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CASE NO: A-22-857813-B
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DISTRICT COURT

CLARK COUNTY, NEVADA

G6 HOSPITALITY, LLC,
Plaintiff,

Case No.
Dept. No.

vs.

CERTAIN UNDERWRITERS AT
LLOYD'S OF LONDON
SUBSCRIBING POLICY NO.
PRPNA2000673; CERTAIN
UNDERWRITERS AT LLOYD'S OF
LONDON SUBSCRIBING POLICY NO.
PRPNA2003219; CERTAIN
UNDERWRITERS AT LLOYD'S OF
LONDON SUBSCRIBING POLICY NO.
PRPNA2003221; CERTAIN
UNDERWRITERS AT LLOYD'S OF

**COMPLAINT AND DEMAND FOR
JURY TRIAL**
BUSINESS COURT REQUESTED
**ARBITRATION EXEMPTIONS
CLAIMED:**
Declaratory Relief
Seeks Damages of More Than \$50,000

LONDON SUBSCRIBING POLICY NO.
W29DE3200101; CERTAIN
UNDERWRITERS AT LLOYD’S OF
LONDON SUBSCRIBING POLICY NO.
VPC-CN-0002150-01; INTERSTATE
FIRE & CASUALTY COMPANY; and
INDEPENDENT SPECIALTY
INSURANCE COMPANY,

Defendants.

Plaintiff G6 Hospitality, LLC (“G6”) complains and alleges against Defendants Certain Underwriters at Lloyd’s of London subscribing to Policy No. PRPNA2000673, Certain Underwriters at Lloyd’s of London subscribing to Policy No. PRPNA2003219, Certain Underwriters at Lloyd’s of London subscribing to Policy No. PRPNA2003221, Certain Underwriters at Lloyd’s of London subscribing to Policy No. W29DE3200101, Certain Underwriters at Lloyd’s of London subscribing to Policy No. VPC-CN-0002150-01, Interstate Fire & Casualty Company, and Independent Specialty Insurance Company (together referred to as “Defendants”) as follows:

INTRODUCTION

1. In this insurance coverage dispute, G6 seeks to hold Defendants liable for wrongfully denying its claim for over \$100 million in losses arising from the COVID-19 pandemic (the “Pandemic”).

2. The vast majority of over 1,000 Pandemic coverage disputes decided to date nationwide have turned on a handful of words found in the relevant

insuring agreements of most commercial property policies: “direct physical loss or damage”¹ (and in particular, “physical”).

3. But G6's policies are different: *none* of the relevant insuring agreements include or incorporate the words "direct" or "physical."

4. Ignoring the unusually broad language of their own policies, Defendants issued a partial denial of G6's claim, primarily based on the sweeping and erroneous conclusion that G6 was required to show "direct physical loss or damage" to trigger coverage but had failed to do so.

5. Because Defendants issued atypical, manuscript policies, this is *not* a typical Pandemic coverage dispute where G6 must prove “direct physical loss or damage” to recover its claimed losses.

6. Moreover, even under Defendants’ interpretation that the relevant insuring agreements require “direct physical loss or damage,” G6 has sustained direct physical loss and damage sufficient to trigger coverage.

PARTIES

7. Plaintiff G6 Hospitality, LLC (“G6”) is a limited liability company organized and existing under the laws of the Delaware with its headquarters and principal place of business in Carrollton, Texas.

8. Defendant Certain Underwriters at Lloyd's of London subscribing to Policy No. PRPNA2000673 ("Lloyd's Apollo") is responsible for 60% of the first \$10 million of G6's covered loss or damage, i.e., \$6 million. Lloyd's

¹ Some policies use slightly different variations of this phrase, e.g., “direct physical loss of or damage,” “direct physical ‘loss’” where “loss” is defined as “accidental loss or damage,” etc. The common denominator is “direct physical loss or damage.”

1 Apollo includes multiple syndicates. Apollo Syndicate Management Ltd, for and on
2 behalf of Lloyd's Underwriter Syndicate No. 1969 APL, is an insurance company
3 organized and existing under the laws of the United Kingdom with its headquarters
4 and principal place of business in London, England. AEGIS London, for and on
5 behalf of Lloyd's Underwriter Syndicate No. 1225 AES, is an insurance company
6 organized and existing under the laws of the United Kingdom with its headquarters
7 and principal place of business in London, England. Brit Insurance, for and on
8 behalf of Lloyd's Underwriter Syndicate No. 2988 BRIT and Syndicate No. 2987
9 BRIT, is an insurance company organized and existing under the laws of the United
10 Kingdom with its headquarters and principal place of business in London, England.
11 Cincinnati Global, for and on behalf of Lloyd's Underwriter Syndicate No. 318 CIN,
12 is an insurance company organized and existing under the laws of the United
13 Kingdom with its headquarters and principal place of business in London, England.
14 CNA Hardy, for and on behalf of Lloyd's Underwriter Syndicate No. 0382 HDU, is
15 an insurance company organized and existing under the laws of the United Kingdom
16 with its headquarters and principal place of business in London, England. Talbot
17 Underwriting Ltd, for and on behalf of Lloyd's Underwriter Syndicate No. 1183
18 TAL, is an insurance company organized and existing under the laws of the United
19 Kingdom with its headquarters and principal place of business in London, England.
20 Unicorn Underwriting Limited, for and on behalf of Unicorn Worldwide Property
21 Limited 9417 – ARG 2121, is an insurance company organized and existing under
22 the laws of the United Kingdom with its headquarters and principal place of business
23 in London, England.

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1 9. Defendant Certain Underwriters at Lloyd's of London
2 subscribing to Policy No. PRPNA2003219 ("Lloyd's Berkley") is responsible for
3 15% of the first \$10 million of G6's covered loss or damage, i.e., \$1.5 million.
4 Lloyd's Berkley includes two syndicates. W.R. Berkley Syndicate Limited, for and
5 on behalf of Lloyd's Underwriter Syndicate No. 1967 WRB, is an insurance
6 company organized and existing under the laws of the United Kingdom with its
7 headquarters and principal place of business in London, England. Sompo
8 International, for and on behalf of Endurance Worldwide Insurance Ltd, LIRMA
9 E9105, is an insurance company organized and existing under the laws of Bermuda
10 with its headquarters and principal place of business in Pembroke Parish, Bermuda.

11 10. Defendant Certain Underwriters at Lloyd's of London
12 subscribing to Policy No. PRPNA2003221 ("Lloyd's Ascot") is responsible for
13 7.5% of the first \$10 million of G6's covered loss or damage, i.e., \$750,000. Lloyd's
14 Ascot includes one syndicate. Ascot Syndicate, for and on behalf of Lloyd's
15 Underwriter Syndicate No. 1414 ASC, is an insurance company organized and
16 existing under the laws of the United Kingdom with its headquarters and principal
17 place of business in London, England.

18 11. Defendant Certain Underwriters at Lloyd's of London
19 subscribing to Policy No. W29DE3200101 ("Lloyd's Beazley") is responsible for
20 5.5% of the first \$10 million of G6's covered loss or damage, i.e., \$500,000. Lloyd's
21 Beazley includes two syndicates, Beazley Lloyd's Syndicate 2623 and Syndicate
22 623, which are part of Beazley USA Services, Inc., an insurance corporation
23 organized and existing under the laws of Delaware with its headquarters and
24 principal place of business in Farmington, Connecticut.

1 12. Defendant Certain Underwriters at Lloyd's of London
2 subscribing to Policy No. VPC-CN-0002150-01 ("Lloyd's 9226") is responsible for
3 2.24% of the first \$10 million of G6's covered loss or damage, i.e., \$224,000.
4 Lloyd's 9226 includes Consortium #9226, Velocity Property Consortium, c/o Asta
5 Managing Agency, LTD, which is an investment management services company
6 organized and existing under the laws of the United Kingdom with its headquarters
7 and principal place of business in London, England. Consortium #9226 includes
8 two syndicates. Syndicate 2357, Nephila 2357 Ltd., is an insurance company
9 organized and existing under the laws of the United Kingdom with its headquarters
10 and principal place of business in London, England. Syndicate 1458, RenaissanceRe
11 Syndicate 1458, is an insurance company organized and existing under the laws of
12 the United Kingdom with its headquarters and principal place of business in London,
13 England.

14 13. Defendant Interstate Fire & Casualty Company ("Interstate
15 Fire") is responsible for 3.64% of the first \$10 million of G6's covered loss or
16 damage, i.e., \$364,000. Interstate Fire is an insurance company organized and
17 existing under the laws of the Illinois with its headquarters and principal place of
18 business in Chicago, Illinois.

19 14. Defendant Independent Specialty Insurance Company
20 ("Independent Specialty") is responsible for 1.12% of the first \$10 mission of G6's
21 covered loss or damage, i.e., \$112,000. Independent Specialty is an insurance
22 company existing and organized under the laws of Delaware with its headquarters
23 and principal place of business in Bedford, Texas.

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1 PRPNA2003221 (the “Lloyd’s Ascot Policy”); Policy No. W29DE3200101 (the
2 “Lloyd’s Beazley Policy”), Policy No. VPC-CN-0002150-01 (the “Lloyd’s 9226
3 Policy”), Policy No. VRX-CN-0002150-01 (the “Interstate Fire Policy”), and Policy
4 No. VIS-CN-0002150-01 (the “Independent Specialty Policy”) (collectively the
5 “Policies”). True and correct copies of the Policies are attached as Exhibits B
6 through F, respectively, and incorporated by reference. All Defendants are severally
7 liable to G6 under the terms of their Policies.

8 20. The Policies all incorporate a master form entitled “Master
9 Policy (Excluding Equipment Breakdown)” (the “Master Policy”).² A true and
10 correct copy of the Master Policy is attached as Exhibit A and incorporated by
11 reference.

