be deemed to have been first discovered and reported during this **Policy Period**.

2. If the **Insured** first notifies the Company of a **Claim** or **Emergency Response Costs** during this **Policy Period** in accordance with Section III. or during the **Extended Reporting Period**, if applicable, then all **Claims** or **Emergency Response Costs** arising from **Each Incident** that are reported to the Company under a subsequent Pollution Legal Liability Policy issued by the Company or its affiliate providing substantially the same coverage as this Policy, shall be deemed to have been first made and reported during this **Policy Period**.
3. Coverage under this Policy for such **Pollution Condition, Claim** or **Emergency Response Costs** shall not apply unless, at the time such **Pollution Condition, Claim** or **Emergency Response Costs** are first discovered or made and reported, the **Insured** has maintained with the Company or its affiliate Pollution Legal Liability coverage substantially the same as this coverage on a continuous, uninterrupted basis since the first **Pollution Condition** was discovered and reported to the Company, or such **Claim** was made against the **Insured** and reported to the Company or such **Emergency Response Costs** were reported to the Company.

II. EXCLUSIONS

1. COMMON EXCLUSIONS - APPLICABLE TO ALL COVERAGES

The following Exclusions apply to all Coverages:

This Policy does not apply to **Claims** or **Loss**:

A. ASBESTOS AND LEAD:

Arising from asbestos or any asbestos-containing materials or lead-based paint installed or applied in, on or to any building or other structure. However, this Exclusion does not apply to:

1. **Claims** for **Bodily Injury** or **Property Damage**; or
2. **Clean-Up Costs** for the remediation of soil, surfacewater or groundwater.

B. CHANGE IN INTENDED USE OR OPERATIONS:

Based upon or arising from a change in use or a change in operations which is different from the uses or operations identified in writing by the **Insured** to the Company during the underwriting process or in the application and which materially increases a risk covered hereunder.

C. CONTRACTUAL LIABILITY:

Arising from liability of others assumed by the **Insured** under any contract or agreement, unless the liability of the **Insured** would have attached in the absence of such contract or agreement or the contract or agreement is an **Insured Contract**.

D. CRIMINAL FINES, PENALTIES, OR ASSESSMENTS:

Due to any criminal fines, criminal penalties or criminal assessments.

E. EMPLOYER LIABILITY:

For **Bodily Injury** sustained by any employee while engaged in employment by any **Named Insured**, or by any person whose right to assert a **Claim** against any **Named Insured** arises by reason of any employment, blood, marital, or any other relationship with such employee. This Exclusion applies:

1. Whether any **Named Insured** may be responsible as an employer or in any other capacity; or
2. To any obligation to share damages with or repay someone else who must pay damages because of **Bodily Injury**.

F. IDENTIFIED UNDERGROUND STORAGE TANK:

Arising from a **Pollution Condition** resulting from an **Underground Storage Tank** whose existence is known by a **Responsible Insured** as of the **Inception Date** and which is located on the **Insured Property** unless such **Underground Storage Tank** is scheduled on the Policy by an Underground Storage Tank Endorsement attached to this Policy. However, this Exclusion shall not apply to an **Underground Storage Tank(s)** which was removed prior to the **Inception Date**.

G. INTENTIONAL NONCOMPLIANCE:

Arising from a **Pollution Condition** based upon, due to or attributable to any **Responsible Insured's** intentional, willful or deliberate noncompliance with any statute, regulation, ordinance, administrative complaint, notice of violation, notice letter, executive order, or instruction of any governmental agency or body. However, this Exclusion does not apply to such non-compliance based upon:

1. The **Insured's** good faith reliance upon the written advice of qualified outside counsel received in advance of such non-compliance or upon the Company's written consent; or
2. The **Insured's** reasonable response to emergency circumstances in order to mitigate such **Pollution Condition** or **Loss**, provided such emergency circumstances are reported in writing to the Company within seventy-two (72) hours of the discovery of such emergency circumstances.

H. INTERNAL EXPENSES:

For costs, charges or expenses incurred by the **Insured** for goods supplied or services performed by the staff or salaried employees of the **Insured**, or its parent, subsidiary or affiliate. However, this Exclusion does not apply to such costs, charges or expenses if incurred:

1. In response to an emergency including **Emergency Response Costs**; or
2. Pursuant to **Environmental Laws** that require immediate remediation of a **Pollution Condition**; or
3. With the prior written approval of the Company, in its sole discretion.

I. INSURED vs. INSURED:

By any **Insured** against any other person or entity who is also an **Insured** under this Policy. However, this Exclusion does not apply to:

1. **Claims** initiated by third parties including cross-claims, counterclaims, or claims for contribution; or
2. **Claims** that arise out of an indemnification provided by one **Named Insured** to another **Named Insured** in an **Insured Contract**.

J. PRIOR KNOWLEDGE/NON-DISCLOSURE:

Arising from a **Pollution Condition** existing prior to the **Inception Date** and known by a **Responsible Insured** and not disclosed in the application for this Policy, or any previous policy for which this Policy is a renewal thereof.

K. WAR:

Based upon or arising out of any consequence, whether direct or indirect, of war, invasion, act of foreign enemy, hostilities, whether war be declared or not, civil war, rebellion, revolution, insurrection or military or usurped power, strike, riot or civil commotion.

L. NUCLEAR LIABILITY:

Based upon or arising out of the radioactive, toxic or explosive properties of **Nuclear Material**, and for which the United States Department of Energy or any other government authority has indemnified the **Insured**, or for which the Price Anderson Act provides protection for the **Insured**.

2. COVERAGE H EXCLUSIONS

The following Exclusions apply to Coverage H.

This Policy does not apply to **Claims** or **Loss**:

A. DAMAGE TO INSURED'S PRODUCTS AND WORK:

For **Property Damage** to the **Insured's Products** or for **Property Damage** to work performed by, or on behalf of, the **Insured** arising out of the work or any portion thereof.

B. INSURED'S PROFESSIONAL SERVICES:

Arising out of professional services performed or rendered by the **Named Insured**, including but not limited to, recommendations, opinions or strategies rendered for architectural, consulting or engineering work, such as drawings, designs, maps, reports, surveys, change orders, plan specifications, assessment work, remedy selections, site maintenance equipment selection, and supervisory, inspection or engineering service.

C. PRODUCTS LIABILITY:

Arising from the **Insured's Products** after possession of such **Insured's Products** have been relinquished to others by the **Insured** or others trading under its name. However, this Exclusion shall not apply solely for the period during which such **Insured's Products** are being stored or transported by others on behalf of the **Named Insured**.

3. COVERAGE I EXCLUSION

The following Exclusion applies to Coverage I.

This Policy does not apply to **Claims** or **Loss**:

A. PROPERTY DAMAGE TO CONVEYANCES:

For **Property Damage** to any conveyance utilized during the **Transportation** of **Cargo**. However, this Exclusion does not apply to **Claims** arising from the **Insured's** negligence.

III. NOTICE REQUIREMENTS AND CLAIM PROVISIONS

A. NOTICE OF A POLLUTION CONDITION, EMERGENCY RESPONSE COSTS, CLAIM OR AN INTERRUPTION

1. The **Insured** shall provide written notice to the Company of a **Pollution Condition**, **Claim**, **Emergency Response Costs** or an **Interruption** to the following:

Manager, Pollution Insurance Products Dept.
AIG Property Casualty Claims, Inc.
Attn.: CID
101 Hudson Street, 31st Floor
Jersey City, NJ 07302
Fax: 866-260-0104
Email: severityfnol@aig.com

or other address(es) as substituted by the Company in writing.

2. The **Insured** shall give written notice of a **Pollution Condition** or **Interruption** as soon as possible. Notice under all coverages shall include, at a minimum, information sufficient to identify the **Named Insured**, the **Insured Property**, the names of persons with knowledge of the **Pollution Condition** or **Interruption** and all known and reasonably obtainable information regarding the time, place, cause, nature of and other circumstances of the **Pollution Condition** or **Interruption**. With respect to an **Interruption**, the **Insured** must supply the Company with relevant historical revenue and rental data as reasonably requested by the Company.
3. When **Emergency Response Costs** have been incurred, the **Insured** shall forward to the Company within ten (10) days of the first commencement of the **Pollution Condition** for which the **Emergency Response Costs** have been incurred, all information pertaining to the **Emergency Response Costs** that has become available during the ten (10) day period. At a minimum such

information shall include the cause and location of the **Pollution Condition**, costs incurred and associated invoices. Additional information including but not limited to: technical reports, laboratory data, field notes, expert reports, investigations, data collected, additional invoices, regulatory correspondence or any other documents relating to such **Emergency Response Costs** must be forwarded to the Company immediately upon receipt.

4. The **Insured** shall give notice of all **Claims** as soon as possible, but in any event during the **Policy Period** or during the **Extended Reporting Period**, if applicable. The **Insured** shall furnish information at the request of the Company. When a **Claim** has been made, the **Insured** shall, in addition to furnishing other information as requested by the Company, forward the following to the Company as soon as possible:
 - (a) All reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the claimant(s) and available witnesses; and
 - (b) All demands, summonses, notices or other process or papers filed with a court of law, administrative agency or an investigative body; and
 - (c) Other information in the possession of the **Insured** or its hired experts which the Company reasonably deems necessary.

B. NOTICE OF POSSIBLE CLAIM

1. If during the **Policy Period**, the **Insured** first becomes aware of a **Possible Claim**, the **Insured** may provide written notice to the Company during the **Policy Period** containing all the information required under Paragraph 2. below. If the **Insured** provides such notice, any **Possible Claim** which subsequently becomes a **Claim** made against the **Insured** and reported to the Company within five (5) years after the end of the **Policy Period** of this Policy or any continuous, uninterrupted renewal thereof, shall be deemed to have been first made and reported during the **Policy Period** of this Policy. Such **Claim** shall be subject to the terms, conditions and limits of coverage and liability of the policy under which the **Possible Claim** was reported.
2. It is a condition precedent to the coverage afforded by this Section III.B. that written notice under Paragraph 1. above contain all of the following information:
 - (a) The cause of the **Pollution Condition**; and
 - (b) The address of the **Insured Property** or other location where the **Pollution Condition** took place; and
 - (c) The **Bodily Injury, Property Damage** or **Clean-Up Costs** which has resulted or may result from such **Pollution Condition**; and
 - (d) The name(s) of the **Insured(s)** which may be subject to the **Claim** and any potential claimant(s); and
 - (e) All engineering information available on the **Pollution Condition**; and
 - (f) Any other information that the Company deems reasonably necessary; and
 - (g) The circumstances by which and the date the **Insured** first became aware of the **Possible Claim**.

C. MEDIATION

If the **Named Insured** and the Company jointly agree to utilize **Mediation** as a means to resolve a **Claim** made against the **Insured**, and if such **Claim** is resolved as a direct result of the **Mediation**, the **Named Insured's** deductible obligation shall be reduced by 50% subject to a maximum reduction of \$25,000. The Company shall reimburse the **Named Insured** for any such reimbursable deductible payment made prior to the **Mediation** as soon as practicable after the conclusion of the **Mediation**.

