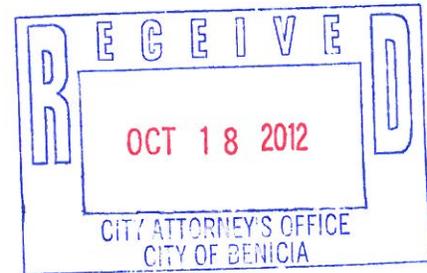


September 20, 2012

***SENT VIA CERTIFIED MAIL,
RETURN RECEIPT REQUESTED***

Mark O'Brien
Environmental Risk Services
1600 Riviera Avenue, Suite 310
Walnut Creek, California 94595



Re: Policyholder: City of Benicia

Policies: 928950 (04/30/1980) - 04/30/1981)
97 TXU 105380 (03/03/1983 - 03/03/1984)

**Claim: Benicia Arsenal vs. United States Department of the Army by
Environmental Protection Agency, CA**

Site: Former Benicia Arsenal, Benicia California

Dear Mr. O'Brien:

This letter is in response to the request for coverage by the City of Benicia in connection with the above-referenced claim (hereinafter "Claim") and serves as follow up to our letter dated August 21, 2012. Kindly direct all correspondence in this matter to my attention.

Please be advised that The Hartford is continuing its investigation into the Claim. We have located the above-referenced policies and are in the process of reviewing and evaluating the policies for coverage in connection with the Claim and the State of California Environmental Protection Agency Department of Toxic Substance Control report attached to your letter dated July 31, 2012. We hope to provide you with our coverage determination shortly. In the meantime, could you please provide us with all relevant documents relating to the Claim.

The Hartford reserves all of its rights in this matter. Any action taken by The Hartford, its agents, representatives, or attorneys in investigating this Lawsuit will not constitute a waiver of any rights or defenses, and shall not act to estop The Hartford from asserting any rights or defenses that may be applicable.

We hope to conclude our analysis in the near future and will contact you at that time. In the interim, if you have any questions or concerns, please do not hesitate to contact me.

Regards,

A handwritten signature in black ink, appearing to read "Lisa Griggs". The signature is fluid and cursive, with the first name "Lisa" written in a larger, more prominent script than the last name "Griggs".

Lisa M. Griggs
The Hartford Insurance Group
One Hartford Plaza T-7-92
Hartford, CT 06155
Phone: (860) 547-7695
Fax: (877) 905-0403
lisa.griggs@thehartford.com

Cc: Ms. Heather McLaughlin
Benicia City Attorney
250 East "L" Street
Benicia, California 94510