12 21. The Master Policy provides unusually broad coverage for
13 Business Interruption – Loss of Profits (“Business Interruption”), Extra Expense,
14 Interruption by Civil or Military Authority (“Civil Authority”), Ingress/Egress, and
15 Contagious Diseases, among other coverages,³ subject to each of G6’s primary and
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17 ² See Ex. B, Lloyd’s Apollo Policy at 39–76, Ex. E, Lloyd’s Beazley Policy at 17–
18 54, Ex. F, Lloyd’s 9226, Interstate Fire, and Independent Specialty Policies at 8–46.
19 The Lloyd’s Berkley and Lloyd’s Ascot Policies co-insure with the Lloyd’s Apollo
20 Policy and thus incorporate the Master Policy. See Ex. C, Lloyd’s Berkley Policy at
21 2 and Ex. D, Lloyd’s Ascot Policy at 2 (“This policy co-insures with Policy Number
PRPNA2000673 issued by Lloyd’s Syndicate No. 1969 (APL) or renewal or
replacement thereof. This Policy is subject to the same Terms, Clauses, Conditions
and Interests as the Co-Insuring Policy (numbered above) excluding Limits of
Liability and Annual Premium or as detailed herein.”).

22 ³ For example, Clause 45 of the Master Policy “insure[s] expenses incurred by the
23 Insured, or by the Insured’s representatives for assessing, for preparing and/or
24 certifying details of a claim resulting from a loss which would be payable under this
policy.” Here, this “Loss Adjustment Expenses” coverage would apply to the legal
fees and forensic accountant costs G6 has incurred in preparing and now prosecuting

1 excess⁴ insurer's proportional share of a \$100,000,000 per-occurrence limit of
2 liability.⁵ Coverage for Business Interruption and Extra Expense is up to the
3 \$100,000,000 per-occurrence policy limit.⁶ Coverage for Civil Authority is limited
4 to \$10,000,000, Ingress/Egress is limited to \$10,000,000, and Contagious Diseases
5 is limited to \$1,500,000 "per occurrence and annual aggregate."⁷

6 22. While Defendants seemingly rely on a disjointed, irrelevant
7 mention of "direct physical loss or damage" to deny coverage,⁸ unlike the insuring
8 agreements at issue in the vast majority of Pandemic-related coverage litigation to
9 date, the insuring agreements in the Policies are not premised on "direct physical
10 loss or damage" to insured property. That distinction is critical in this case.

11 **II. The Pandemic, the coronavirus, and related civil authority orders caused**
12 **G6 to suffer substantial loss.**

13 23. In early 2020, the recently discovered coronavirus known as
14

15 its claim for coverage. Loss Adjustment Expenses coverage is limited to \$1,000,000.
16 Ex. A, Master Policy at Clause 3.

17 ⁴ Because Defendants have wrongfully refused to pay G6's claim and until its
18 primary layer of insurance is properly exhausted, G6 cannot access its excess
19 insurance covering up to \$90 million in limits per occurrence.

20 ⁵ Ex. A, Master Policy at Clause 3.

21 ⁶ *Id.*

22 ⁷ *Id.*

23 ⁸ In their October 14, 2021 and August 17, 2022 partial denial letters, Defendants
24 appeared to base their argument that the Policies required "direct physical loss or
damage" on Clause 5 of the Master Policy, which provides that "[t]his policy insures
against all risk of direct physical loss or damage to property including General
Average, salvage, and all other charges on shipments insured hereunder except as
hereinafter excluded." Ex. A, Master Policy at Clause 5. However, none of the
relevant insuring agreements reference or in any way incorporate Clause 5.

1 SARS-CoV-2 (“SARS-CoV-2” or the “coronavirus”) and COVID-19—the highly
2 contagious and deadly disease caused by SARS-CoV-2—began spreading across the
3 globe at an astonishing rate.

4 24. On March 11, 2020, the Director General of the World Health
5 Organization declared the COVID-19 outbreak a worldwide pandemic, noting
6 “alarming levels of spread and severity[.]”⁹ By early 2021, more than 100 million
7 people had contracted COVID-19 and the disease had claimed more than 2.2 million
8 lives.

9 25. From March 2020 to March 2021—the time period during which
10 G6 sustained the loss comprising its claim for coverage—the Pandemic was rampant
11 throughout the United States and causing high levels of COVID-19 community
12 spread in most major metropolitan areas where G6 properties are located.

13 26. During this time, the coronavirus was present at G6’s insured
14 properties, preventing G6 from using its properties for their intended purpose and
15 function, and forcing G6 to undertake extraordinary steps to protect its employees,
16 customers, and business from virus-related property loss and damage to ensure the
17 continuity of its critical business operations nationwide. For example, beginning in
18 late March 2020, based on the prevalence of the coronavirus at its properties, G6
19 was forced to close 50% of its hotel rooms nationwide to ensure guest safety in
20 accordance with CDC guidelines.

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23 ⁹ *WHO Director-General’s opening remarks at the media briefing on COVID-19 -*
24 *11 March 2020*, World Health Organization (Mar. 11, 2020),
[https://www.who.int/director-general/speeches/detail/who-director-general-s-
opening-remarks-at-the-media-briefing-on-covid-19---11-march-2020](https://www.who.int/director-general/speeches/detail/who-director-general-s-opening-remarks-at-the-media-briefing-on-covid-19---11-march-2020).

1 27. The Pandemic and coronavirus also caused G6 to incur
2 substantial out-of-the-ordinary expenses to continue as nearly as practicable the
3 normal operation of its business.

4 28. These expenses included out-of-the-ordinary sanitization
5 expenses related to cleaning and disinfecting high-traffic areas, such as the lobby
6 area, team break area, back offices, vending spaces, laundry rooms, and employee
7 restrooms, to prevent additional loss to G6 properties and infection among guests
8 and employees. G6 also incurred significant expenses purchasing personal protective
9 equipment such as masks and gloves for its employees nationwide and installing
10 Plexiglass at all of its hotels in order to mitigate the impacts of the Pandemic and the
11 coronavirus.

12 29. Even with Herculean sanitization efforts, many potential G6
13 customers and employees were prevented or impeded from accessing G6 properties
14 due to the pervasive presence of the coronavirus at G6 properties and high levels of
15 community spread.

16 30. Aggravating G6's losses, in response to the arrival of the
17 Pandemic in the United States and rapidly mounting COVID-19 case levels
18 nationwide, states and localities in March 2020 began issuing States of Emergency,
19 Public Health Emergencies, and Disaster Emergencies.

20 31. State governors began issuing directives to their residents to stay
21 at home and refrain from travel to reduce the spread of COVID-19 and the
22 coronavirus. For example, on March 19, 2020, the Governor of California issued
23 Executive Order N-33-20, directing California residents to follow the Order of the
24 State Public Health Officer, which "order[ed] all individuals living in the State of

1 California to stay home or at their place of residence except as needed to maintain
2 continuity of operations of the federal critical infrastructure sectors[.]”

3 32. Government orders also limited the capacity for indoor
4 gatherings and lodging providers, some specifically targeting hotel operations. For
5 example, on March 30, 2020, the Governor of Vermont issued Addendum 7 to
6 Executive Order 01-20, which required “hotels, motels, bed and breakfasts, inns,
7 [and] short term rentals” to suspend all lodging operations, including new
8 reservations, except for purposes of “[h]ousing vulnerable populations (emergency
9 shelter for homeless individuals) as arranged through the state,” “providing
10 accommodations for health care workers, or other workers deemed necessary to
11 support public health, public safety or critical infrastructure,” using the lodging
12 property as a state-arranged quarantine facility, and “[l]imited verifiable extenuating
13 circumstances for the care and safety of Vermonters.”

14 33. Moreover, G6 employees were prohibited from accessing or
15 entering G6 property if they felt sick or had been exposed to COVID-19, regardless
16 of whether they had actually contracted COVID-19. Any employees directly or
17 indirectly exposed to a COVID-19-positive person or who tested positive for
18 COVID-19—including those who never became symptomatic or contagious—were
19 prevented from accessing G6 properties for 14 days.

20 34. In sum, G6 sustained substantial loss due to the impacts of the
21 Pandemic, the coronavirus, and civil authority orders on its properties, staff, patrons,
22 and business operations.
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1 **III. G6's loss resulting from the Pandemic, the coronavirus, and related civil**
2 **authority orders triggered multiple coverages under the Policies.**

3 **A. The Pandemic, the coronavirus, and related civil authority orders**
4 **caused G6 to sustain covered business interruption loss and incur**
5 **covered Extra Expense.**

6 35. Clause 7 of the Master Policy includes the following Business
7 Interruption and Extra Expense insuring agreements:

8 This policy insures the *interest* of the Insured in the following:

9 * * *

10 **C. Business Interruption – Loss of Profits**

- 11 1. Loss of gross profit as hereinafter defined, resulting from
12 interruption of *or interference with* the business, and
13 caused by *loss or damage* to real or personal property as
14 described in Clause 7.A. of this policy during the term of
15 the policy.¹⁰

16 * * *

17 **D. Extra Expense**

- 18 1. Extra Expense incurred by the Insured in order to continue
19 as nearly as practicable the normal operation of the
20 Insured's business following *loss or damage* insured
21 herein and occurring during the term of this policy to real
22 and/ or personal property as described in Clause 7.A.¹¹

23 36. The Policies' Business Interruption and Extra Expense insuring
24 agreements do not require "direct physical loss or damage." More than that, the
words "direct" and "physical" appear nowhere in the Policies' Business Interruption
and Extra Expense coverage provisions, and never appear in Clause 7 of the Master
Policy. The Policies neither define "loss" nor exclude from coverage loss or damage

¹⁰ Ex. A, Master Policy at Clause 7.C. (emphasis added).

¹¹ *Id.* at Clause 7.D. (emphasis added).

1 caused by “loss of use.” Instead, the Policies “insure[] the *interest* of” G6 in “[l]oss
2 of gross profit” and “Extra Expense incurred” caused by or following loss or damage
3 to property as described in Clause 7.A.

4 37. Clause 7.A. “insures the *interest* of” G6 in “[a]ll real . . . property
5 . . . which is *owned, used, or intended for use* by” G6.¹² Accordingly, Clause 7.A.
6 insures G6’s ownership interest and use interest in its hotel properties.

7 38. The Pandemic, the coronavirus, and related civil authority orders
8 deprived G6 hotel properties of spatial capacity and occupancy, and thereby caused
9 loss to G6 hotel properties and G6’s interests therein, including G6’s interest in using
10 its properties as fully-operational hotels capable of generating budgeted revenue
11 unencumbered by Pandemic-related risks and restrictions.