IV. RIGHTS OF THE COMPANY AND DUTIES OF THE INSURED IN THE EVENT OF A POLLUTION CONDITION

A. The Company's Rights

The Company shall have the right but not the duty to clean up or mitigate a **Pollution Condition** upon receiving notice as provided in Section III. of this Policy. Any sums expended in taking such action by

the Company will be deemed incurred or expended by the **Insured** and shall be applied against the limits of liability and deductible under this Policy. The Company shall have the right but not the duty to participate in decisions regarding **Clean-Up Costs** and to assume direct control over all aspects of the cleanup and the adjustment of any **Claim** or **Emergency Response Costs** up to the applicable limits of liability. In case of the exercise of this right, the **Insured**, on demand of the Company, shall promptly reimburse the Company for any element of **Loss** falling within the **Insured's** deductible.

B. Duties of the Insured

The **Named Insured** shall have the duty to mitigate a **Pollution Condition**, and it shall have the duty to clean up a **Pollution Condition** to the extent required by **Environmental Laws**, by retaining competent professional(s) or contractor(s) mutually acceptable to the Company and the **Named Insured**. The Company may also exercise the right to require that such professional(s) or contractor(s) have certain qualifications with respect to their competency, including experience with a similar **Pollution Condition** and clean-up, mitigation or methodologies. The Company shall have the right but not the duty to review and approve all aspects of any such clean-up. The **Named Insured** shall notify the Company of actions and measures taken pursuant to this Paragraph.

V. LIMITS OF LIABILITY AND DEDUCTIBLE

Regardless of the number of **Claims**, claimants, **Insureds**, **Pollution Condition(s)**, **Emergency Response Costs** or **Interruption(s)** under this Policy, the following limits of liability apply:

A. Policy Aggregate Limit

The Company's total liability for all **Loss** shall not exceed the "Policy Aggregate Limit" stated in Item 4. of the Declarations. The Company's internal expenses do not erode the limit of liability available for any **Loss**.

B. Coverage Section Aggregate Limit

Subject to Paragraph V.A. above, the Company's total liability for all **Loss** under each Coverage in Coverages A through I, shall not exceed the "Coverage Section Aggregate" limit of liability for that particular coverage stated in Item 3. of the Declarations.

C. Each Incident Limit - Coverages A Through I

Subject to Paragraphs V.A. and V.B. above, the most the Company will pay for all **Loss** arising from **Each Incident** under each Coverage in Coverages A through I is the "Each Incident" limit of coverage for that particular coverage stated in Item 3. of the Declarations.

D. Maximum for All Business Interruption Expenses

Subject to Paragraph V.A. above, the maximum amount for which the Company is liable for all **Interruption Expenses** under Coverage J is 90% of the amount stated in Item 3. of the Declarations.

It is a condition of Coverage J that the remaining 10% of such amount be borne by the **Insured** at its own risk and remain uninsured.

E. Multiple Coverages - Each Incident Aggregate Limit

Subject to Paragraphs V.A. through V.D. above, if **Each Incident** results in coverage under more than

one Coverage under Coverages A through J, every applicable "Each Incident" limit of coverage among such coverage sections shall apply to the **Loss**; however, the most the Company will pay for all **Loss** arising from **Each Incident** shall not exceed the highest "Each Incident" limit of Coverage stated in Item 3. of the Declarations among all the coverage sections applicable to the **Loss**.

F. Deductible

1. Coverages A through I

Subject to Paragraphs V.A. through V.E. above, this Policy is to pay covered **Loss** for **Each Incident** in excess of the Deductible amount stated in Item 3. of the Declarations for the applicable coverage, up to but not exceeding the applicable "Each Incident" limit of coverage.

If **Each Incident** results in coverage under more than one coverage section in Coverages A through I, only the highest Deductible amount stated in Item 3. of the Declarations among all the coverage sections applicable to the **Loss** will apply.

The **Insured** shall promptly reimburse the Company for advancing any element of **Loss** falling within the Deductible.

2. Coverage J

Subject to Paragraphs V.A. through V.E. above, this Policy is to pay **Interruption Expenses** under Coverage J in excess of the **Interruption Expenses** sustained during the first three (3) days of an **Interruption** during the **Period of Restoration**. The three (3) day period applies to all **Interruption Expenses** arising out of **Each Incident**.

VI. CONDITIONS

- A. **Access to Information** - The **Named Insured** agrees to provide the Company with access to any information developed or discovered by an **Insured** concerning a **Claim**, **Loss** or a **Pollution Condition** covered under this Policy, whether or not deemed by an **Insured** to be relevant to such **Loss** and to provide the Company access to interview any **Insured** and review any documents of an **Insured**.
- B. **Acknowledgment of Shared Limits** - By acceptance of this Policy, the **Named Insureds** and all other **Insureds** understand, agree and acknowledge that the Policy contains a "Policy Aggregate Limit" as set forth in Item 4. of the Declarations that is applicable to, and will be shared by, all **Named Insureds** and all other **Insureds** who are or may become insured hereunder. In view of the operation and nature of such shared "Policy Aggregate Limit", the **Named Insureds** and all other **Insureds** understand and agree that prior to filing a **Claim** or giving notice of a **Pollution Condition**, **Interruption** or incurring **Emergency Response Costs** under the Policy, the Policy Aggregate Limit may be exhausted or reduced by prior payments for other **Loss** under the Policy.
- C. **Action Against Company** - No third-party action shall lie against the Company, unless as a condition precedent thereto there shall have been full compliance with all of the terms of this Policy, nor until the amount of the **Insured's** obligation to pay shall have been finally determined either by judgment against the **Insured** after actual trial or by written agreement of the **Insured**, the claimant and the Company.

Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this Policy to the extent of the insurance afforded by the Policy. No person or organization shall have any right under this Policy to join the Company as a party to any action against the **Insured** to determine the **Insured's** liability, nor shall the Company be impleaded by the **Insured** or its legal representative. Bankruptcy or insolvency of the **Insured** or of the **Insured's** estate shall not relieve the Company of any of its obligations hereunder.

- D. **Addition of Named Insureds** - The Company agrees that upon the written request of the **Named Insured** first listed in Item 1. of the Declarations, the Company shall add to the Policy as a **Named Insured** any subsequent purchaser of an **Insured Property(ies)** if such purchase is finalized during the **Policy Period** and provided:

- 1. There is not a proposed change in use or operations at an **Insured Property(ies)** that is different than the use or operations at the **Insured Property(ies)** at the **Inception Date** or those otherwise

consented to by the Company in writing; and

2. The purchaser has no actual, alleged or potential legal liability prior to the time of purchase for a **Pollution Condition** on, under or migrating from or through the **Insured Property**; and
3. The purchaser has no prior affiliation of any kind with the **Insured Property**; and
4. Notice of the finalization of the purchase of the **Insured Property** is given to the Company prior to a **Claim** or **Loss** involving the such subsequent purchaser; and
5. The purchaser of an **Insured Property** added as a **Named Insured** shall only be covered as a **Named Insured** for liability arising out of the ownership, operation, maintenance or use of such **Insured Property**; and
6. The addition of any purchaser as a **Named Insured** shall not affect the rights and duties of the **Named Insured** first listed in Item 1. of the Declarations and shall not be effective until endorsed onto the Policy.

- E. Arbitration** - It is hereby understood and agreed that all disputes or differences that may arise under or in connection with this Policy, whether arising before or after termination of this Policy, including any determination of the amount of **Loss**, may be submitted to the American Arbitration Association under and in accordance with its then prevailing commercial arbitration rules. The arbitrators shall be chosen in the manner and within the time frames provided by such rules. If permitted under such rules, the arbitrators shall be three disinterested individuals having knowledge of the legal, corporate management, or insurance issues relevant to the matters in dispute.

Any party may commence such arbitration proceeding and the arbitration shall be conducted in the **Insured's** state of domicile. The arbitrators shall give due consideration to the general principles of the law of the **Insured's** state of domicile in the construction and interpretation of the provisions of this Policy; provided, however, that the terms, conditions, provisions and exclusions of this Policy are to be construed in an evenhanded fashion as between the parties. Where the language of this Policy is alleged to be ambiguous or otherwise unclear, the issue shall be resolved in the manner most consistent with the relevant terms, conditions, provisions or exclusions of the Policy (without regard to the authorship of the language, the doctrine of reasonable expectation of the parties and without any presumption or arbitrary interpretation or construction in favor of either party or parties, and in accordance with the intent of the parties).

The written decision of the arbitrators shall set forth its reasoning, shall be provided simultaneously to both parties and shall be binding on them. The arbitrators' award shall not include attorney fees or other costs. Judgment on the award may be entered in any court of competent jurisdiction. Each party shall bear equally the expenses of the arbitration.

- F. Assignment** - This Policy may be assigned with the prior written consent of the Company, which consent shall not be unreasonably withheld or delayed. Assignment of interest under this Policy shall not bind the Company until its consent is endorsed thereon.
- G. Cancellation** - This Policy may be cancelled by the **Named Insured** by surrender thereof to the Company or any of its authorized agents or by mailing to the Company written notice stating when thereafter the cancellation shall be effective. This Policy may be cancelled by the Company only for the reasons stated below by mailing to the **Named Insured** at the address shown in the Policy, written notice stating when not less than ninety (90) days (ten (10) days for nonpayment of premium) thereafter such cancellation shall be effective. Proof of mailing of such notice shall be sufficient proof of notice.

1. Material misrepresentation by the **Insured**.
2. The **Insured's** failure to comply with the material terms, conditions or contractual obligations under this Policy, including failure to pay any premium or Deductible when due. However, the **Insured** shall have the ability, within the first thirty (30) days (ten (10) days for non-payment of premium) of the ninety (90) day notice period stated above, to cure such failure to comply with the material terms, conditions or contractual obligations. The determination of whether or not the **Insured** has cured any such failure is within the sole discretion of the Company.

3. A change in use or a change in operations which is different from the uses or operations identified in writing by the **Insured** to the Company during the underwriting process or in the application and which materially increases a risk covered hereunder. Solely with respect to this Paragraph 3. and solely with respect to such change in use or change in operations on or under a particular **Insured Property(ies)**, the Company shall have the right to cancel coverage only with respect to that **Insured Property(ies)** where such change in use or operations has taken place.

The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the **Policy Period**. Delivery of such written notice either by the **Named Insured** or by the Company shall be equivalent to mailing. If the **Named Insured** cancels, earned premium shall be computed in accordance with the customary short rate table and procedure. If the Company cancels, earned premium shall be computed pro-rata. Premium adjustment may be either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

- H. **Changes** - Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this Policy or estop the Company from asserting any rights under the terms of this Policy; nor shall the terms of this Policy be waived or changed, except by endorsement issued by the Company to form a part of this Policy.
- I. **Concealment or Fraud** - This entire Policy shall be void if, whether before or after **Loss** is incurred or a **Claim** is first made, the **Named Insured** has willfully concealed or misrepresented: (i) any fact or circumstance material to the granting of coverage under this Policy; (ii) the description of the **Insured Property(ies)** or the interest of the **Insured** therein; or (iii) any of the **Insured's** operations.
- J. **Condition of Payment** - The Company shall not be deemed to provide cover and the Company shall not be liable to pay any **claim** or provide any benefit hereunder to the extent that the provision of such cover, payment of such **claim** or provision of such benefit would expose the Company, our parent company or its ultimate controlling entity to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union or the United States of America.
- K. **Cooperation** - The **Insured** shall cooperate with the Company and offer all reasonable assistance in the investigation and defense of **Claims** and the clean up and mitigation of a **Pollution Condition**. The Company may require that the **Insured** submit to examination under oath, and attend hearings, depositions and trials. In the course of investigation or defense, the Company may require written statements or the **Insured's** attendance at meetings with the Company. The **Insured** must assist the Company in effecting settlement, securing and providing evidence and obtaining the attendance of witnesses.
- L. **Independent Counsel** - In the event the **Insured** is entitled by law to select independent counsel to oversee the Company's defense of a **Claim** at the Company's expense, the attorney fees and all other expenses the Company must pay to that counsel are limited to the rates the Company would actually pay to counsel that the Company retains in the ordinary course of business in the defense of similar **Claims** in the community where the **Claim** arose or is being defended.

