

VII. Insurance Coverage Summary

A Company's philosophy relating to managing those unforeseen risks potentially possible in an operation such as this can be quite indicative of the caliber and capabilities of that firm. That is certainly the case with TRADEBE. TRADEBE has been diligent in understanding the risks involved and properly addressing them in the form of risk management and insurance by educating and training their internal staffs, by choosing a major and experienced broker in the environmental insurance arena, and by selecting insurers who are both financially sound and offer comprehensive protection programs.

The current program in place has been designed in conjunction with TRADEBE by the AIG Companies, a leader in environmental insurance and is effected with their affiliate companies. AIG is the largest insurer in the United States and one of the nation's leading underwriters of environmental risks. The program was specifically structured for TRADEBE and incorporates the most recent coverage's available.

A brief summary of the program follows:

Pollution Legal Liability

Pollution Legal Liability (PLL) insurance is an essential asset management tool for businesses that have environmental exposures. Whether hazardous or not, practically any substance can cause pollution, given the right circumstances. This coverage provides protections for these types of losses whether sudden or gradual. The policy provides \$10,000,000 each loss and \$10,000,000 in aggregate coverage. Excess liability under the Company's umbrella coverage is provided and includes coverage for such exposures as claims of third party, off-site bodily injury and property damage including legal defense costs and the cost of cleaning up the off-site contamination. Coverage also extends to the on-site third party bodily injury and property damage. The PLL policy satisfies the financial responsibility requirement under the Resource Conservation and Recovery Act (RCRA).

Commercial General Liability

The Commercial General Liability (CGL) policy provides coverage for bodily injury, property damage and personal injury arising from TRADEBE's facilities, premises, operations, and products. This is a protection for claims made against TRADEBE by third parties resulting from TRADEBE's negligence. The policy provides a primary limit of liability of \$1,000,000 per occurrence and \$2,000,000 in aggregate coverage, which is further supplemented by excess environmental umbrella coverage, up to \$10,000,000 above these coverage amounts.

Commercial Automobile Liability

Providing limits of \$1,000,000 combined single limit, plus up to \$10,000,000 of excess coverage under the company's umbrella coverage, this policy protects TRADEBE for claims from third parties for bodily injury and property damage arising out of the use of any owned, non-owned, or hired automobile. Where hazardous waste requirements are present, the policy has been endorsed to address those for such areas as the MCS90 Endorsement mandated by the Motor Carrier Act of 1980 and pollution liability resulting from the use of an automobile.