12 39. These losses to G6 hotel properties have severely interrupted and
13 interfered with G6’s nationwide business operations, resulting in substantial loss of
14 gross profit and triggering coverage under the Policies’ Business Interruption
15 coverage.

16 40. The Pandemic caused would-be G6 customers to avoid travel and
17 public accommodations like hotels to lessen their risk of COVID-19 exposure and
18 infection. Hotels were dubbed inherently risky and prone to higher levels of
19 community spread due to their business purpose as lodging space for the general
20 public, including travelers. Moreover, G6 employees were also impacted by
21 community spread, e.g., through infection and exposure (which often required staff
22 to quarantine for at least 14 days from the date of exposure).

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24 ¹² *Id.* at Clause 7.A.

1 41. Accordingly, the Pandemic caused a loss to G6 hotels by
2 rendering them understaffed and impeding would-be customers from using the
3 hotels for their intended use: lodging. These losses interrupted and interfered with
4 G6's nationwide business operations, resulting in substantial loss of gross profit
5 covered under the Policies' Business Interruption insuring agreement.

6 42. The coronavirus itself also caused covered loss to G6 hotels by
7 depriving the hotels of rentable space, i.e., rendering hotel rooms temporarily
8 unavailable to rent upon discovery of coronavirus exposure. Upon discovering a
9 room had been exposed to the coronavirus, G6 was forced to shut the room down
10 for days and pay professional cleaners to sanitize the room until it was repaired to
11 the condition that would have existed had no exposure to coronavirus occurred.

12 43. These losses to G6 properties interrupted and interfered with
13 G6's normal business operations, resulting in substantial loss of gross profit covered
14 under the Policies' Business Interruption insuring agreement.

15 44. Compounding its losses, over 220 G6-owned locations
16 nationwide were forced to comply with a constant stream of ever-changing
17 Pandemic-related orders issued by local and state governments, whose Pandemic
18 emergency powers gave them unprecedented authority to infringe upon and
19 encumber G6's ownership and use interests in its properties, including its interest in
20 using its hotels for normal business operations as insured.

21 45. For example, on December 4, 2020, the city of Santa Clara,
22 California issued a "Mandatory Directive on Capacity Limitations" limiting indoor
23 capacity to 20% of normal maximum occupancy and requiring all businesses to
24 "limit capacity to allow everyone to easily maintain at least six feet of physical

1 distance from everyone not in their household at all times.” This 20% capacity
2 limitation caused loss to G6’s Santa Clara location by depriving most of the property
3 of usable space for normal business operations.

4 46. This series of losses to G6 hotels and G6’s ownership/use
5 interests therein resulting from such capacity caps and other restrictions imposed by
6 Pandemic-related orders severely interrupted and interfered with G6’s business,
7 resulting in substantial loss of gross profit covered under the Policies’ Business
8 Interruption insuring agreement.

9 47. In response to the nationwide losses to G6 hotels caused by the
10 Pandemic, the coronavirus, and related civil authority orders, G6 expended extra
11 resources on sanitization to prevent additional losses to its properties and continue
12 as nearly as practicable the normal operation of its business, thereby incurring Extra
13 Expense covered by the Policies’ Extra Expense insuring agreement.

14 48. G6’s incurred Extra Expense included the operational costs of
15 mitigation efforts aimed at preventing additional business interruption loss both
16 directly from the Pandemic—i.e., COVID-19 infection among guests and team
17 members from exposure to the coronavirus at G6 hotels—and indirectly from
18 government orders, which imposed more stringent restrictions on G6’s properties
19 when coronavirus exposure and COVID-19 cases at a given location were elevated.

20 49. For example, G6 incurred substantial sanitization expenses
21 related to cleaning and disinfecting areas of its hotels exposed to the coronavirus—
22 e.g., the lobby area, team break area, back offices, vending spaces, laundry rooms,
23 and employee restrooms—that it would not have ordinarily incurred but for the
24 Pandemic. G6 also implemented contact tracing and paid for employee COVID-19

1 testing in an effort to mitigate the spread of COVID-19 in its workforce and comply
2 with civil authority orders requiring periodic COVID-19 testing. The operational
3 cost of G6's efforts to mitigate were over and above G6's total cost that would
4 normally have been incurred to conduct its business had the Pandemic not occurred
5 and had no coronavirus outbreaks occurred at its hotels.

6 50. For all of the reasons above, the Pandemic, the coronavirus, and
7 related civil authority orders caused loss to G6 properties ultimately triggering
8 Business Interruption and Extra Expense coverage under the Policies.

9 **B. The Pandemic, the coronavirus, and related civil authority orders**
10 **caused G6 to sustain losses covered by exceptionally broad Civil**
11 **Authority and Ingress/Egress coverage extensions.**

12 51. Clause 8 of the Master Policy *extends* coverage to insure loss
13 resulting from Interruption by Civil or Military Authority ("Civil Authority") and
14 Ingress/Egress, among other potentially applicable coverages.

15 52. The Master Policy provides Civil Authority coverage as follows:

16 This policy is *extended* to insure loss sustained during the period of
17 time when, as a result of loss, damage *or an event not excluded in*
18 *Clause 6*, access to property is *impaired*¹³ by order or action of civil or
19 military authority.¹⁴

20 53. The Master Policy provides Ingress/Egress coverage as follows:

21 This policy is *extended* to insure loss sustained during the period of
22 time when, as a result of loss, damage *or an event not excluded in*
23

24 ¹³ By endorsement, the Lloyd's Beazley Policy replaces the word "impaired" in the
Civil Authority and Ingress/Egress coverages of the Master Policy with the word
"prevented." See Ex. E, Lloyd's Beazley Policy, Beazley Amendatory Endorsement.
This amendment applies only to the Lloyd's Beazley Policy.

¹⁴ *Id.* at Clause 8.B. (emphasis added).

1 *Clause 6*, ingress to or egress from real or personal property is
2 *impaired*.¹⁵

3 54. The Policies’ Civil Authority and Ingress/Egress insuring
4 agreements do not require “direct physical loss or damage.” More than that, the
5 words “direct” and “physical” appear nowhere in the Policies’ Civil Authority and
6 Ingress/Egress coverage provisions, and never appear in Clause 8 of the Master
7 Policy.

8 55. Instead, the Civil Authority and Ingress/Egress provisions
9 broadly insure loss stemming from “event[s] not excluded in Clause 6” of the Master
10 Policy.¹⁶

11 56. With respect to Civil Authority coverage, the Pandemic is an
12 “event” not excluded in Clause 6 of the Master Policy.

13 57. As outlined above, G6 sustained significant losses when, as a
14 result of the Pandemic event, access to G6 properties was impaired and/or prevented
15 by orders of civil authority.

16 58. These restrictions issued as a result of the Pandemic impaired
17 and/or prevented access to G6 properties by the general public—G6’s usual
18 customer base. For example, some orders permitted only specifically defined subsets
19 of the population such as “vulnerable populations” to access G6 hotels while such
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23 ¹⁵ *Id.* at Clause 8.C. (emphasis added).

24 ¹⁶ Ex. A, Master Policy at Clause 8.B–C.

1 orders remained in effect.¹⁷ Other orders mandated capacity caps that prevented the
2 public from accessing otherwise rentable rooms at G6 hotels.¹⁸

3 59. Civil authority orders further impaired and/or prevented access
4 by requiring sick employees to remain at home, regardless of the reason for illness.
5 For example, on March 23, 2020, Dallas County issued an Amended “Stay Home
6 Stay Safe” order “instruct[ing] all employees to remain home if sick.” Similarly, the
7 Colorado Department of Public Health & Environment issued a statewide public
8 health order mandating that “[p]eople who are sick must stay in their Residence at
9 all times . . . and *must not go to work*, even for a **Critical Business**” (emphasis
10 added).

11 60. The Policies’ Civil Authority insuring agreement covers G6’s
12 losses sustained for periods of impaired and/or prevented access to its hotels
13 resulting from Pandemic-related civil authority orders. The restrictions imposed by
14 these orders nationwide caused G6 to suffer substantial loss.

15 61. G6 also sustained loss when ingress to G6’s insured properties
16 was impaired or prevented as a result of the Pandemic, the coronavirus, and related
17 government orders.

18 62. With respect to Ingress/Egress coverage, the Pandemic and
19 related civil authority orders constitute “event[s] not excluded in Clause 6” of the
20 Master Policy. The coronavirus constitutes “loss [or] damage . . . not excluded in
21 Clause 6” of the Master Policy.

22
23 ¹⁷ See *supra* at ¶ 32.

24 ¹⁸ See *supra* at ¶ 45.

1 63. The Pandemic severely impaired and/or prevented ingress to G6
2 properties. For example, the ease of COVID-19 transmission through community
3 spread and the ubiquity of invisible coronavirus—especially in densely populated
4 localities and indoor public-facing facilities—have forced countless would-be G6
5 customers to avoid travel and public accommodations like G6 hotels.¹⁹

6 64. Because the risk of COVID-19 transmission is much higher in
7 closed and crowded locations like hotels, this heightened risk of transmission further
8 impaired and/or prevented ingress to G6 properties by patrons and staff.²⁰

9 65. COVID-19 exposures at G6 locations also impaired and/or
10 prevented ingress to the impacted properties by sometimes necessitating partial or
11 complete closures of the properties beyond the baseline capacity caps mandated by
12 civil authority orders. Ingress to G6 properties was also impaired and/or prevented
13 for infected employees—whether symptomatic or not—who were prevented from
14 accessing the properties.

15 66. Moreover, the coronavirus itself impaired and/or prevented
16 ingress to G6 properties because, for example, G6 hotel rooms that G6 discovered
17 had been exposed to the coronavirus became temporary unrentable and inaccessible
18 to guests.

19
20 ¹⁹ See *COVID-19 management in hotels and other entities of the accommodation*
21 *sector*, World Health Organization (Aug. 25, 2020),
22 <https://apps.who.int/iris/rest/bitstreams/1297222/retrieve>; Yen Nee Lee, *5 charts*
23 *show which travel sectors were worst hit by the coronavirus*, CNBC (May 5, 2020),
[https://www.cnbc.com/2020/05/06/coronavirus-pandemics-impact-on-travel-](https://www.cnbc.com/2020/05/06/coronavirus-pandemics-impact-on-travel-tourism-in-5-charts.html)
[tourism-in-5-charts.html](https://www.cnbc.com/2020/05/06/coronavirus-pandemics-impact-on-travel-tourism-in-5-charts.html).