Additionally, the Company may exercise the right to require that such counsel have certain minimum qualifications with respect to their competency, including experience in defending **Claims** similar to the one pending against the **Insured**, and to require such counsel to have errors and omissions insurance coverage. As respects any such counsel, the **Insured** agrees that counsel will timely respond to the Company's request for information regarding the **Claim**.

Furthermore, the **Insured** may at any time, by the **Insured's** signed consent, freely and fully waive these rights to select independent counsel.

- M. **Other Insurance** - Where other insurance may be available for **Loss** covered under this Policy, the **Insured** shall promptly upon request of the Company provide the Company with copies of all such policies. If other valid and collectible insurance is available to the **Insured** for **Loss** covered by this Policy, the Company's obligations are limited as follows:
 1. Except as set forth in Paragraph 3. below, this insurance is primary, and the Company's obligations are not affected unless any of the other insurance is also primary. In that case, the Company will share with all such other insurance by the method described in Paragraph 2. below.

2. If all of the other insurance permits contribution by equal shares, the Company 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, the Company 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.
3. Solely with respect to **Clean-Up Costs, Claims or Loss** arising in whole or in part from a **Pollution Condition** due to **Microbial Matter** and/or *Legionella pneumophila*, this insurance is excess of any other valid and collectible insurance. Where this insurance is excess insurance, the Company will pay only its share of the amount of **Loss**, if any, that exceeds the total amount of such other insurance.

N. Reduction of Interruption Expenses - If the **Insured** could reduce the **Interruption Expenses** resulting from an **Interruption**:

1. By complete or partial resumption of operations; or
2. By making use of other property at the **Insured Property**, or elsewhere,

such reductions shall be taken into account in arriving at **Interruption Expenses**. In determining the amount of **Interruption Expenses** payable under Section I. **INSURING AGREEMENTS, 1 COVERAGES, COVERAGE J - BUSINESS INTERRUPTION EXPENSES**, due consideration shall be given to the financial performance of the business before the **Interruption** and the financial performance thereafter had no **Interruption** occurred.

O. Representations - By acceptance of this Policy, the **Named Insured** agrees that the statements in the Declarations and the Application are their agreements and representations, that this Policy is issued in reliance upon the truth of such representations and that this Policy embodies all agreements existing between the **Insured** and the Company or any of its agents relating to this insurance.

P. Right of Access and Inspection - To the extent an **Insured** has such rights, any of the Company's authorized representatives shall have the right and opportunity but not the obligation to interview persons employed by the **Insured** and to inspect at any reasonable time, during the **Policy Period** or thereafter, an **Insured Property** or any other location, facility or item associated with a **Claim, Loss or Pollution Condition**. Neither the Company nor its representatives shall assume any responsibility or duty to the **Insured** or to any other party, person or entity, by reason of such right or inspection. Neither the Company's right to make inspections, sample and monitor, nor the actual undertaking thereof nor any report thereon shall constitute an undertaking on behalf of the **Insured** or others, to determine or warrant that the property or operations are safe, healthful or conform to acceptable engineering practices or are in compliance with any law, rule or regulation. The **Named Insured** agrees to provide appropriate personnel to assist the Company's representatives during any inspection.

Q. Separation of Insureds - It is hereby agreed that except with respect to the Limit of Liability, Section II. 1.I. (Insured vs. Insured exclusion), and any rights and duties specifically assigned to the first **Named Insured**, this insurance applies: 1. As if each **Named Insured** were the only **Named Insured**; and 2. Separately to each **Named Insured** against whom a **Claim** is made. Misrepresentation, concealment, breach of a term or condition, or violation of any duty under this Policy by one **Named Insured** shall not prejudice the interest of coverage for another **Named Insured** under this Policy. Provided, however, that this Condition shall not apply to any entity or person who is a parent, subsidiary, affiliate, director, officer, partner, member or employee of the **Named Insured** that misrepresented, concealed or breached a term or condition, or violated a duty under this Policy. For the purposes of this Condition, an "affiliate" means an entity that directly or indirectly is controlled by or is under common control with the **Named Insured** that committed such misrepresentation, concealment or breach.

R. Subrogation - In the event of any payment under this Policy, the Company shall be subrogated to all the **Insured's** rights of recovery therefor against any third party and the **Insured** shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights including without limitation, assignment of the **Insured's** rights against any person or organization who caused the **Pollution Condition** on account of which the Company made any payment under this Policy. The

Insured shall do nothing to prejudice the Company's rights under this paragraph subsequent to **Loss**. Any recovery as a result of subrogation proceedings arising out of the payment of **Loss** covered under this Policy shall accrue first to the **Insured** to the extent of any payments in excess of the limit of liability; then to the Company to the extent of its payment under the Policy; and then to the **Insured** to the extent of its Deductible. Expenses incurred in such subrogation proceedings shall be apportioned among the interested parties in the recovery in the proportion that each interested party's share in the recovery bears to the total recovery. Notwithstanding anything to the contrary in this Condition R., the Company hereby expressly waives any rights of subrogation against an entity where such right has been waived in writing by the **Insured** prior to **Loss** or **Claim**.

- S. Voluntary Payments** - No **Insured** shall voluntarily enter into any settlement, or make any payment or assume any obligation, without the Company's consent which shall not be unreasonably withheld, except at the **Insured's** own cost. This Condition shall not apply if such payment or obligation is an **Emergency Response Costs** or is pursuant to **Environmental Laws** that require immediate remediation of a **Pollution Condition**.
- T. Service Of Suit** - Subject to Section **VI. CONDITIONS**, Paragraph E. above, it is agreed that 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 of process in such suit may be made upon General Counsel, Law Department, AIG Specialty Insurance Company, 175 Water Street, New York, New York 10038, or his or her representative, and that in any suit instituted against the Company upon this contract, the Company will abide by the final decision of such court or of any appellate court in the event of any 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 Superintendent, Commissioner, Director of Insurance, or other officer specified for that purpose in the statute, or his or her 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 contract 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.

VII. EXTENDED REPORTING PERIOD FOR CLAIMS - COVERAGES A THROUGH I

The **Named Insured** shall be entitled to an Automatic **Extended Reporting Period**, and (with certain exceptions as described in Paragraph B. of this Section) be entitled to purchase an Optional **Extended Reporting Period** for Coverages A through I collectively, upon termination of coverage as defined in Paragraph B.3. of this Section. If the **Named Insured** renews this Policy, the **Named Insured** shall be entitled to an Automatic Renewal **Extended Reporting Period** (as described in Paragraph C. below). Neither the Automatic, the Optional or the Automatic Renewal **Extended Reporting Period** shall reinstate or increase any of the limits of liability of this Policy.

A. Automatic Extended Reporting Period

Provided (i) that the **Named Insured** has not renewed this policy or purchased any other insurance to replace this insurance which applies to a **Claim** otherwise covered hereunder and (ii) the **Named Insured** has not purchased the Optional **Extended Reporting Period** available under Paragraph B. of this Section, the **Named Insured** shall have the right to the following: a period of ninety (90) days following the effective date of such termination of coverage in which to provide written notice to the Company of **Claims** first made against the **Insured** during the **Policy Period**.

A **Claim** first made against the **Insured** and reported to the Company within the Automatic **Extended Reporting Period** will be deemed to have been made and reported on the last day of the **Policy Period**, provided that the **Claim** arises from a **Pollution Condition** that commenced before the end of the **Policy Period** and is otherwise covered by this Policy. No part of the Automatic **Extended Reporting Period** shall apply if the Optional **Extended Reporting Period** is purchased.

B. Optional Extended Reporting Period

The **Named Insured** shall be entitled to purchase an Optional **Extended Reporting Period** upon termination of coverage as defined herein (except in the event of nonpayment of premium), as follows:

1. A **Claim** first made against the **Insured** and reported to the Company within the Optional **Extended Reporting Period**, if purchased in accordance with the provisions contained in Paragraph 2. below, will be deemed to have been made and reported on the last day of the **Policy Period**, provided that the **Claim** arises from a **Pollution Condition** that commenced before the end of the **Policy Period** and is otherwise covered by this Policy.
2. The Company shall issue an endorsement providing an Optional **Extended Reporting Period** of up to forty (40) months from termination of coverage hereunder for all **Insured Property(ies)** and **Non-Owned Locations**, if applicable, or any specific **Insured Property** or **Non-Owned Location**, provided that the **Named Insured**:
 - (a) makes a written request for such endorsement which the Company receives within thirty (30) days after termination of coverage as defined herein; and
 - (b) pays the additional premium when due. If that additional premium is paid when due, the **Extended Reporting Period** may not be cancelled, provided that all other terms and conditions of the Policy are met.
3. Termination of coverage occurs at the time of cancellation or nonrenewal of this Policy by the **Named Insured** or by the Company, or at the time of the Company's deletion of a location which previously was an **Insured Property** or **Non-Owned Location**.
4. The Optional **Extended Reporting Period** is available to the **Named Insured** for not more than 200% of the full Policy premium stated in the Declarations.

C. Automatic Renewal Extended Reporting Period

Provided that the **Named Insured** has renewed this Policy with the Company or an affiliate of the Company, the **Named Insured** shall have the right to the following: a period of ninety (90) days following the expiration of the **Policy Period** in which to provide written notice to the Company of **Claims** first made against the **Insured** within ninety (90) days prior to the expiration of the **Policy Period**.

A **Claim** first made against the **Insured** within ninety (90) days prior to the expiration of the **Policy Period** and reported to the Company within the Renewal **Extended Reporting Period** will be deemed to have been made and reported on the last day of the **Policy Period** of this Policy.

VIII. DEFINITIONS

A. Actual Loss means the:

1. Net profit or loss before income taxes the **Insured** would have earned or incurred had there been no **Interruption**; and
2. Continuing normal operating expenses incurred during the **Period of Restoration**, including payroll expense for all employees of the **Insured**, except officers, executives, department managers and employees under contract.

B. Bodily Injury means:

1. Physical injury, sickness or disease sustained by any person, including death resulting therefrom and solely with respect to this item B.1, any accompanying medical monitoring; or
2. Mental anguish, emotional distress, or shock.

C. Cargo means goods, products, or waste transported for delivery by the **Named Insured** or by a carrier on behalf of the **Named Insured** provided the **Named Insured** or carrier is properly licensed to transport such goods, products, or waste.

