

DEFENSE COSTS IN ADDITION TO THE LIMITS OF LIABILITY

In consideration of the premium charged, it is hereby understood and agreed that Paragraph 2 of the Insuring Agreements entitled "Defense Costs, Charges & Expenses (Including in the Limits of Liability)", shall be modified as follows:

1. The Company's right and duty to defend and to pay reasonable defense costs, charges and expenses shall be in addition to, rather than part of and included within, the limits of liability;
2. The Company's obligation to pay reasonable defense costs, charges and expenses, in accordance with paragraph 1. above, shall be limited to \$250,000 in addition to, rather than part of and included within, the limits of liability;
3. The Company shall not be obligated to pay any claim or judgment or to defend or continue to defend any suit or pay any reasonable defense costs, charges and expenses, after the applicable limit of the Company's liability stated in Item 3. of the declarations has been exhausted by payments of judgments and/or settlements.

All other terms, conditions and exclusions of the policy remain the same.