24 ²⁰ See *id.*

1 67. And, as detailed above, various civil authority orders impaired
2 and/or prevented ingress to G6 properties by, *inter alia*, imposing mandatory
3 capacity restrictions and prohibiting the general public from accessing G6
4 properties.²¹

5 68. As a result of the Pandemic, the coronavirus, and related civil
6 authority orders impairing and/or preventing ingress to G6 properties, G6 sustained
7 substantial losses covered under the Policies' Ingress/Egress insuring agreement.

8 69. Because access and ingress to G6 properties was impaired and/or
9 prevented by the Pandemic, the coronavirus, and related civil authority orders, the
10 Policies' Civil Authority and Ingress/Egress coverage extensions provide coverage
11 for G6's claimed losses.

12 **C. Pandemic-related civil authority orders also caused G6 to sustain**
13 **loss covered under the Policies' Contagious Diseases coverage**
 extension.

14 70. Clause 8 of the Master Policy²² *extends* coverage for Contagious
15 Diseases as follows:

16 ²¹ See, e.g., *supra* at ¶¶ 45, 58.

17 ²² Deviating from the Master Policy, the Lloyd's Apollo, Lloyd's Ascot, and Lloyd's
18 Berkley Policies provide Contagious Diseases coverage as follows:

19 This policy is *extended* to insure loss as insured hereunder when
20 there is an interruption or interference with the business of the
21 Insured as a consequence of: . . . [c]losing of the whole or *part of*
22 *the premises* of the Insured by order of a competent public authority
consequent upon the existence *or threat* of hazardous conditions
either actual *or suspected* at the premises of the Insured.

23 Ex. B, Lloyd's Apollo Policy at Contagious Disease Clause (emphasis added); Ex.
24 D, Lloyd's Ascot Policy at Contagious Disease Clause (emphasis added); Ex. C,
Lloyd's Berkley Policy at Contagious Disease Clause (emphasis added).

1 This policy is *extended* to insure Business Interruption, Extra Expense,
2 Rental Value and Rental Income loss as insured hereunder as a
3 consequence of the closing of all or *part of the premises* of the Insured
by order of a competent public authority consequent upon:

- 4 1. The existence *or threat* of an actual *or suspected*
5 infectious or contagious disease manifested by any person
while at the premises of the Insured;

6 [. . .]

- 7 4. The existence *or threat* of actual *or suspected* hazardous
8 sanitary conditions at the premises of the Insured.²³

9 71. The Policies' Contagious Diseases insuring agreements do not
10 require "direct physical loss or damage." More than that, the words "direct" and
11 "physical" appear nowhere in the Policies' Contagious Diseases insuring
12 agreements.

13 72. COVID-19 is an infectious and highly contagious disease
14 manifested by many hotel employees and patrons while on G6 properties.

15 73. The heightened risk of exposure to the coronavirus in public-
16 facing businesses such as hotels is a hazardous sanitary condition, particularly given
17 that the coronavirus is invisible, highly transmissible, and capable of causing
COVID-19 illness resulting in death.

18 74. The presence of coronavirus particles in the air and on surfaces
19 is a hazardous sanitary condition because the coronavirus causes COVID-19, a
20 potentially lethal disease.

21 75. G6 sustained Business Interruption loss and incurred Extra
22 Expense as a consequence of being forced to partially or completely close portions
23

24 ²³ Ex. A, Master Policy at Clause 8.D. (emphasis added).

1 of its hotels pursuant to Pandemic-related civil authority orders. *See supra* Section
2 III.A.

3 76. These orders were consequent upon the existence or threat of
4 COVID-19—an actual infectious and contagious disease—manifested in patrons
5 and employees at G6 hotel premises. For example, the continuous threat of hotel
6 patrons and employees unknowingly being exposed to the coronavirus and/or
7 manifesting COVID-19 at public-facing businesses such as G6 hotels resulted in
8 civil authority orders that forced G6 to close portions of its properties such as
9 swimming pools.

10 77. The civil authority orders were also consequent upon the
11 existence or threat of actual or suspected hazardous conditions at G6’s public-facing
12 hotels—e.g., the presence of coronavirus particles in the air and on surfaces, and the
13 heightened risk of coronavirus exposure and transmission. For example, in response
14 to COVID-19 exposure and transmission at public-facing businesses like G6 hotels,
15 civil authorities issued orders imposing capacity caps requiring G6 to close portions
16 of its hotels.

17 78. Accordingly, G6’s business interruption loss sustained and Extra
18 Expense incurred as a consequence of the aforementioned civil authority orders
19 forcing G6 to partially or completely close its hotels is covered under the Policies’
20 Contagious Diseases coverage.

21 **D. The Policies do not exclude G6’s losses.**

22 79. Upon information and belief, prior to the sale and issuance of the
23 Policies, Defendants were aware of exclusions being used in the insurance industry
24 that purported to expressly exclude loss from “virus” or “pandemics.”

1 80. Upon information and belief, Defendants were aware of the risk
2 of an infectious viral pandemic such as Middle East respiratory syndrome
3 (“MERS”), severe acute respiratory syndrome (“SARS”), and Avian influenza prior
4 to selling and issuing the Policies.

5 81. Defendants did not include any exclusions for “virus” or
6 “pandemics” in the Policies or any endorsements to the Policies.

7 82. While Defendants have cited a “pollutants or contaminants”
8 exclusion in the Master Policy and a “microorganism exclusion” in the Lloyd’s
9 9226, Interstate Fire, and Independent Specialty Policies as bases for denying
10 coverage, neither exclusion unambiguously negates coverage for G6’s loss
11 stemming from the Pandemic, the coronavirus, and related civil authority orders.²⁴

12 83. Notably, the Policies do not contain an exclusion for “loss of use”
13 or “loss of market.”

14 84. No other exclusions in the Policies apply to G6’s losses.

15 **IV. Even if the Policies require “direct physical loss” to trigger coverage, G6**
16 **meets that burden.**

17 **A. The coronavirus caused direct physical loss and damage to G6**
18 **property.**

19 85. While the Policies’ insuring agreements under Clauses 7 and 8
20 do not require “direct physical loss or damage,” even assuming these insuring
21 agreements did require “direct physical loss or damage,” the loss and damage
22 inflicted by the coronavirus at G6’s properties triggers coverage under the Policies.

23 ²⁴ In their October 14, 2021 partial denial letter, Defendants claimed the Lloyd’s
24 Beazley Policy also contained a “microorganism exclusion.” But there is no such
exclusion in the Beazley Policy G6 received from Lloyd’s Beazley.

1 86. The coronavirus causes direct physical loss *and* damage to
2 property.

3 87. The coronavirus is a tangible, physical substance that can
4 physically attach itself to surfaces or live on micro-droplets or other particles in the
5 air, thereby changing the surfaces, the air, and the surrounding environment.²⁵

6 88. The coronavirus and the fomites, droplets, and droplet nuclei
7 carrying it are dangerous physical substances that have a material, tangible
8 existence. In landing and settling on a surface or object, respiratory droplets
9 containing the coronavirus physically change the property by adsorbing to or
10 otherwise becoming a part of its surface. The viral particles themselves can interact
11 at a molecular level to form a chemical bond with surfaces. The bond persists until
12 broken through intervening forces, requiring either remediation or disposal and
13 replacement of the property. This physical alteration makes those previously safe,
14 inert surfaces (e.g., handrails, doorknobs, bathroom fixtures, furniture) unsafe.

15 89. The coronavirus, both in its original strain and in subsequently
16 evolving variants, physically bonds to surfaces through adsorption.²⁶ This adsorption
17 causes physical, tangible, structural, and demonstrable alterations, i.e., “physical
18 damage,” to the surfaces with which the coronavirus interacts.

20 ²⁵ Nicolas Castaño et al., *Fomite transmission, physicochemical origin of virus-*
21 *surface interactions, and disinfection strategies for enveloped viruses with*
22 *applications to SARS-CoV-2*, ACS Omega (Mar. 5, 2021),
<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7944398/>.

23 ²⁶ Daniela Dobrynin et al., *Adsorption of SARS CoV-2 spike proteins on various*
24 *functionalized surfaces correlates with the high transmissibility of Delta and*
Omicron variants, 14 Materials Today Bio (March 2022),
<https://www.sciencedirect.com/science/article/pii/S2590006422000631>.

1 90. By bonding with, and becoming part of, the property that it
2 comes in contact with, the coronavirus causes physical loss and/or damage by
3 attaching to, corrupting, and adversely altering that property, including the air
4 contained in buildings and various common surfaces and fixtures, which renders
5 such property dangerous, unusable, and unfit for its intended function. In short, the
6 property is physically damaged.

7 91. COVID-19 is a dangerous and highly contagious disease caused
8 by human exposure to the coronavirus that caused a pandemic that has continued for
9 over two years. There have been almost 580 million confirmed cases of COVID-19
10 (over 90 million in the U.S. alone) and over 6 million deaths worldwide.²⁷

11 92. The coronavirus can be transmitted in several ways, including
12 via direct human-to-human contact and by inhaling airborne viral particles in
13 ambient air.

14 93. COVID-19 is highly contagious, uniquely resilient, and
15 potentially deadly. The coronavirus spreads easily and lingers in the air.
16 Transmission between person and ambient air occurs primarily through small,
17 physical droplets expelled from the nose or mouth when an infected person breathes,
18 speaks, laughs, coughs, or sneezes.

19 94. Many coronavirus particles remain airborne for a period of time
20 sufficient to travel a considerable distance, filling indoor and outdoor spaces and
21 lingering in, attaching to, and spreading through heating, ventilation, and air
22

23 ²⁷ *WHO Coronavirus Disease (COVID-19) Dashboard*, WHO,
24 <https://covid19.who.int/> (last visited August 16, 2022).

conditioning (HVAC) systems.²⁸ One study examined a COVID-19 cluster of people who had eaten at the same restaurant and concluded that the most likely cause of the outbreak was droplet transmission by the restaurant's HVAC system.²⁹ Another study examined a hospital's HVAC system and found coronavirus particles throughout the system, including in ceiling vent openings, vent exhaust filters, and central ducts that were located more than 50 meters from infected patients' rooms.³⁰

95. The omnipresence of the coronavirus is enabled by multiple modes of viral transmission, including respiratory droplet, airborne/aerosolized, and fomite transmission (*i.e.*, transmission from contaminated surfaces and objects).³¹ These modes of transmission demonstrate that the coronavirus causes direct physical loss and damage to property.