- D. Certified Industrial Hygienist** means a licensed professional as established by the American Board of Industrial Hygiene, mutually agreed upon by the Company and the **Named Insured**. The Company may also exercise the right to require that such **Certified Industrial Hygienist** have certain minimum qualifications with respect to his or her competency, including experience with similar **Microbial Matter** remediation.
- E. Claim** means a written demand received by the **Insured** alleging liability or responsibility and seeking a remedy on the part of the **Insured** for **Loss** under Coverages A through I. For purposes of this Policy, a **Claim** does not include a **Possible Claim** that was reported under a prior policy but which has become a **Claim** during the **Policy Period** of this Policy as described in Section III. B.
- F. Clean-Up Costs** means reasonable and necessary expenses, including legal expenses incurred with the Company's written consent which consent shall not be unreasonably withheld or delayed, for the investigation, removal, treatment including in-situ treatment, remediation including associated monitoring, or disposal of soil, surfacewater, groundwater, **Microbial Matter**, Legionella pneumophila, or other contamination:
1. To the extent required by **Environmental Laws** or required to satisfy a **Voluntary Cleanup Program**; or
 2. With respect to **Microbial Matter**, in the absence of any applicable **Environmental Laws**, to the extent recommended in writing by a **Certified Industrial Hygienist**; or
 3. With respect to Legionella pneumophila, in the absence of any applicable **Environmental Laws**, to the extent required in writing by the Center for Disease Control or local health department; or
 4. That have been actually incurred by the government or any political subdivision of the United States of America or any state thereof or Canada or any province thereof, or by third parties.
- Clean-Up Costs** also include **Restoration Costs**.
- G. Continuity Date** means the date stated in Item 8. of the Declarations.
- H. Covered Operations** means those activities performed for a third party for a fee by or on behalf of the **Named Insured** at a job site. **Covered Operations** does not include: (i) **Transportation** or the movement of any material by a conveyance beyond the boundaries of a job site; or (ii) those activities performed at any real property which is owned, leased, rented or managed by the **Insured**.
- I. Each Incident** means the same, related, or continuous **Pollution Condition**.
- J. Emergency Response Costs** means reasonable and necessary expenses, including legal expenses incurred with the Company's written consent which consent shall not be unreasonably withheld or delayed, incurred in the remediation of soil, surfacewater, groundwater or other contamination that must be incurred:
1. In response to a **Pollution Condition** that necessitates immediate action; and
 2. Within ninety-six (96) hours of the first commencement of such **Pollution Condition**; or as approved by the Company in writing.
- K. Environmental Laws** means any federal, state, provincial or local laws (including, but not limited to, statutes, rules, regulations, ordinances, guidance documents, and governmental, judicial or administrative orders and directives) that are applicable to the **Pollution Condition**.
- L. Extended Reporting Period** means either the automatic additional period of time, the optional additional period of time or the automatic renewal additional period of time, whichever is applicable, in which to report **Claims** following termination or renewal of coverage, as described in Section VII. of this Policy.
- M. Extra Expense** means necessary expenses the **Insured** incurs during the **Period of Restoration**:
1. That would not have been incurred if there had not been an **Interruption**; and

2. That avoid or minimize an **Interruption**;

but only to the extent such expenses reduce **Actual Loss** or loss of **Rental Value**, whichever is applicable, otherwise covered under this Policy.

Extra Expense will be reduced by any salvage value of property obtained for temporary use during the **Period of Restoration** that remains after the resumption of normal operations.

N. Inception Date means the first date set forth in Item 2. of the Declarations.

O. Insured means the **Named Insured**, and any past or present director, officer, partner, member, manager or employee thereof, including a temporary or leased employee, while acting within the scope of his or her duties as such.

P. Insured Contract means a contract or agreement submitted to and approved by the Company, and scheduled on an Insured Contract Endorsement attached to this Policy.

Q. Insured's Products means goods or products manufactured, sold, handled or distributed by the **Insured** or others trading under the **Insured's** name, and includes containers (other than automobiles, rolling stock, vessels or aircraft), materials, parts or equipment furnished in connection therewith, and includes warranties or representations made at any time with respect to the fitness, quality, durability, performance or use thereof, or the failure to provide warnings or instructions.

R. Insured Property means each of the locations identified in Item 5. of the Declarations.

S. Interruption means the necessary suspension of the **Named Insured's** business operations at an **Insured Property** during the **Period of Restoration**.

T. Interruption Expenses means **Actual Loss** or loss of **Rental Value**, and **Extra Expense**.

U. Loss means, under the applicable Coverages:

1. Monetary awards or settlements of compensatory damages; where allowable by law, punitive, exemplary, or multiple damages; and civil fines, penalties, or assessments for **Bodily Injury** or **Property Damage**;
2. Costs, charges and expenses incurred in the defense, investigation or adjustment of **Claims** for such compensatory damages or punitive, exemplary or multiple damages, and civil fines, penalties or assessments, or for **Clean-Up Costs**;
3. **Clean-Up Costs**;
4. **Interruption Expenses**; or
5. **Emergency Response Costs**.

V. Mediation means an alternative non-binding dispute resolution process involving a neutral third party.

W. Microbial Matter means fungi, mold or mildew.

X. Named Insured means: (i) the entity named in Item 1. of the Declarations; and (ii) any and all corporations, partnerships, companies or other entities as have existed at any time, or as now or may hereafter exist during the **Policy Period** and in which the entity named in Item 1. of the Declarations did or does have more than a 50% ownership interest but, with respect to such corporations, partnerships, companies or other entities, solely with respect to liability arising out of the ownership, operation, maintenance or use of an **Insured Property(ies)**.

The first **Named Insured** designated in Item 1. of the Declarations will act on behalf of all other **Insureds**, if any, for the payment or return of any premium, payment of any deductible, receipt and acceptance of any endorsement issued to form a part of this Policy, giving and receiving notice of cancellation or nonrenewal, and the exercise of the rights provided in the **Extended Reporting Period** clause.

Y. Natural Resource Damage means physical injury to or destruction of, including the resulting loss of value of, land, fish, wildlife, biota, air, water, groundwater, drinking water supplies, and other such resources belonging to, managed by, held in trust by, appertaining to, or otherwise controlled by the United States (including the resources of the fishery conservation zone established by the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1801 et seq.)), any state or local government, any foreign government, any Indian tribe, or, if such resources are subject to a trust restriction on alienation, any member of an Indian tribe.

Z. Non-Owned Location means:

1. A site that is not owned or operated by the **Insured** and that is scheduled on a Non-Owned Covered Locations Schedule Endorsement attached to this Policy; or
2. All waste treatment, waste storage or waste disposal facilities utilized by or on behalf of the **Named Insured** for waste generated from an **Insured Property**, provided that (i) the **Pollution Condition** first commenced on or after the **Continuity Date** shown in Item 8. of the Declarations; and (ii) as of the date that the waste was delivered to the treatment, storage or disposal facility, such facilities:
 - (a) Are located within the United States, its territories or possessions;
 - (b) Are not owned, operated or managed by the **Named Insured**;
 - (c) Are properly licensed to accept and dispose of such waste;
 - (d) Are not listed, are not proposed for listing and have never been listed on the federal National Priorities List (Superfund), State equivalent list, or local equivalent list;
 - (e) Are not subject to, and have not been subject to in the prior five years, a Federal information request under Section 104(e) of the Comprehensive Environmental Response, Compensation, and Liability Act or Section 3007(a) of the Resource Conservation and Recovery Act, or a State or Local equivalent request; and
 - (f) Are not owned or operated by a bankrupt or financial insolvent entity

AA. Period of Restoration means the length of time as would be required with the exercise of due diligence and dispatch to restore the **Insured Property** to a condition that allows the resumption of normal business operations, commencing with the date operations are interrupted by a **Pollution Condition** and not limited by the date of expiration of the **Policy Period**. The **Period of Restoration** does not include any time caused by the interference by an **Insured** with restoring the property, or with the resumption or continuation of operations.

BB. Policy Period means the period set forth in Item 2. of the Declarations, or any shorter period arising as a result of:

1. Cancellation of this Policy; or
2. With respect to particular **Insured Property(s)** or **Non-Owned Location(s)** designated in the Declarations, the deletion of such location(s) from this Policy.

CC. Pollution Condition means:

1. The discharge, dispersal, release or escape; or
2. The illicit abandonment on or after the **Inception Date** by a third party without the **Insured's** consent,

of any solid, liquid, gaseous or thermal irritant or contaminant, including, but not limited to, smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, hazardous substances, low-level radioactive material, electromagnetic fields, medical waste including infectious and pathological waste and waste materials into or upon land, or any structure on land, the atmosphere or any watercourse or body of water, including groundwater, provided such conditions are not naturally present in the environment in the amounts or concentrations discovered. **Pollution Condition** also means *Legionella pneumophila* or **Microbial Matter** in any structure on land and the atmosphere contained

within that structure, provided that such **Pollution Condition** commences on or after the Indoor Air Quality Retroactive Date shown in Item 7. of the Declarations Page.

DD. Possible Claim means a **Pollution Condition** that first commenced on or after the **Inception Date** that the **Insured** reasonably expects may result in a **Claim**; provided, however, that **Possible Claim** shall not include a **Pollution Condition** that results in a **Claim** during the **Policy Period** or that is discovered and reported to the Company during the **Policy Period** under Coverage A., Paragraph 1. or Coverage B., Paragraph 1. and results in **Clean-Up Costs** covered by this Policy.

EE. Property Damage means:

1. Physical injury to or destruction of tangible property of parties other than an **Insured**, including the resulting loss of use and, except with respect to tangible property located on an **Insured Property**, diminution in value thereof;
2. Loss of use, but not diminution in value, of tangible property of parties other than an **Insured** that has not been physically injured or destroyed; or

3. **Natural Resource Damage**.

Property Damage does not include **Clean-Up Costs**.

FF. Rental Value means the:

1. Total anticipated rental income from tenant occupancy of the **Insured Property** as furnished and equipped by the **Insured**;
2. Amount of all charges that are the legal obligation of the tenant(s) pursuant to a lease and that would otherwise be the **Insured's** obligations; and
3. Fair rental value of any portion of the **Insured Property** that is occupied by the **Insured** during the **Period of Restoration**, less any rental income the **Insured** could earn:
 - (a) By complete or partial rental of the **Insured Property**; or
 - (b) By making use of other property on the **Insured Property** or elsewhere.

GG. Responsible Insured means (i) the manager or supervisor of the **Named Insured** responsible for environmental affairs, control or compliance; or (ii) any manager of the **Insured Property**; or (iii) any manager or supervisor responsible for the **Named Insured's Covered Operations**; or (iv) any officer, director, partner or member of the **Named Insured**.

HH. Restoration Costs means reasonable and necessary costs incurred by the **Insured** with the Company's written consent, which consent shall not be unreasonably withheld or delayed, to repair, replace or restore real or personal property, that is damaged during work performed in the course of incurring **Clean-Up Costs** whether or not such property is also damaged by the **Pollution Condition**, to substantially the same condition it was in prior to being damaged during work performed in the course of incurring **Clean-Up Costs**.

Restoration Costs shall not include costs associated with improvements or betterments, except to the extent that such improvements or betterments of the damaged property entail the use of materials which are environmentally preferable to those materials which comprised the damaged property. Such environmentally preferable material must be certified as such by an applicable independent certifying body, where such certification is available, or, in the absence of such certification, based on the judgment of the Company in its sole discretion.

II. Transportation means the movement of **Cargo** by a conveyance, from the place where it is accepted for transport until it is moved:

1. To the place where the carrier finally delivers it; or

2. In the case of waste, to a waste disposal facility to which the carrier delivers such waste.

Transportation includes the carrier's loading or unloading of **Cargo** onto or from a conveyance, provided that the loading or unloading is performed by or on behalf of the **Named Insured**.