²⁸ See, e.g., Lidia Morawska & Donald K. Milton, *It Is Time to Address Airborne Transmission of Coronavirus Disease 2019 (COVID-19)*, 71 CLINICAL INFECTIOUS DISEASES 9, 2311-13 (Dec. 3, 2020), <https://pubmed.ncbi.nlm.nih.gov/32628269/>; Julia Ries, *Experts Say COVID-19 Is Airborne: Here's How You Can Stay Safe*, Healthline Media (Oct. 7, 2020), <https://www.healthline.com/health-news/experts-say-covid-19-is-airborne-heres-how-you-can-stay-safe>.

²⁹ See Lu J, Gu J, Li K, et al., *COVID-19 Outbreak Associated with Air Conditioning in Restaurant, Guangzhou, China, 2020*. 26 Emerging Infectious Diseases J. 7 at 1628-1631 (July 2020), <https://wwwnc.cdc.gov/eid/article/26/7/pdfs/20-0764.pdf>; see also University of Cambridge, *Many ventilation systems may increase risk of COVID-19 exposure, study suggests*, ScienceDaily (Sept. 29, 2020), <https://www.sciencedaily.com/releases/2020/09/200929130301.htm>.

³⁰ See Nissen et al., *Long-distance airborne dispersal of SARS-CoV-2 in COVID-19 wards* (Nov. 11, 2020), <https://www.nature.com/articles/s41598-020-76442-2.pdf>.

³¹ See, e.g., *Transmission of SARS-CoV-2: implications for infection prevention precautions*, WHO (Jul. 9, 2020), <https://www.who.int/news-room/commentaries/detail/transmission-of-sars-cov-2-implications-for-infection-prevention-precautions>.

1 96. Airborne transmission involves the spread of the infectious agent
2 caused by the dissemination of droplet nuclei (aerosols) from, for example, exhaled
3 breath, that remain infectious when suspended in the air over long distances and time
4 periods.³² These tiny particles can remain suspended “for indefinite periods unless
5 removed by air currents or dilution ventilation.”³³ As a result, the risk of disease
6 transmission increases substantially in enclosed environments (like G6 properties)
7 compared to outdoor settings.³⁴

8 97. A number of studies have demonstrated that the coronavirus is
9 “much more resilient to cleaning than other respiratory viruses so tested.”³⁵ The
10 significant measures that must be taken in attempts to remove and disinfect the
11 coronavirus from property extend far beyond ordinary or routine cleaning and
12 depend on the concentration of the coronavirus and myriad surface characteristics
13 (e.g., type of surface, temperature, porosity).

14 98. The aerosolized coronavirus presents an inhalation exposure risk
15 for humans. The CDC has concluded:

16 ³² Eric A. Meyerowitz et al., *Transmission of SARS-CoV-2: A Review of Viral, Host,*
17 *and Environmental Factors*, *Annals Internal Med.* (Jan. 2021),
18 <https://www.acpjournals.org/doi/10.7326/M20-5008>.

19 ³³ Kevin P. Fennelly, Particle sizes of infectious aerosols: implications for infection
20 control, 8 *LANCET RESPIRATORY MED.* 9, at 914-24 (Sept. 1, 2020),
21 <https://www.thelancet.com/action/showPdf?pii=S2213-2600%2820%2930323-4>.

22 ³⁴ Muge Cevik et al., *Severe Acute Respiratory Syndrome Coronavirus 2 (SARS-*
23 *CoV-2) Transmission Dynamics Should Inform Policy*, *CLINICAL INFECTIOUS*
24 *DISEASES* (Sept. 23, 2020), [https://academic.oup.com/cid/advance-](https://academic.oup.com/cid/advance-article/doi/10.1093/cid/ciaa1442/5910315)
[article/doi/10.1093/cid/ciaa1442/5910315](https://academic.oup.com/cid/advance-article/doi/10.1093/cid/ciaa1442/5910315).

³⁵ Nevio Cimolai, *Environmental and decontamination issues for human*
coronaviruses and their potential surrogates, 92 *J.MED. VIROLOGY* 11, 2498-510
(June 12, 2020), <https://onlinelibrary.wiley.com/doi/10.1002/jmv.26170>.

- “[t]he principal mode by which people are infected with [the coronavirus] . . . is through exposure to respiratory droplets carrying infectious virus”; and
- “when a person with suspected or confirmed COVID-19 has been indoors, virus can remain suspended in the air for minutes to hours.”³⁶

99. Aerosolized coronavirus particles cannot be eliminated by routine surface cleaning, and in some cases cleaning contaminated surfaces (e.g., floors) could result in re-aerosolization of the coronavirus.

100. Moreover, given the ubiquity, contagiousness, and continuous transmission of the coronavirus at G6 hotels between infected persons, air, and surfaces, no amount of cleaning or ventilation intervention could prevent the coronavirus from causing direct physical loss and damage at G6 hotels.

B. G6 sustained covered losses resulting from the coronavirus causing direct physical loss and damage to G6 properties.

101. By March 2020, the coronavirus was present in and causing physical loss and damage to G6 properties. Over the course of the Pandemic, the coronavirus has been rampant in the geographical areas where G6 properties are located. Because the coronavirus is carried by individuals who travel to and work in G6 locations, the coronavirus is continually reintroduced and transmitted at G6 hotels.

102. And because G6 operates publicly-facing hotels, the threat of coronavirus transmission at G6 hotels was constant and, apart from debilitating total

³⁶ *Science Brief: SARS-CoV-2 and Surface (Fomite) Transmission for Indoor Community Environments*, CDC (updated Apr. 5, 2021), <https://www.cdc.gov/coronavirus/2019-ncov/more/science-and-research/surface-transmission.html>.

1 shutdowns, there was no way to permanently remove the coronavirus from its
2 properties.

3 103. G6 hotels have multiple high-traffic areas, such as the hotel
4 lobby, elevators, team break area, vending spaces, laundry rooms, and employee
5 restrooms, where appropriate social distancing is impossible or impractical, creating
6 unsafe and uninhabitable spaces due to the presence of the coronavirus.

7 104. G6 also recorded instances where hotel guests stayed at the hotel
8 while infected with COVID-19, which turned the locations where the infected guest
9 stayed into unsafe and uninhabitable spaces due to the presence of the coronavirus
10 responsible for these infections.

11 105. Accordingly, high-traffic areas and rooms with infected guests at
12 G6 locations were deep cleaned and heavily sanitized in an effort to restore
13 properties to a safe condition. These deep cleaning efforts were necessary because
14 infected persons at a G6 hotel convey coronavirus to solid surfaces, including but
15 not limited to doors, floors, furniture, bathroom facilities, and supplies, as well as
16 indoor airspace and HVAC systems. This transmission of the coronavirus from
17 infected persons to surfaces and indoor air at G6 hotels caused direct physical loss
18 and damage to G6 property. As alleged above, the coronavirus bonds with the
19 property that it comes in contact with, including the air contained in buildings and
20 various common surfaces and fixtures, rendering such property dangerous, unusable,
21 and unfit for its intended function.

22 106. The presence of the coronavirus, including but not limited to
23 coronavirus droplets or nuclei on solid surfaces and in the air, also causes direct
24 physical loss and damage to property, including airspace, at G6 hotels. When present

1 on surfaces or in the air, the coronavirus, a physical substance, has attached and
2 adhered to G6's property, and in so doing, has physically altered the property,
3 causing physical loss and damage to the property.

4 107. The presence of the coronavirus at G6 hotels is an external force
5 that causes direct physical loss and damage to property by creating a hazardous
6 condition on the property requiring G6 to undertake sanitization efforts.

7 108. The coronavirus also causes direct physical loss and damage to
8 G6 hotels by depriving the impacted property of functionality: hotel rooms exposed
9 to coronavirus are temporarily unavailable to rent while G6 undertakes necessary
10 mitigation to return the rooms to a safe and habitable condition.

11 109. This direct physical loss and damage to G6 hotels has interfered
12 with and interrupted G6 business operations nationwide throughout the course of the
13 Pandemic, resulting in loss of gross profit covered under the Policies' Business
14 Interruption insuring agreement.

15 110. The costs G6 incurred in undertaking remedial measures to
16 restore and remediate the air and surfaces of property exposed to the coronavirus are
17 covered under the Policies' Extra Expense insuring agreement. G6 incurred these
18 expenses in order to continue as nearly as practicable its normal business operations
19 following coronavirus outbreaks at its hotels.

20 111. As a result of civil authorities issuing orders in response to the
21 coronavirus causing direct physical loss and damage to G6 hotels and similar
22 business properties necessarily exposed to the coronavirus, access to G6's properties
23 or portions thereof was impaired and/or prevented—e.g., by mandated capacity caps
24 rendering swaths of otherwise rentable hotel property unrentable. For the duration

1 of these orders impairing and/or preventing access to its properties, G6 sustained
2 loss covered under the Policies' Civil Authority coverage extension.

3 112. As a result of the coronavirus causing direct physical loss and
4 damage to property, ingress to G6's properties or portions thereof (e.g., ingress to
5 specific hotels or hotel rooms G6 discovered were exposed to the coronavirus) was
6 impaired and/or prevented until the coronavirus-exposed property was returned to a
7 safe, habitable, and usable condition. For the duration of coronavirus exposure
8 impairing and/or preventing access to its properties, G6 sustained loss covered under
9 the Policies' Ingress/Egress coverage extension.

10 **V. Defendants committed multiple violations of the Texas Insurance Code**
11 **and Nevada Unfair Claims Practices Act in the investigation and**
handling of G6's claim.

12 113. G6 fully performed its obligations under the Policies, including
13 but not limited to paying all premiums that were due to Defendants and providing
14 timely notice of its loss.

15 114. The Policies promised G6 reimbursement of loss under the
16 Business Interruption, Extra Expense, Civil Authority, Ingress/Egress, and
17 Contagious Diseases insuring agreements.

18 115. In March 2020, G6, through its broker, Lockton Companies,
19 submitted to Defendants a written claim for coverage for the loss suffered by G6
20 arising out of the Pandemic, the coronavirus, and related civil authority orders.

21 116. After Defendants agreed to enter into a non-disclosure agreement
22 with G6, G6 sent responses to Defendants' requests for information ("RFIs") on
23 March 31, 2021. Along with narrative responses to the RFIs, G6 submitted detailed
24 profit and loss statements, room occupancy and revenue data, and Pandemic

1 business interruption data tracking closures by location, COVID-19 exposures on
2 G6 premises, occupancy caps incident to civil authority orders, and COVID-19
3 cleaning expenses.

4 117. The assigned adjuster for G6's claim sent a partial denial letter
5 on October 14, 2021, outlining the myriad reasons Defendants had no intention of
6 paying the claim.

7 118. On April 1, 2022, G6 updated its RFI responses with additional
8 data, and sent a written demand letter requesting Defendants reconsider their
9 coverage positions and demanding payment of G6's losses.

10 119. On August 17, 2022, Defendants responded to G6's demand with
11 a second partial denial letter, declining to reconsider their original denial of coverage
12 and reiterating positions taken in their October 2021 partial denial letter.

13 120. In their partial denial letters, Defendants failed to provide G6
14 with a reasonable explanation for their refusal to pay G6's claim.

15 121. Specifically, Defendants failed to explain why, despite scientific
16 and factual realities to the contrary, they consider the loss and damage caused by the
17 Pandemic, the coronavirus, and related civil authority orders not covered under the
18 Policies. Defendants' conduct is a violation of the Texas Insurance Code. *See* Tex.
19 Ins. Code Ann. § 541.060(a)(3).

20 122. Despite the lack of a reasonable basis for denying G6's claims,
21 Defendants made untrue statements of material fact and misrepresented to G6 the
22 coverages afforded under the Policies for the claimed loss G6 suffered due to the
23 Pandemic, the coronavirus, and related civil authority orders, e.g., by representing
24 that the relevant insuring agreements/claimed coverages required "direct physical

1 loss or damage,” that G6’s loss was not covered, and that even if any of the relevant
2 insuring agreements were satisfied, exclusions would apply to bar recovery.
3 Defendants’ conduct constitutes misrepresentation of a policy and an unfair
4 settlement practice in violation of the Texas Insurance Code. *See id.* §§ 541.051,
5 541.060(a)(1), and 541.061.

6 123. Defendants have failed to acknowledge that the insuring
7 agreements under which G6 is claiming coverage do not require “direct physical loss
8 or damage.”

9 124. Defendants have failed to acknowledge the scientific and
10 practical realities of the coronavirus: it is a physical substance that attaches to and
11 alters physical structures; it is a physical substance that persists in and damages
12 indoor air; it is an external force that makes previously satisfactory property
13 unsatisfactory; and its presence and transmission cause direct physical loss and
14 damage to property.

15 125. Defendants have also failed to acknowledge that the civil
16 authority orders applicable to G6’s properties were in fact issued as a result of the
17 Pandemic, an event not excluded under the Policy.

18 126. Defendants failed to timely accept or reject G6’s claim after
19 receiving all items, statements, and forms required to secure final proof of loss.
20 Defendants’ dilatory conduct constitutes a violation of the Texas Insurance Code.
21 *See id.* § 542.056.

22 127. To date, Defendants have not paid G6’s covered claim or any
23 portion of it. Defendants have delayed payment for more than 60 days after receiving
24 all items, statements, and forms reasonably requested and required from G6.

1 Defendants' dilatory conduct constitutes a violation of the Texas Insurance Code.
2 *See id.* § 542.058.

3 128. Defendants have refused to pay G6's claim without conducting
4 a reasonable investigation of the claim. Defendants' conduct is a violation of the
5 Texas Insurance Code. *See id.* § 541.060(a)(7).

6 129. Defendants have failed to attempt in good faith to effectuate a
7 prompt, fair, and equitable settlement of G6's claim with respect to which their
8 liability has become reasonably clear. Defendants' conduct is a violation of the
9 Texas Insurance Code. *See id.* § 541.060(a)(2).

10 130. G6 has notified Defendants by written demand of these failures
11 and that G6 seeks damages, costs, and attorneys' fees suffered as a result.

12 131. Throughout the course of handling G6's claim, Defendants have
13 misrepresented to G6 pertinent facts and policy provisions relating to the coverages
14 at issue in G6's claim for coverage, failed to acknowledge and act reasonably
15 promptly in communications with G6, failed to implement reasonable standards for
16 prompt investigation and processing of G6's claim, failed to affirm or deny coverage
17 within a reasonable time after G6 completed and submitted its proof of loss, failed
18 to effectuate a prompt, fair, and equitable settlement of G6's claim for which their
19 liability has become reasonably clear, and failed to promptly provide a reasonable
20 explanation of the basis in the Policies, with respect to the particular facts of G6's
21 claim, for their refusal to pay G6's claim. Defendants' conduct constitutes multiple
22 violations of the Nevada Unfair Claims Practices Act (the "UCPA"). *See* NRS
23 686A.310.

CLAIMS FOR RELIEF

FIRST CAUSE OF ACTION

Breach of Contract (Nevada and Texas Law)

132. G6 repeats and incorporates by reference the allegations set forth in each of the preceding paragraphs as though set forth fully below.

133. The Policies constitute valid and enforceable written contracts between G6 and each named Defendant.

134. G6 fully performed its obligations under the Policies, including but not limited to paying all premiums that were due to Defendants. In the alternative, Defendants have waived, or are estopped from asserting, these conditions as defenses to coverage, or G6's performance is otherwise excused.

135. Defendants agreed, in consideration of the premiums paid, to provide coverage under the Policies.

136. G6 has sustained covered loss under the Business Interruption, Extra Expense, Civil Authority, and Ingress/Egress coverages under the Policies.

137. No Policy exclusion applies to preclude or limit coverage.

138. Defendants have breached and continue to breach their contractual obligations by not paying amounts due under the Policies.

139. As a direct and proximate result of their breaches of contract, Defendants have deprived G6 of the benefits of the insurance for which it paid substantial premiums, entitling G6 to money damages in excess of \$15,000 and interest according to law.

140. G6's losses as a result of Defendants' breaches of contract are continuing, and G6 reserves the right to seek the full and exact amount of its damages at the time of trial.

141. All conditions precedent to initiating this lawsuit have been performed or have occurred.

142. G6 is entitled to recover its reasonable attorneys' fees pursuant to Chapter 38 of the Texas Civil Practice and Remedies Code.

SECOND CAUSE OF ACTION

Breach of the Implied Covenant of Good Faith and Fair Dealing (Texas Law)

143. G6 repeats and incorporates by reference the allegations set forth in each of the preceding paragraphs as though set forth fully below.

144. G6 was an insured under the Policies issued by Defendants, which gave rise to a duty of good faith and fair dealing.

145. Defendants breached the duty by failing to reasonably investigate G6's claim and improperly delaying or denying payment of the claim when Defendants knew or should have known their liability under the Policies was reasonably clear.

146. Defendants' breaches of the duty proximately caused injury to G6, which resulted in actual damages in excess of \$15,000.

147. G6 suffered injury independent of the loss of policy benefits, and that injury resulted from Defendants' gross negligence, malice, or actual fraud, which entitles G6 to exemplary damages.

1 **THIRD CAUSE OF ACTION**

2 **Breach of the Implied Covenant of Good Faith and Fair Dealing**
3 **(Nevada Law)**

4 148. G6 repeats and incorporates by reference the allegations set forth
5 in each of the preceding paragraphs as though set forth fully below.

6 149. The Policies are valid contracts between G6 and Defendants.

7 150. Under Nevada law, every contract contains an implied covenant
8 of good faith and fair dealing, which requires that one party refrain from conduct
9 that would prevent the other party from achieving its benefit of the bargain.

10 151. Defendants violated the implied covenant of good faith and fair
11 dealing by refusing without proper cause to compensate G6 for losses covered under
12 the Policies.

13 152. Defendants violated the implied covenant of good faith and fair
14 dealing by failing to reasonably investigate G6's claim.

15 153. Defendants, by their conduct, have wrongfully refused to pay
16 G6's claim without any reasonable basis and with knowledge, or reckless disregard
17 of the fact, that no reasonable basis exists to withhold payment for the claim.
18 Defendants' acts are inconsistent with the reasonable expectations of its insured,
19 contrary to established claims practices and legal requirements, and constitute bad
20 faith.

21 154. As a direct and proximate result of Defendants' bad faith
22 conduct, G6 has suffered and will continue to suffer damages in an amount in excess
23 of \$15,000, plus consequential damages, attorneys' fees, and pre- and post-judgment
24 interest to the extent permitted by law.

1 **FOURTH CAUSE OF ACTION**

2 **Violations of the Texas Insurance Code:**
3 **Unfair Methods of Competition and Unfair or Deceptive Acts or**
4 **Practices Defined**

5 155. G6 repeats and incorporates by reference the allegations set forth
6 in each of the preceding paragraphs as though set forth fully herein.

7 156. G6 is an insured under the Policies issued by Defendants.

8 157. Defendants are “persons” engaged in the business of insurance
9 within the meaning of Texas Insurance Code Section 541.002.

10 158. Pursuant to Section 541.051(1)(A), it is an unfair method of
11 competition or unfair or deceptive act or practice to “make . . . a[] . . . statement
12 misrepresenting with respect to a policy issued . . . the terms of the policy[.]”

13 159. Pursuant to Section 541.060, it is an unfair method of
14 competition or unfair or deceptive act or practice to:

- 15 (1) misrepresent[] to a claimant a material fact or policy
16 provision relating to coverage at issue;
- 17 (2) fail[] to attempt in good faith to effectuate a prompt, fair,
18 and equitable settlement . . . of a claim with respect to
19 which the insurer’s liability has become reasonably clear;
- 20 (3) fail[] to promptly provide to a policyholder a reasonable
21 explanation of the basis in the policy, in relation to the
22 facts or applicable law, for the insurer’s denial of a claim
23 or offer of a compromise settlement of a claim; . . . [or]
- 24 (7) refus[e] to pay a claim without conducting a reasonable
investigation with respect to the claim.