Transportation does not include **Cargo** in storage off-loaded from the conveyance transporting it.

JJ. Underground Storage Tank means any one or combination of tanks, including underground pipes connected thereto, that has at least ten (10) percent of its volume beneath the surface of the ground. **Underground Storage Tank** does not include:

1. Septic tanks, sump pumps or oil/water separators;
2. A tank that is enclosed within a basement, cellar, shaft or tunnel, if the tank is upon or above the surface of the floor; or
3. Storm-water or wastewater collection systems.

KK. Voluntary Cleanup Program means a program of the United States or a state of the United States enacted pursuant to **Environmental Laws** which provides for a mechanism for the written approval of, or authorization to conduct, voluntary remedial action for the cleanup, removal or remediation of a **Pollution Condition** that exceeds actionable levels established pursuant to **Environmental Laws**.

LL. Nuclear Material means Source Material, Special Nuclear Material or By-Product Material as defined in the Atomic Energy Act.

The remainder of this page has been intentionally left blank. Policy Signature Page shall immediately follow.

POLICY SIGNATURE PAGE

This Policy Signature Page,

forms a part of Policy No: PLS 23062202

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



Secretary
AIG Specialty Insurance Company



President
AIG Specialty Insurance Company

This Policy shall not be valid unless signed at the time of issuance by an authorized representative of the Insurer, either below or on the Declarations page of the Policy.



Authorized Representative

AIG

NOTICE OF LOSS/NOTICE OF CLAIM

INSTRUCTIONS: PLEASE ATTACH ALL CORRESPONDENCE RELATING TO THIS NOTICE OF LOSS AND MAIL COPIES OF THIS NOTICE TO EACH ADDRESS BELOW:

Manager, Pollution Insurance Products Dept.
AIG Property Casualty Claims, Inc.
Attn.: CID
101 Hudson Street, 31st Floor
Jersey City, NJ 07302
Fax: 866-260-0104
Email: severityfnol@aig.com

Date of Notice: _____

NAMED INSURED: PHOSPHATE HOLDINGS, INC.

Telephone: () _____

Contact: _____

ADDRESS OF INSURED: 601 INDUSTRIAL ROAD
PO BOX 848
PASCAGOULA, MS 39568

BROKER NAME: ARTHUR J GALLAGHER RISK MNGT SERV INC

Telephone: () _____

Contact: _____

ADDRESS OF BROKER: 2 WESTCHESTER PARK DR, 3RD FLOOR
WHITE PLAINS, NY 10604

POLICY INFORMATION:

Policy Number: PLS 23062202

Policy Period: From: December 22, 2014

To: December 22, 2015

Loss Information:

Loss Location: _____

Date and Description Of Loss: _____

For AIG Use Only:

Date Claim Notice Received: _____

Date of Claim: _____

Company/Person Filing Suit (if applicable): _____

NOTE: Any person who knowingly files a Statement of Claim containing any false or misleading information is subject to criminal and civil penalties.

ENDORSEMENT NO. 1

This endorsement, effective 12:01 AM, December 22, 2014

Forms a part of Policy No: PLS 23062202

Issued to: PHOSPHATE HOLDINGS, INC.

By: AIG SPECIALTY INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CARGO COVERAGE ENDORSEMENT

It is hereby agreed that Section **VIII. DEFINITIONS**, Paragraph **C. Cargo** is deleted in its entirety and replaced with the following:

- C. Cargo** means goods, products, or waste transported for delivery to or from an **Insured Property** by the **Named Insured** or by a carrier on behalf of the **Named Insured** provided the **Named Insured** or carrier is properly licensed to transport such goods, products, or waste.

All other terms, conditions, and exclusions shall remain the same.



AUTHORIZED REPRESENTATIVE
or countersignature (in states where applicable)

ENDORSEMENT NO. 2

This endorsement, effective 12:01 AM, December 22, 2014

Forms a part of Policy No: PLS 23062202

Issued to: PHOSPHATE HOLDINGS, INC.

By: AIG SPECIALTY INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

100% MINIMUM EARNED PREMIUM ENDORSEMENT

It is hereby agreed that:

1. The following minimum earned premium applies:

Inception Date	Minimum Earned Premium	100 %
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2. Section **VI. CONDITIONS**, Paragraph **G. Cancellation** is deleted in its entirety and replaced with the following:

G. Cancellation - This Policy may be cancelled by the **Named Insured** by surrender thereof to the Company or any of its authorized agents or by mailing to the Company written notice stating when thereafter the cancellation shall be effective. This Policy may be cancelled by the Company only for the reasons stated below by mailing to the **Named Insured** at the address shown in the Policy, written notice stating when not less than ninety (90) days (ten (10) days for nonpayment of premium) thereafter such cancellation shall be effective. Proof of mailing of such notice shall be sufficient proof of notice.

1. Material misrepresentation by the **Insured**;
2. The **Insured's** failure to comply with the material terms, conditions or contractual obligations under this Policy, including failure to pay any premium or Deductible when due. However, the **Insured** shall have the ability, within the first thirty (30) days (ten (10) days for non-payment of premium) of the ninety (90) day notice period stated above, to cure such failure to comply with the material terms, conditions or contractual obligations. The determination of whether or not the **Insured** has cured any such failure is within the sole discretion of the Company.
3. A change in use or a change in operations which is different from the uses or operations identified in writing by the **Insured** to the Company during the underwriting process or in the application and which materially increases a risk covered hereunder. Solely with respect to this Sub-paragraph 3. and solely with respect to such change of use or change in operations on or under a particular **Insured Property(ies)**, the Company shall have the right to cancel coverage only with respect to that **Insured Property(ies)** where such change in use or operations has taken place.

The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the **Policy Period**. Delivery of such written notice either by the **Named Insured** or by the Company shall be equivalent to mailing. If the **Named Insured** cancels, no return premium will be calculated and the premium shall be 100% earned at the **Inception Date**. If the Company cancels, earned premium shall be computed on a pro rata basis. Premium adjustment may be either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

All other terms, conditions, and exclusions shall remain the same.



AUTHORIZED REPRESENTATIVE
 or countersignature (in states where applicable)

ENDORSEMENT NO.3

This endorsement, effective 12:01 AM, December 22, 2014

Forms a part of Policy No: PLS 23062202

Issued to: PHOSPHATE HOLDINGS, INC.

By: AIG SPECIALTY INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CRISIS RESPONSE[®] AND CRISIS MANAGEMENT ENDORSEMENT

It is hereby agreed that:

1. The following is added to Section I. **INSURING AGREEMENTS, 1. COVERAGES:**

CRISISRESPONSE[®] AND CRISIS MANAGEMENT

1. Advancement of CrisisResponse[®] Costs during a Crisis Management Event

The Company will pay **CrisisResponse[®] Costs** on behalf of the **Insured** that may be associated with **Loss** covered by this Policy arising from a **Crisis Management Event** first commencing during the **Policy Period**.

The Company will advance **CrisisResponse[®] Costs** that may be associated with **Loss** covered by this Policy directly to third parties.

2. Crisis Management Insurance

The Company will pay **Crisis Management Loss** on behalf of the **Insured** arising from a **Crisis Management Event** first commencing during the **Policy Period**.

A **Crisis Management Event** shall first commence at the time during the **Policy Period** when a **Responsible Insured** first becomes aware of a **Pollution Condition** that gives rise to a **Crisis Management Event** and shall end at the earliest of the time when the Company determines that a crisis no longer exists or when the CrisisResponse[®] limit of insurance and/or the crisis management limit of insurance, whichever applies, as described in Section V. **LIMITS OF LIABILITY AND DEDUCTIBLE**, as amended by this Endorsement, has been exhausted.

3. Any advancement of **CrisisResponse[®] Costs** or payment of **Crisis Management Loss** that the Company makes under the coverage provided by this coverage section will not be a determination of the Company's obligations under this Policy, nor create any duty to defend any **Claim** under any other part of this Policy.

2. The following are added to Section **VIII. DEFINITIONS:**

Crisis Management Event means an event that in the good faith opinion of a **Responsible Insured**, in the absence of **Crisis Management Services**, has been associated with or may reasonably be associated with:

1. **Loss** covered by this Policy; and
2. Significant adverse regional or national news media coverage.

Crisis Management Firm means any public relations firm or crisis management firm approved by the Company that is hired by the **Insured** to perform **Crisis Management Services** in connection with a **Crisis Management Event**. Attached to and forming a part of this Policy is a Schedule of firms that have been pre-approved by the Company and may be hired by the **Insured** without further approval by the Company.

ENDORSEMENT NO. 3 CONTINUED

Crisis Management Loss means the following amounts incurred during a **Crisis Management Event**:

1. Amounts for the reasonable and necessary fees and expenses incurred by a **Crisis Management Firm** in the performance of **Crisis Management Services** for the **Insured** solely arising from a covered **Crisis Management Event**; and
2. Amounts for reasonable and necessary printing, advertising, mailing of materials, or travel by the **Named Insured's** directors, officers, employees or agents or a **Crisis Management Firm** incurred at the direction of a **Crisis Management Firm**, solely arising from a covered **Crisis Management Event**.

Crisis Management Services means those services performed by a **Crisis Management Firm** in advising the **Insured** on minimizing potential harm to the **Insured** from a covered **Crisis Management Event** by maintaining and restoring public confidence in the **Insured**.

CrisisResponse[®] Costs means the following reasonable and necessary expenses incurred during a **Crisis Management Event** directly caused by a **Crisis Management Event**, provided that such expenses have been pre-approved by the Company and may be associated with **Loss** that would be covered by this Policy:

1. Medical expenses;
2. Funeral expenses;
3. Psychological counseling;
4. Travel expenses;
5. Temporary living expenses;
6. Expenses to secure the scene of a **Crisis Management Event**; and
7. Any other expenses pre-approved by the Company.

CrisisResponse[®] Costs does not include defense costs or **Crisis Management Loss**.

3. The following is added to the end of Section **V. LIMITS OF LIABILITY AND DEDUCTIBLE**, Paragraph **F. Deductible**:

Crisisresponse[®] And Crisis Management

Subject to Paragraphs V.A. through V.E. above, this Policy is to pay covered **CrisisResponse[®] Costs** and/or **Crisis Management Loss** in excess of the Deductible amount stated in Item 3. of the Declarations, up to but not exceeding the limits set forth in Paragraph V.A. above; provided that payment of Deductible amounts for **CrisisResponse[®] Costs** and/or **Crisis Management Loss** shall erode the Deductible amount applicable to that particular **Each Incident** for all other Coverages under this Policy.

The **Insured** shall promptly reimburse the Company for advancing any element of **Loss** falling within the Deductible.

4. The following is added to the end of Section **V. LIMITS OF LIABILITY AND DEDUCTIBLE**, Paragraph **A. Policy Aggregate Limit**:

The Company's total liability for all **CrisisResponse[®] Costs** and/or **Crisis Management Loss** shall not exceed \$250,000 combined, regardless of the number of **Crisis Management Events** first commencing during the **Policy Period**. The Company will have no obligation to advance **CrisisResponse[®] Costs** or to pay **Crisis Management Loss** from the earliest of the time when the Company determines that a **Crisis**

ENDORSEMENT NO. 3 CONTINUED

Management Event has ended or when this \$250,000 limit of liability has been exhausted. **CrisisResponse®** Costs and/or **Crisis Management Loss** shall not be included as **Loss** and do not reduce the available Limit of Liability.

5. The following is added to Section III. **NOTICE REQUIREMENTS AND CLAIM PROVISIONS**, Paragraph A. **NOTICE OF A POLLUTION CONDITION, EMERGENCY RESPONSE COSTS, CLAIM OR AN INTERRUPTION:**

5. The **Insured** must report any **Crisis Management Event** to the Company within twenty-four (24) hours of the time that a **Responsible Insured** first becomes aware of a **Pollution Condition** that gives rise to a **Crisis Management Event** or as soon as practicable to be eligible for the advancement of **CrisisResponse®** Costs and the payment of **Crisis Management Loss**.

Notice of a **Crisis Management Event** may be given by calling 1-877-244-3100. If notice is given by telephone, written notice will be given as soon as practicable thereafter. Written notice should include:

- a. How, when and where the **Crisis Management Event** is taking or took place;
 - b. The names and addresses of any injured persons and any witnesses; and
 - c. The nature and location of any injury or damage arising out of the **Crisis Management Event**.
6. There shall be no requirement that the **Insured** obtain prior written approval from the Company before incurring any **Crisis Management Loss**, provided that the **Crisis Management Firm** selected by the **Insured** to perform the **Crisis Management Services** has been approved by the Company. If the **Insured** chooses to retain a firm that does not appear in the Schedule attached to and forming a part of this Policy, the **Insured** must obtain the Company's consent, which shall remain in the Company's sole discretion, prior to retaining the services of such firm.
7. Any payments for **Crisis Management Loss** or advancement of **CrisisResponse®** Costs that the Company makes under this Policy:
- a. Shall not be deemed to be a determination of the insured's liability with respect to any **Claim** or **Loss** under the Policy; and
 - b. Shall not create any duty to defend any **Claim** or to investigate any **Claim** or **Pollution Condition** arising from a **Crisis Management Event**, nor any coverage obligations under this Policy.
8. If the Crisis Management Insurance provided by this Policy and any other insurance issued to the **Named Insured** by the Company or any of its affiliated companies shall apply to the same crisis the maximum limit of insurance under all insurance available shall not exceed the highest applicable limit of insurance available under any one policy or endorsement.
9. In the event of a dispute between the **Insured** and us as to whether a **Crisis Management Event** has occurred, the **Insured** may, at its own cost, retain the services of an approved **Crisis Management Firm** and/or advance **CrisisResponse®** Costs. Provided, however, if the **Insured** elects to retain an approved **Crisis Management Firm** or to advance **CrisisResponse®** Costs, the Company shall have no obligation to reimburse the **Insured** under this Policy for such costs or expenses. The right to reimbursement shall be arbitrated pursuant to the rules of the American Arbitration Association in New York, New York or in the state indicated in Item 1. of the Declarations of this Policy as the address of the **Named Insured**.

All other terms, conditions, and exclusions shall remain the same.



AUTHORIZED REPRESENTATIVE
or countersignature (in states where applicable)

ENDORSEMENT NO. 4

This endorsement, effective 12:01 AM, December 22, 2014

Forms a part of Policy No: PLS 23062202

Issued to: PHOSPHATE HOLDINGS, INC.

By: AIG SPECIALTY INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SCHEDULE OF APPROVED

CRISIS MANAGEMENT FIRMS ENDORSEMENT

It is hereby agreed that the following public relations and non-public relations firms are approved crisis response vendors and are added to Section **VII. DEFINITIONS, Crisis Management Firm:**

FIRM ADDRESS	CONTACT INFORMATION	EMERGENCY TELEPHONE	SERVICES OFFERED
<u>The Abernathy MacGregor Group, Inc.</u>			
501 Madison Ave. New York, NY 10022	Rhonda Barnat Managing Director (212) 371-5999 Office (917) 912-6378 Cell (212) 752-0723 Fax (646) 478-8740 Home rb@abmac.com	(917) 912-6378	Public Relations, Crisis Management services. Serving clients in the US, UK, Germany, France, Italy, Switzerland, The Netherlands, Hong Kong, Spain, Latin America and China.
611 W. Sixth Street, Suite 1880 Los Angeles, CA 90017	Ian D. Campbell Vice Chairman (213) 630-6550 Office (213) 422-7958 Cell (213) 489-3443 Fax (818) 957-5650 Home (818) 541-0954 Home Fax idc@abmac.com	(818) 750-4392 (917) 940-3476	
<u>Ann Barks Public Relations</u>			
896 Cross Gates Boulevard Slidell, LA 70461	Ann W. Barks Owner (985) 847-0750 Direct (985) 290-8304 Cell abarkspr@bellsouth.net	(985) 290-8304	Public Relations, Crisis Management services. Serving clients in the Gulf Coast region (Alabama, Florida, Georgia, Louisiana, Mississippi and Texas).

ENDORSEMENT NO. 4 CONTINUED

Gladstone International, Inc.

1278 Glenneyre St.
Laguna Beach, CA
92651

Joan Gladstone
President and CEO
(949) 475-6979 Office
(949) 475-6978 Fax
(949) 633-9900 Cell
jgladstone@gladstonepr.com

(949) 633-9900

Public Relations,
Crisis Management
services, Media
Training.
Serving the
Western US region.

Bright Light Marketing Group

1001 Bishop Street,
Suite 900
Honolulu, Hawaii
96813-3429

Charlene Lo Chan
Executive Vice President and Chief
Operating Officer
(808) 275-3007 Direct
(808) 524-6441 Office
(808) 781-7733 Cell
(808) 524-8115 Fax
charlene@brightlightmarketing.com

Public Relations, Crisis
Management services.

Serving clients in
Hawaii, Japan,
Taiwan, China,
American Samoa,
Samoa, Federated
States of Micronesia,
Guam, Mariana
Islands, Saipan,
Marshal Islands,
Palau, Kiribati and
South Korea.

Dix & Eaton

200 Public Square
Suite 1400
Cleveland, OH 44114-
2316

Matt Barkett
Managing Director
(216) 241-3073 Direct
(216) 241-0405 Office
(216) 780-7800 Cell
(216) 241-3073 Fax
mbarkett@dix-eaton.com

(216) 241-3073

Public Relations,
Crisis Management
services.

Serving clients in the
Great Lakes region
and the Mid-West US.

Gary Pratt
Senior Vice President
(216) 241-4613 Direct
(216) 241-0405 Office
(440) 477-1278 Cell
gpratt@dix-eaton.com

O'Neil & Associates

31 New Chardon St.
Boston,
Massachusetts 02114

Andrew M. Paven
Senior Vice President
(866) 989-4321 Toll Free
(617) 646-1000 Office
(617) 646-1290 Fax
apaven@oneillandassociates.com

(866) 989-4321

Public Relations, Crisis
Management services.

Serving clients in the
New England region.

ENDORSEMENT NO. 4 CONTINUED

Edelman

200 E. Randolph Street,
63rd Floor
Chicago, IL 60601

Harlan Loeb
Executive Vice President
(312) 240-2624 Direct
(312) 240-3000 Office
(312) 240-2900 Fax
(312) 282-5632 Cell
harlan.loeb@edelman.com

(866) 333-5911

Public Relations,
Crisis Management
services.

Serving clients in the
US and
Internationally.

Jenifer Giller
Senior Account Executive
(312) 233-1272 Direct & Cell
(312) 240-3000 Office
(312) 240-2900 Fax
jenifer.giller@edelman.com

Fleishman-Hilliard International Communications, Inc.

John Hancock Center
200 East Randolph
Street, 37th Floor
Chicago, IL
60601

David Saltz
Senior Vice President and Partner
(312) 751-3530 Direct
(312) 751-8878 Office
(312) 729-3630 Cell
(312) 751-8191 Fax
david.saltz@fleishman.com

(312) 729-3630

Public Relations,
Crisis Management
services.

Serving clients in the
US and
Internationally.

Rick Fox
Senior Vice President
(617) 729-3734 Direct
(312) 286-4983 Cell
(312) 751-8191 Fax
rick.fox@fleishman.com

Levick Strategic Communications, LLC

1900 M Street NW
Washington, D.C. 20036

Gene Grabowski
Senior Vice President
(202) 973-1351 Direct
(202) 270-6560 Cell
(202) 973-1301 Fax
ggrabowski@levick.com

(202) 270-6560

Public Relations,
Crisis Management
services.

Serving the US,
Europe, Asia and the
Middle East.

Jason Maloni
Senior Vice President
(202) 973-1335 Direct
(202) 834-9677 Cell
Jason.maloni@levick.com

Marsh, Inc. (Reputational Risk & Crisis Management Group)

1166 Avenue of the
Americas
New York, NY 10036

Tracy Knippenburg Gillis
Managing Consultant
(212) 345-3886 Direct
(516) 661-0308 Cell
(516) 536-5845 Other

(877) 246-2774

Public Relations,
Crisis Management
services.

ENDORSEMENT NO. 4 CONTINUED

	(212) 948-8638 Fax tracy.knippenburggillis@marsh.com		Serving clients in the US.
345 California Street Suite 1300 San Francisco, California 94104	Simon R. Baker Vice President (415) 743-8648 Direct (415) 367-5707 Cell simon.r.baker@marsh.com		
<u>rbb Public Relations</u>			
355 Alhambra Circle, Suite 800 Miami, Florida 33134	Bruce S. Rubin Senior Counselor (305) 448-2640 Direct (305) 807-2704 Cell (305) 448-5027 Fax Bruce.rubin@rbbpr.com	(305) 807-2704	Public Relations, Crisis Management services. Serving clients in the US.
<u>Sard Verbinnen & Co.</u>			
630 Third Avenue, 9 th Floor New York, NY 10017	George Sard Chairman and CEO (212) 687-8080 Office (212) 687-8344 Fax gsard@sardverb.com	(917) 750-4392	Public Relations, Crisis Management services. Serving clients in the US.
475 Sansome Street, Suite 1750 San Francisco, CA 94111	Paul Kranhold Managing Director (415) 618-8750 Office (415) 568-9580 Fax pkranhold@sardverb.com		
<u>Sitrick and Company, Inc.</u>			
655 Third Avenue, 22 nd Floor New York, NY 10017	Jeffrey S. Lloyd, Ph. D. Managing Director (212) 660-6393 Direct (212) 573-6100 Office (310) 963-2850 Cell (212) 573-6165 Fax jeff_lloyd@sitrick.com	(310) 358-1011	Public Relations, Crisis Management services. Serving clients in the US.
1840 Century Park East, Suite 800 Los Angeles, CA 90067	Michael S. Sitrick Chairman and CEO (310) 788-2850 Direct (310) 788-2855 Fax mike_sitrick@sitrick.com		

ENDORSEMENT NO. 4 CONTINUED

The Torrenzano Group

The Lincoln Building
60 East 42nd Street,
Suite 2112
New York, NY
10165-2112

Richard Torrenzano (917) 539-4000
Chairman and CEO
(212) 681-1700 Ext. 111 Direct
(212) 681-6961 Fax
richard@torrenzano.com

Public Relations,
Crisis Management
services.

Serving clients in the
US.