25 160. Pursuant to Section 541.061(a)(1), it is an unfair method of
26 competition or an unfair and deceptive act or practice to “mak[e] an untrue statement
27 of material fact.”

1 161. Defendants violated the Texas Insurance Code, including
2 subsections (a)(1)(A) of Section 541.051, subsections (a)(1), (2), (3), and (7) of
3 section 541.060, and subsection (a)(1) of Section 541.061.

4 162. As detailed above, Defendants made false statements of material
5 fact and misrepresentations to G6 relating to the Policy terms at issue, including the
6 applicability of claimed coverages and exclusions.

7 163. Defendants failed to attempt in good faith to effectuate a prompt,
8 fair, and equitable settlement of G6's claim, even though Defendants' liability under
9 the Policies was reasonably clear.

10 164. Defendants failed promptly to provide G6 with a reasonable
11 explanation of the basis in the Policy, in relation to the facts or applicable law, for
12 its non-payment of the claim.

13 165. Defendants refused to pay G6's claim without conducting a
14 reasonable investigation with respect to the claim.

15 166. These violations of the Texas Insurance Code are actionable
16 under Texas Insurance Code Section 541.151.

17 167. Defendants' violations of the Texas Insurance Code were a
18 producing cause of injury to G6, which resulted in substantial actual damages in
19 excess of \$15,000.

20 168. G6 has provided written notice to Defendants that G6 seeks
21 damages, costs, and attorneys' fees under Texas Insurance Code Section 541.154.

22 169. Defendants knowingly committed the alleged Texas Insurance
23 Code violations, which entitles G6 to recover treble damages under Texas Insurance
24 Code Section 541.152(b).

1 170. G6 is entitled to recover reasonable and necessary attorneys' fees
2 under Texas Insurance Code Section 541.152(a)(1).

3 **FIFTH CAUSE OF ACTION**

4 **Violations of the Texas Insurance Code: Prompt Payment of Claims**

5 171. G6 repeats and incorporates by reference the allegations set forth
6 in each of the preceding paragraphs as though set forth fully below.

7 172. G6 suffered a loss covered by the Policies and gave proper notice
8 of its claim to Defendants.

9 173. Defendants are liable for G6's claim for coverage under the
10 Policies and had a duty to pay the claim in a timely manner.

11 174. Defendants breached the duty in violation of chapter 542 of the
12 Texas Insurance Code by not timely accepting or rejecting G6's claim after receiving
13 all items, statements, and forms required to secure final proof of loss.

14 175. Defendants breached the duty in violation of chapter 542 of the
15 Texas Insurance Code by delaying payment of G6's claim for more than 60 days
16 after receiving all reasonably requested and required items.

17 176. As a result, G6 has been damaged and continues to be damaged
18 by Defendants' conduct. Defendants are therefore liable to pay G6 statutory damages
19 as set forth in Texas Insurance Code Section 542.060, and attorneys' fees should be
20 taxed as costs of this suit.

21 **SIXTH CAUSE OF ACTION**

22 **Violations of the Nevada Unfair Claims Practices Act, NRS 686A.310**

23 177. G6 repeats and incorporates by reference the allegations set forth
24 in each of the preceding paragraphs as though set forth fully below.

1 178. It is an improper and unfair claims practice for an insurer
2 transacting business in Nevada to engage in certain activities in violation of NRS
3 686A.310, also known as the Nevada Unfair Claims Practices Act (the “UCPA”).

4 179. Defendants violated the UCPA by, among other things,
5 misrepresenting to G6 pertinent facts and/or policy provisions relating to G6’s claim
6 for coverage. NRS 686A.310(1)(a).

7 180. Defendants violated the UCPA by, among other things, failing to
8 acknowledge and act reasonably promptly upon communications with respect to
9 G6’s claim. NRS 686A.310(1)(b).

10 181. Defendants violated the UCPA by, among other things, failing to
11 adopt and implement reasonable standards for the prompt investigation and
12 processing of G6’s claim. NRS 686A.310(1)(c).

13 182. Defendants violated the UCPA by, among other things, failing to
14 affirm or deny coverage of G6’s claim within a reasonable time after G6 completed
15 and submitted proof of loss requirements. NRS 686A.310(1)(d).

16 183. Defendants violated the UCPA by, among other things, failing to
17 effectuate a prompt, fair, and equitable settlement of G6’s claim in which
18 Defendants’ liability has become reasonably clear. NRS 686A.310(1)(e).

19 184. Defendants violated the UCPA by, among other things, failing to
20 provide promptly to G6 a reasonable explanation of the basis in the Policies, with
21 respect to the facts of G6’s claim and applicable law, for the denial of G6’s claim.
22 NRS 686A.310(1)(n).

1 185. Defendants' conduct constitutes oppression, fraud, and/or
2 malice. Specifically, Defendants, by acting as alleged above, consciously and
3 without cause disregarded G6's rights in bad faith.

4 186. Defendants are liable to G6 for damages G6 sustained as the
5 result of Defendants commission of the above violations.

6 187. As a direct and proximate result of Defendants' violations of
7 NRS 686A.310, G6 has suffered and will continue to suffer damages in excess of
8 \$15,000.00, in an amount to be determined at trial, plus consequential damages,
9 attorneys' fees, punitive damages, and pre- and post-judgment interest to the extent
10 permitted by law.

11 **SEVENTH CAUSE OF ACTION**

12 **Declaratory Judgment** 13 **(Nevada and Texas Law)**

14 188. G6 repeats and incorporates by reference the allegations set forth
15 in each of the preceding paragraphs as though set forth fully below.

16 189. Under Chapter 30 of the Nevada Revised Statutes and Chapter
17 37 of the Texas Civil Practice and Remedies Code, G6 requests a declaration of the
18 parties' rights and duties under the Policies.

19 190. An actual and justiciable controversy exists between G6 and
20 Defendants concerning the proper construction of the Policies and Defendants'
21 contractual duties to cover G6's claim for coverage under the Policies.

22 191. The controversy between G6 and Defendants is ripe for judicial
23 review.

1 192. The controversy is of sufficient immediacy to justify the issuance
2 of declaratory relief.

3 193. G6 therefore seeks a declaration from the Court that:

- 4 a. Clause 7 of the Policies does not require “direct physical
5 loss or damage” to property to trigger coverage;
- 6 b. Clause 8 of the Policies does not require “direct physical
7 loss or damage” to property to trigger coverage;
- 8 c. even if the Policies do require “direct physical loss or
9 damage” under Clauses 7 or 8, the coronavirus causes
10 “direct physical loss or damage” to property to trigger
11 coverage under Clauses 7 and 8;
- 12 d. no exclusion in the Policies applies to preclude or limit
13 coverage for G6’s claim;
- 14 e. G6’s claim triggers Business Interruption coverage under
15 Clause 7.C. of the Master Policy;
- 16 f. G6’s claim triggers Extra Expense coverage under Clause
17 7.D. of the Master Policy;
- 18 g. G6’s claim triggers Civil Authority coverage under Clause
19 8.B. of the Master Policy and under the Beazley
20 Amendatory Endorsement of the Lloyd’s Beazley Policy;
- 21 h. G6’s claim triggers Ingress/Egress coverage under Clause
22 8.C. of the Master Policy and under the Beazley
23 Amendatory Endorsement of the Lloyd’s Beazley Policy;
- 24 i. G6’s claim triggers Contagious Diseases coverage under
Clause 8.D. of the Master Policy and under the Contagious
Disease Clauses of the Lloyd’s Apollo, Lloyd’s Ascot, and
Lloyd’s Berkley Policies; and
- j. G6 has satisfied or been excused from satisfying, or
Defendants have waived or are estopped from enforcing,
all conditions precedent under the Policies.

 194. Such a declaration would resolve the current controversy
between G6 and Defendants.

1 195. G6 is entitled to recover its costs under Chapter 30 of the Nevada
2 Revised Statutes and Chapter 37 of the Texas Civil Practice and Remedies Code, as
3 well as reasonable and necessary attorneys' fees under Chapter 37 of the Texas Civil
4 Practice and Remedies Code.

5 **JURY DEMAND**

6 196. In accordance with NRCP 38(b), G6 demands a trial by jury on
7 all issues so triable.

8 **PRAYER FOR RELIEF**

9 G6 respectfully requests that the Court enter judgment in its favor and
10 award the following relief:

11 A. On its first count for breach of contract:

- 12 1. compensatory and general damages in excess of \$15,000
13 in an amount to be proven at trial;
14 2. an award of costs, expenses, and attorneys' fees pursuant
15 to Chapter 38 of the Texas Civil Practice and Remedies
16 Code and as otherwise permitted by applicable law;
17 3. pre-judgment and post-judgment interest at the maximum
18 legal rate; and
19 4. such other and further relief as this Court finds proper,
20 just, and equitable.

21 B. On its second count, an award of compensatory damages in
22 excess of \$15,000, including all losses resulting from
23 Defendants' breaches of duty, exemplary damages, and any other
24 relief the court determines is proper, just, and equitable.

21 C. On its third count, an award of compensatory damages in excess
22 of \$15,000, including all losses resulting from Defendants'
23 breaches of duty, consequential damages, and any other relief the
24 court determines is proper, just, and equitable.

21 D. On its fourth count, an award of actual damages in excess of
22 \$15,000, which includes the loss of the benefits that should have

1 been paid pursuant to the Policies, court costs, and attorneys' fees
2 and any other relief the court determines is proper; and an award
3 of statutory damages up to three times G6's actual damages
4 under section 541.152 of the Texas Insurance Code.

5 E. On its fifth count, an award of actual damages in excess of
6 \$15,000 plus 18% interest, together with G6's reasonable and
7 necessary attorneys' fees and costs, and prejudgment interest,
8 under sections 542.051 to 542.061 of the Texas Insurance Code.

9 F. On its sixth count, an award of damages in an amount in excess
10 of \$15,000, in an amount to be determined at trial, plus
11 consequential damages, attorneys' fees, punitive damages, and
12 pre- and post-judgment interest to the extent permitted by law.