Edward A. Orgon
Chairman and Chief Operating Officer
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(917) 539-4000 Cell
(212) 681-6961 Fax
ed@torrenzano.com

THE FOLLOWING NON-PUBLIC RELATIONS FIRMS ARE APPROVED CRISIS RESPONSE VENDORS

FIRM ADDRESS	CONTACT INFORMATION	EMERGENCY TELEPHONE	SERVICES OFFERED
<u>Bill Tibbo & Associates</u>			
411 Borland Court Newmarket, Ontario, L3X 1E4	Bill Tibbo Corporate Clinical Consultant and Disaster Management Specialist (888) 355-9788 Toll Free (416) 716-8057 Cell bill@billtibbo.com	(905) 868-4174	Psychological Counseling, Medical Case Management, Medical Cost Projection and Containment services.
	Ross McPhail Vice President Operations (905) 830-0291 Office (905) 868-4174 Cell ross@billtibbo.com		Serving clients in the US & Canada.
<u>Coventry Health Care, Inc.</u>			
3200 Highland Ave. Downers Grove, IL 60515	Dr. Michael Lacroix (914) 223-4463 Cell (786) 513-7690 Fax jxlacroix@cvty.com	(888) 552-5378	Psychological Counseling, Medical Case Management, Medical Cost Projection and Containment services.
			Serving clients in the US.

ENDORSEMENT NO. 4 CONTINUED

Lombardi Associates

277 Fairfield Road,
Suite 305A
Fairfield, NJ 07004

Anthony Nastasi (877) 715-2440
National Director of Client Services
(973) 271-8928 Direct
(800) 550-0095 Office
(310) 552-9052 Fax
anthony.nastasi@lombardiassociates.com

Psychological
Counseling,
Medical Case
Management,
Medical Cost
Projection and
Containment
services.

Jennifer Wolfe
(803) 917-9948

Serving clients in the
US and Canada.

Cunningham Lindsey US (f/k/a GAB Robbins North America, Inc.)

560 Peoples Plaza,
Suite 215
Newark, Delaware
19702

Gail Oliver (800) 621-5410
Vice President
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(302) 521-4985 Cell
(302) 838-1685 Fax
goliverg@cl-na.com

Claims
Investigation,
Appraisal,
Emergency Claims and
Loss Call Center
Operations services.

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the US and
Internationally.

T. J. Russo Consultants

99 Hillside Avenue,
Suite X
Williston Park, NY
11596

Michael W. Russo (516) 456-3900
Senior Consultant
(516) 294-8644 Ext. 15 Direct
(516) 456-3900 After Hours
(516) 747-1009 Fax
(516) 456-3900 Cell
mwrusso123@aol.com

Fire Investigation
and Analysis
services.

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the US.

D.A.R., Inc.

4 Iris Drive
Scarborough, Maine
04074

David W. Hunt (207) 415-0735
Founder and President
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(207) 883-0493 Home
(207) 883-2436 Fax
dhunt12348@aol.com

Crisis
Management,
Global Investigation
Services, Access
to National &
International
Intelligence
Agencies, Crisis
Management
services.

ENDORSEMENT NO. 4 CONTINUED

Serving clients in
the US and
Internationally.

Lanny J. Davis & Associates, LLC

600 13th Street, NW
Suite 600
Washington, DC 20005

Lanny J. Davis
Attorney at Law
(202) 756-8211
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Legal Crisis
Communications, Media
Strategy,
Public Advocacy, Legal
& Regulatory Issues,
Crisis Management
services.

Maddie Melendez
Assistant
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Serving clients in
the US and
Internationally.

Meagher & Geer, P.L.L.P.

33 S. Sixth Street,
Suite 4400
Minneapolis,
MN 55402

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Attorney at Law and Partner
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(612) 964-1882 Cell
rmelton@meagher.com

Commercial and
industrial fire
investigation,
engineering and
legal services.

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Internationally.

Patton Boggs, LLP

2550 M Street, NW
Washington, DC
20007

Thomas M. Keane
Director of Strategic Business
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tkeane@pattonboggs.com

Legal & Regulatory
Issues, Public
Relations and Crisis
Management
services.

Serving clients in
the US.

All other terms, conditions, and exclusions shall remain the same.



AUTHORIZED REPRESENTATIVE
or countersignature (in states where applicable)

ENDORSEMENT NO. 5

This endorsement, effective 12:01 AM, December 22, 2014

Forms a part of Policy No: PLS 23062202

Issued to: PHOSPHATE HOLDINGS, INC.

By: AIG SPECIALTY INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SELF-INSURED RETENTION ENDORSEMENT

It is hereby agreed that:

1. All references in Item 3. of the Declarations page to "Deductible" and within the Policy are replaced with "Self-Insured Retention" on each occasion.
2. Section **V. LIMITS OF LIABILITY AND DEDUCTIBLE**, is re-titled "**Section V. LIMITS OF LIABILITY, SELF-INSURED RETENTION AND DEDUCTIBLE**".
3. Section **V. LIMITS OF LIABILITY, SELF-INSURED RETENTION AND DEDUCTIBLE** as amended by this Endorsement, Paragraph **F. Deductible**, is deleted in its entirety and replaced with the following:

F. Self Insured Retention - Coverages A through I; Deductible - Coverage J

1. Self-Insured Retention - Coverages A through I

Subject to Paragraphs **V.A.** through **V.E.** above, this Policy is to pay covered **Loss** for **Each Incident**, in excess of the Self-Insured Retention amount stated in Item 3. of the Declarations for the applicable coverage, up to but not exceeding the applicable "Each Incident" limit of coverage. The Self-Insured Retention amount is to be borne by the **Insured** and is not to be insured. The insurance provided by this Policy shall be excess over the applicable Self-Insured Retention amount shown in Item 3. of the Declarations, whether such Self-Insured Retention is collectible or not collectible by reason of the refusal or inability of the **Insured** to pay the retention amount due to insolvency, bankruptcy or any other reason. In no event shall the Company be responsible to make any payment under this Policy before the **Insured** has paid the Self-Insured Retention, and the risk of uncollectibility (in whole or in part) of such Self-Insured Retention is expressly retained by the **Insured** and is not in any way or under any circumstances insured or assumed by the Company.

If **Each Incident** results in coverage under more than one coverage under Coverages A through I, only the highest Self-Insured Retention amount stated in Item 3. of the Declarations among all the coverage sections applicable to the **Loss** will apply.

The **Insured** shall promptly reimburse the Company for advancing any element of **Loss** falling within the Self-Insured Retention.

ENDORSEMENT NO. 5 (Continued)

2. Deductible - Coverage J

Subject to Paragraphs V.A. through V.E. above, this Policy is to pay **Interruption Expenses** under Coverage J in excess of the **Interruption Expenses** sustained during the first three (3) days of an **Interruption** during the **Period of Restoration**. The three (3) day period applies to all **Interruption Expenses** arising out of **Each Incident**.

All other terms, conditions, and exclusions shall remain the same.



AUTHORIZED REPRESENTATIVE
or countersignature (in states where applicable)

ENDORSEMENT NO. 6

This endorsement, effective 12:01 AM, December 22, 2014

Forms a part of Policy No: PLS 23062202

Issued to: PHOSPHATE HOLDINGS, INC.

By: AIG SPECIALTY INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

NAMED INSURED ENDORSEMENT

Solely with respect to liability arising out of the ownership, operation, maintenance or use of the **Insured Property(ies)** designated in Item 5. of the Declarations, it is hereby agreed that the following entities are included as **Named Insured(s)**:

NAMED INSURED(S)

Mississippi Phosphates Corporation
Ammonia Tank Subsidiary, Inc.
Sulfuric Acid Tanks Subsidiary, Inc.

The first **Named Insured** designated in Item 1. of the Declarations will act on behalf of all other **Insureds**, if any, for the payment or return of any premium, payment of any deductible, receipt and acceptance of any endorsement issued to form a part of this Policy, giving and receiving notice of cancellation or nonrenewal, and the exercise of the rights provided in the **Extended Reporting Period** clause.

All other terms, conditions, and exclusions shall remain the same.



AUTHORIZED REPRESENTATIVE
or countersignature (in states where applicable)

ENDORSEMENT NO. 7

This endorsement, effective 12:01 AM, December 22, 2014

Forms a part of Policy No: PLS 23062202

Issued to: PHOSPHATE HOLDINGS, INC.

By: AIG SPECIALTY INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TERRORISM EXCLUSION - ALL TERRORISM (CERTIFIED AND NON- CERTIFIED ACTS OF TERRORISM)
EXCLUSION ENDORSEMENT

This Policy is amended to include the following Exclusion:

The Company has no obligation to make any payment or to provide or to pay for a defense under this Policy due to or arising directly or indirectly as a result of or in connection with **Terrorism**. **Terrorism** means the use or threatened use of force or violence against person or property, or commission of an act dangerous to human life or property, or commission of an act that interferes with or disrupts an electronic or communication system, undertaken by any person or group, whether or not acting on behalf of or in connection with any organization, government, power, authority or military force, when the effect is to intimidate, coerce or harm a government, the civilian population or any segment thereof, or to disrupt any segment of the economy.

The defined term **Terrorism** shall specifically include, but is not limited to, the following definition of a certified "act of terrorism" as defined by the Terrorism Risk Insurance Act of 2002, as amended by the Terrorism Risk Insurance Program Reauthorization Act of 2007 (collectively, "TRIA") as follows:

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:
 1. human life;
 2. property; or
 3. infrastructure;
 - iii. to have resulted in damage within the United States, or outside of the United States in the case of:
 1. an air carrier or vessel (described in TRIA); or
 2. 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. **DETERMINATION 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.

ENDORSEMENT NO. 7 (Continued)

- 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.

All other terms, conditions, and exclusions shall remain the same.



AUTHORIZED REPRESENTATIVE
or countersignature (in states where applicable)

ENDORSEMENT NO. 8

This endorsement, effective **12:01 AM**, December 22, 2014

Forms a part of Policy No: PLS 23062202

Issued to: PHOSPHATE HOLDINGS, INC.

By: AIG SPECIALTY INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**SCHEDULE OF INSURED PROPERTY(IES), COVERAGES,
COVERAGE SECTION LIMITS AND DEDUCTIBLES ENDORSEMENT**

It is hereby agreed that:

1. The following location(s) is (are) included in Item 5. of the Declarations as **INSURED PROPERTY(IES)**:

Item 5: INSURED PROPERTY(IES):

All gypsum stacks and any associated ditches, canals, or other systems and equipment located at 601 Industrial Road, Pascagoula, MS 39567

2. Solely with respect to the **Insured Property(ies)** listed in Paragraph 1. above, Item 3. of the Declarations is deleted in its entirety and replaced with the following:

Item 3. COVERAGES AND COVERAGE SECTION LIMITS AND DEDUCTIBLES:

This Policy includes only those Coverages as stated in Section I of the Policy for which deductibles and limits of liability appear below. If no deductible or limits of liability appears for a Coverage, that Coverage has not been purchased.

Coverage	Deductible-Each Incident	Each Incident Limit	Coverage Section Aggregate Limit
A	not purchased	not purchased	not purchased
B	\$200,000	\$10,000,000	\$10,000,000
C	not purchased	not purchased	not purchased
D	\$200,000	\$10,000,000	\$10,000,000
E	\$200,000	\$10,000,000	\$10,000,000
F	\$200,000	\$250,000	\$1,000,000

Coverage	Business Interruption (\$) Limit
J	\$10,000,000

All other terms, conditions, and exclusions shall remain the same.

S. Smith

AUTHORIZED REPRESENTATIVE
or countersignature (in states where applicable)

ENDORSEMENT NO.9

This endorsement, effective 12:01 AM: December 22, 2014

Forms a part of policy no.: PLS 23062202

Issued to: PHOSPHATE HOLDINGS, INC.

By: AIG SPECIALTY INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DISCOVERY - RESTRICTED POLLUTION COVERAGE ENDORSEMENT

Solely with respect to the Scheduled **Insured Property**(ies) listed below on this Endorsement, it is hereby agreed that:

1. Section I. **INSURING AGREEMENTS, 1. COVERAGES:**, **COVERAGES B, D** and **E** are deleted in their entirety and replaced with the following:

COVERAGE B - ON-SITE CLEAN-UP OF NEW CONDITIONS

1. To pay on behalf of the **Insured**, **Clean-Up Costs** resulting from a **Pollution Condition** on or under the **Insured Property** that first commenced on or after the **Continuity Date**.

This insurance does not apply unless all of the following requirements are satisfied:

- (a) The **Clean-Up Costs** result from a **Pollution Condition**, which **Pollution Condition** first commenced during the **Policy Period**,
- (b) Such **Pollution Condition** commenced at an identified time and place during the **Policy Period**,
- (c) Such **Pollution Condition** is not a continuation of another event,
- (d) An **Insured** discovers the **Pollution Condition** no later than seven (7) calendar days after its commencement,
- (e) The **Insured** reports the **Pollution Condition** to the Company in writing no later than twenty-one (21) business days following its discovery by an **Insured** as described in Paragraph (d) above, and in any event during the **Policy Period** in accordance with Section III. of the Policy, and
- (f) Where required, such **Pollution Condition** has been reported to the appropriate governmental agency in substantial compliance with applicable **Environmental Laws** in effect as of the date of discovery.

ENDORSEMENT NO. 9 (Continued)

2. To pay on behalf of the **Insured**, **Loss** that the **Insured** is legally obligated to pay as a result of a **Claim** for **Clean- Up Costs** resulting from a **Pollution Condition** on or under the **Insured Property** that first commenced on or after the **Continuity Date**, provided such **Claim** is first made against the **Insured** and reported to the Company in writing during the **Policy Period** in accordance with Section III. of the Policy, or during the **Extended Reporting Period** if applicable.

This insurance does not apply unless all of the following requirements are satisfied:

- (a) The **Clean-Up Costs** result from a **Pollution Condition**, which **Pollution Condition** first commenced during the **Policy Period**,
- (b) Such **Pollution Condition** commenced at an identified time and place during the **Policy Period**,
- (c) Such **Pollution Condition** is not a continuation of another event,
- (d) An **Insured** discovers the **Pollution Condition** no later than seven (7) calendar days after its commencement,
- (e) The **Insured** reports a **Pollution Condition** to the Company in writing no later than twenty-one (21) business days following its discovery by an **Insured** as described in Paragraph (d) above, and in any event during the **Policy Period** in accordance with Section III. of the Policy or during the **Extended Reporting Period** if applicable, and
- (f) Where required, such **Pollution Condition** has been reported to the appropriate governmental agency in substantial compliance with applicable **Environmental Laws** in effect as of the date of discovery.

Notice to the Company of a **Pollution Condition** does not constitute the reporting of a **Claim**.

COVERAGE D - THIRD-PARTY CLAIMS FOR OFF-SITE CLEAN-UP RESULTING FROM NEW CONDITIONS

To pay on behalf of the **Insured**, **Loss** that the **Insured** becomes legally obligated to pay as a result of a **Claim** for **Clean- Up Costs** resulting from a **Pollution Condition**, beyond the boundaries of the **Insured Property**, that first commenced on or after the **Continuity Date**, and migrated from or through the **Insured Property**, provided such **Claim** is first made against the **Insured** and reported to the Company in writing during the **Policy Period** in accordance with Section III. of the Policy or during the **Extended Reporting Period** if applicable.

This insurance does not apply unless all of the following requirements are satisfied:

- (a) The **Clean-Up Costs** result from a **Pollution Condition**, which **Pollution Condition** first commenced during the **Policy Period**,

ENDORSEMENT NO. 9 (Continued)

- (b) Such **Pollution Condition** commenced at an identified time and place during the **Policy Period**,
- (c) Such **Pollution Condition** is not a continuation of another event,
- (d) An **Insured** discovers the **Pollution Condition** no later than seven (7) calendar days after its commencement,
- (e) The **Insured** reports the **Pollution Condition** to the Company in writing no later than twenty-one (21) business days following its discovery by an **Insured** as described in Paragraph (d) above, and in any event during the **Policy Period** in accordance with Section III. of the Policy or during the **Extended Reporting Period** if applicable, and
- (f) Where required, such **Pollution Condition** has been reported to the appropriate governmental agency in substantial compliance with applicable **Environmental Laws** in effect as of the date of discovery.

Notice to the Company of a **Pollution Condition** does not constitute the reporting of a **Claim**

COVERAGE E - THIRD-PARTY CLAIMS FOR BODILY INJURY AND PROPERTY DAMAGE

To pay on behalf of the **Insured**, **Loss** that the **Insured** becomes legally obligated to pay as a result of a **Claim** for **Bodily Injury** or **Property Damage** resulting from a **Pollution Condition** on, under or migrating from or through the **Insured Property**, provided such **Claim** is first made against the **Insured** and reported to the Company in writing during the **Policy Period** in accordance with Section III. of the Policy, or during the **Extended Reporting Period** if applicable.

This insurance does not apply unless all of the following requirements are satisfied:

- (a) The **Bodily Injury** or **Property Damage** result from a **Pollution Condition**, which **Pollution Condition** first commenced during the **Policy Period**,
- (b) Such **Pollution Condition** commenced at an identified time and place during the **Policy Period**,
- (c) Such **Pollution Condition** is not a continuation of another event,
- (d) An **Insured** discovers the **Pollution Condition** no later than seven (7) calendar days after its commencement,
- (e) The **Insured** reports the **Pollution Condition** to the Company in writing no later than twenty-one (21) business days following its discovery by an **Insured** as described in Paragraph (d) above, and in any event during the **Policy Period** in accordance with Section III. of the Policy, or during the **Extended Reporting Period** if applicable, and

ENDORSEMENT NO. 9 (Continued)

- (f) Where required, such **Pollution Condition** has been reported to the appropriate governmental agency in substantial compliance with applicable **Environmental Laws** in effect as of the date of discovery.

Notice to the Company of a **Pollution Condition** does not constitute the reporting of a **Claim**.

2. Section **VII. EXTENDED REPORTING PERIOD FOR CLAIMS - COVERAGES A THROUGH I**, is deleted in its entirety and replaced with the following:

The **Named Insured** shall be entitled to an Automatic **Extended Reporting Period** and an Automatic **Renewal Extended Reporting Period** for Coverages A through I collectively. Neither the Automatic or Automatic Renewal **Extended Reporting Period** shall reinstate or increase any of the limits of liability of this Policy.

A. Automatic Extended Reporting Period

Provided that the **Named Insured** has not purchased any other insurance to replace this insurance and which applies to a **Claim** otherwise covered hereunder, the **Named Insured** shall have the right to the following: a period of thirty (30) days following the effective date of such termination of coverage in which to provide written notice to the Company of **Claims** first made against the **Insured** during the **Policy Period** and reported within the Automatic **Extended Reporting Period**.

A **Claim** first made against the **Insured** during the **Policy Period** and reported within the Automatic **Extended Reporting Period** will be deemed to have been made on the last day of the **Policy Period**, provided that: (1) the **Claim** arises from a **Pollution Condition** that commenced before the end of the **Policy Period**, and (2) the **Pollution Condition** is discovered by the **Insured** no later than seven (7) calendar days after commencement, reported to the Company no later than twenty-one (21) business days after discovery, and are otherwise covered by this Policy.

B. Automatic Renewal Extended Reporting Period

Provided that the **Named Insured** has renewed this Policy with the Company or an affiliate of the Company, the **Named Insured** shall have the right to the following: a period of ninety (90) days following the expiration of the **Policy Period** in which to provide written notice to the Company of **Claims** first made against the **Insured** within ninety (90) days prior to the expiration of the **Policy Period**.

A **Claim** first made against the **Insured** within ninety (90) days prior to the expiration of the **Policy Period** and reported to the Company within the Renewal **Extended Reporting Period** will be deemed to have been made and reported on the last day of the **Policy Period** of this Policy, provided that: (1) the **Claim** arises from a **Pollution Condition** that commenced before the end of the **Policy Period**, and (2) the **Pollution Condition** is discovered by the **Insured** no later than seven (7) calendar days after commencement, reported to the Company no later than twenty-one (21) business days after discovery, and are otherwise covered by this Policy.


ENDORSEMENT NO. 9 (Continued)

3. Section **III. NOTICE REQUIREMENTS AND CLAIM PROVISIONS**, Paragraph **B. NOTICE OF POSSIBLE CLAIM** is deleted in its entirety.

Scheduled Insured Property(ies)

All gypsum stacks and any associated ditches, canals or other systems and equipment located at 601 Industrial Road, Pascagoula, MS 39567.

All other terms, conditions and exclusions remain the same.



Authorized Representative
or countersignature (where required by law)

ENDORSEMENT NO.10

This endorsement, effective 12:01 AM: December 22, 2014

Forms a part of policy no.: PLS 23062202

Issued to: PHOSPHATE HOLDINGS, INC.

By: AIG SPECIALTY INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**KNOWN CONDITIONS WITH REPORT REFERENCE EXCLUSION WITH NFA CLAUSE
ENDORSEMENT**

It is hereby agreed that the following is added to Section II. **EXCLUSIONS, 1. COMMON EXCLUSIONS -APPLICABLE TO ALL COVERAGES:**

KNOWN CONDITIONS:

Arising from or associated with any **Pollution Condition** referenced in Groundwater Assessment Report For EPA 3013 (a) RCRA Administrative Order On Consent, December 2011, Eco-Systems, Inc., or Site Characterization Report, Mississippi Phosphates Corporation Production Plant, Pascagoula, Jackson County, Mississippi, November 2010, Eco-Systems, Inc, or Remedial Action Plan For EPA 7003 RCRA Administrative Order, January 2011, Eco-Systems, Inc., or Sampling & Analysis Report For EPA 3013 (a) RCRA Administrative Order On Consent, December 2009, Eco-Systems, Inc., or any additives or degradation by-products thereof, on, under or migrating from or through the **Insured Property(ies)**.

This Exclusion may be amended upon the receipt, satisfactory review and approval by the Company, in its sole discretion, of a Certificate of Closure, No Further Action Letter, or equivalent documentation issued by the United States Environmental Protection Agency (USEPA). In the event that this Exclusion is amended, the amended Exclusion shall in any event exclude **Clean-Up Costs** or **Loss** incurred or a **Claim** first made prior to the effective date of such amended Exclusion. Such amended Exclusion may also exclude any **Claim** first made after the effective date of such amended Exclusion for **Bodily Injury or Property Damage** that first arose prior to the effective date of such amended Exclusion. The amendment of this Exclusion shall not be effective until endorsed onto the Policy.

All other terms, conditions and exclusions remain the same.



Authorized Representative

or countersignature (where required by law)