13 G. On its seventh count requesting a declaratory judgment:

14 1. a declaration in favor of G6 that:

15 a. Clause 7 of the Policies does not require "direct
16 physical loss or damage" to property to trigger
17 coverage;

18 b. Clause 8 of the Policies does not require "direct
19 physical loss or damage" to property to trigger
20 coverage;

21 c. even if the Policies do require "direct physical loss
22 or damage" under Clauses 7 or 8, the coronavirus
23 causes "direct physical loss or damage" to property
24 to trigger coverage under Clauses 7 and 8;

 d. no exclusion in the Policies applies to preclude or
 limit coverage for G6's claim;

 e. G6's claim triggers Business Interruption coverage
 under Clause 7.C. of the Master Policy;

 f. G6's claim triggers Extra Expense coverage under
 Clause 7.D. of the Master Policy;

 g. G6's claim triggers Civil Authority coverage under
 Clause 8.B. of the Master Policy and under the
 Beazley Amendatory Endorsement of the Lloyd's
 Beazley Policy;

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- h. G6’s claim triggers Ingress/Egress coverage under Clause 8.C. of the Master Policy and under the Beazley Amendatory Endorsement of the Lloyd’s Beazley Policy;
 - i. G6’s claim triggers Contagious Diseases coverage under Clause 8.D. of the Master Policy and under the Contagious Disease Clauses of the Lloyd’s Apollo, Lloyd’s Ascot, and Lloyd’s Berkley Policies; and
 - j. G6 has satisfied or been excused from satisfying, or Defendants have waived or are estopped from enforcing, all conditions precedent under the Policies;
- 2. an award of costs under Chapter 30 of the Nevada Revised Statutes and Chapter 37 of the Texas Civil Practice and Remedies Code; and
 - 3. an award of attorneys’ fees pursuant to Texas Civil Practice and Remedies Code section 37.009.
- H. Such other and further relief as this Court finds proper, just, and equitable.

KAEMPFER CROWELL



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EXHIBIT INDEX

- Exhibit A: Lloyd’s Master Policy
- Exhibit B: Lloyd’s Apollo Policy
- Exhibit C: Lloyd’s Berkley Policy
- Exhibit D: Lloyd’s Ascot Policy
- Exhibit E: Lloyd’s Beazley Policy
- Exhibit F: Lloyd’s 9226 Interstate Fire and Independent Specialty Policies

EXHIBIT A

Lloyd's Master Policy

G6 Hospitality, LLC

Master Policy

Policy Number:

(Excluding Equipment Breakdown)

G6 Hospitality, LLC and any subsidiary, affiliated, associated, or allied company, corporation, firm, organization, and the Insured's interest in partnerships and/or joint ventures, and/or any owned (wholly or partially) or controlled company(ies) where the Insured maintains an interest, as now or hereafter constituted or acquired; and any other party or interest that is required by contract or agreement;

all hereafter referred to as the "Insured."

1. Policy Term and Participation

In consideration of the annual premium, this policy attaches and insures from January 1, 2020 to January 1, 2021 beginning and ending at 12:01 A.M. at the location of the property involved.

In the event of loss or damage insured by this policy, this **Insurer** shall be liable for its proportion of the Limits of Liability set forth in Clause No. 3 as stated in the Security Details of the Market Reform Contract.

2. Territory

This policy insures within and between the 50 states comprising the United States of America, the District of Columbia, Puerto Rico, and including any other territories and possessions of the foregoing. The territory includes coastal and inland waterways between points and places therein.

As respects coverage for interdependency provided under Clause 7.B. and coverage provided under Clause 8.A.1., the territory shall be worldwide.

3. Program Limits of Liability

In the event of loss or damage insured under this policy, this **Insurer** shall be liable for its proportional share of USD100,000,000 per **occurrence** as stated in the Risk Details section of the Market Reform Contract except as respects the following, excess of the policy deductibles:

USD	100,000,000	Flood per occurrence and annual aggregate, except;
USD	50,000,000	Flood per occurrence and annual aggregate for buildings and structures located wholly or partially within Special Flood Hazard Area as outlined in Endorsement #10
USD	100,000,000	Earthquake per occurrence and annual aggregate, except;
USD	40,000,000	Earthquake per occurrence and annual aggregate within the States of California, Alaska and Hawaii and Puerto Rico
USD	100,000,000	Earthquake per occurrence and annual aggregate within the Pacific Northwest and New Madrid Territories
USD	100,000,000	Named Windstorm
USD	25,000,000	Accounts Receivable
USD	10,000,000	Civil or Military Authority
USD	1,500,000	Contagious Diseases per occurrence and annual aggregate
USD	1,000,000	Contingent Business Interruption and Contingent Extra Expense including Attraction Properties
USD	1,000,000	Defense Costs

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	Included	Electronic Data Processing Equipment
	Excluded	Equipment Breakdown
USD	10,000,000	Errors and Omissions
	365 days	Extended Period of Indemnity
USD	2,500,000	Expediting Expense
USD	5,000,000	Historic Properties
USD	10,000,000	Ingress/Egress
USD	1,000,000	Loss Adjustment Expense
USD	15,000,000	Miscellaneous Unnamed Locations, per Location
USD	2,500,000	Mold Coverage per occurrence and annual aggregate provided for in Endorsement #1
USD	50,000,000	Newly Acquired Locations – 120 days reporting - Miscellaneous Unnamed Locations sublimit applies after 120 days
USD	2,500,000	Offsite Storage Locations
	60 Days	Ordinary Payroll
USD	1,000,000	Outdoor Property: Trees, Shrubs, Plants and Landscaping
USD	500,000	Pollutant Clean Up of Land and Water per occurrence and annual aggregate
USD	10,000,000	Property in the Course of Construction, Erection, Installation or Assembly
USD	500,000	Property of Officers, Employees, Hotel Guests or Tenants
	60 days	Service Interruption – Business Interruption and Extra Expense
USD	1,000,000	Soft Costs
USD	1,000,000	Tenant/Hotel Guest Emergency Evacuation – per occurrence and annual aggregate
USD	1,000,000	Tenant and Hotel Guest Relocation Expense – per occurrence and annual aggregate
USD	250,000	Transit per conveyance per occurrence
USD	5,000,000	Upgrade to Green provided for in Endorsement #8

Waiting Periods:

24 hour waiting period shall apply to loss due to Service Interruption.

Waiting period application: The insurer will not be liable for any Loss or Damage unless the period of interruption exceeds the specified waiting period. Once the period of liability exceeds 24 hours, coverage then applies to the entire period of interruption subject to the Policy Deductible.

APPLICATION OF LIMITS OF LIABILITY - This Policy may contain sublimits applicable to specific locations or specific coverage's or specific causes of loss. Such limits shall be the total payable as a result of a single occurrence (or an annual aggregate of certain occurrences where so specified) and neither the policy limit nor any sublimit shall be increased by the application of one or more sublimits.

4. Deductible

- A. All loss or damage arising out of any one **occurrence** shall be adjusted as one loss and the amount of such adjusted loss shall be deducted from an annual aggregate deductible of USDUSD2,500,000. When the aggregate is exhausted, a USD100,000 per occurrence deductible will apply. Only the portion of loss or damage exceeding USD100,000 will erode the aggregate. Losses relating to **Flood, Earthquake, and Named Windstorm in Tier 1 Counties** do not erode the aggregate.

Named Windstorm:

The sum of USD100,000 shall be deducted from any adjusted loss due to the peril of Named Windstorm, except;

As respects the peril of **Named Windstorm** in Tier 1 Counties, the sum of 5% of the total values declared by insured, as per Statement of Values on file with Insurer at the time of loss, at each location submitting a claim, to be calculated separately for each unit of insurance which sustains loss or damage, subject to a minimum of USD500,000 per location with a maximum of USD2,500,000 per occurrence.

Flood:

With respect to buildings and structures located wholly or partially within **Special Flood Hazard Areas (SFHA)** as outlined in Endorsement #10:

- a) If insurance is maintained through the National Flood Insurance Program (NFIP) or any other primary or underlying policy or program covering property damaged by flood, with limits equal to the full replacement cost of the building and contents, or the maximum NFIP limit available per building and contents, then the deductible shall be the amount payable from NFIP or other primary or underlying insurance for such damage plus USD50,000 per occurrence (not per building) for any Business Interruption or rental value loss.
- b) If insurance is not maintained through NFIP or any other primary or underlying policy or program covering property damaged by flood, the deductible shall be the maximum amount available under NFIP.

In the event that underlying insurance is maintained through NFIP or any other primary or underlying policy or program, it is agreed that this policy shall be excess over the amount payable under such National Flood Insurance Policy(ies). Insurance maintained through NFIP shall be considered Underlying Insurance.

With respect to any other **Flood** loss, the sum of 5% of the total values declared by insured, as per Statement of Values on file with Insurer at the time of loss, at each location submitting a claim, to be calculated separately for each unit of insurance which sustains loss or damage, subject to a minimum of USD25,000 with a maximum of USD100,000 per occurrence.

Earthquake:

The sum of USD100,000 shall be deducted from any adjusted loss due to the peril of Earthquake, except;

As respects the peril of **Earthquake** in the States of California and Alaska, the sum of 5% of the total values declared by insured, as per Statement of Values on file with Insurer at the time of loss, at each location submitting a claim, to be calculated separately for each unit of insurance which sustains loss or damage, subject to a minimum of USD250,000 per occurrence.

As respects the peril of **Earthquake** in Hawaii, **New Madrid** and **Pacific Northwest** Territories, the sum of 2% of the total values declared by insured, as per Statement of Values on file with Insurer at the time of loss, at each location submitting a claim, to be calculated separately for each unit of insurance which sustains loss or damage, subject to a minimum of USD100,000 per occurrence.

- B. In the event of loss or damage involving more than one deductible, the Insured can either elect to have the deductibles apply separately or have the single largest deductible apply.
- C. The deductible amount specified in Clause A. above shall not apply to General Average contributions and/or salvage charges.
- D. If other insurance applies to the same property as insured hereunder, and to the extent recovery is made from such other insurance, the deductible under this policy shall be reduced by such recovery, but in no event shall the deductible under this policy be less than shown in the policy. If recovery from such other insurance is greater than the deductible in this policy, then the deductible under this policy shall not apply.
- E. In any **occurrence** where loss or damage is caused by more than one cause of loss or damage (peril) insured against under this policy or occurs at more than one location or building, the Insured shall have the right to separate the loss amount by peril or location or building for the purposes of application of the deductible(s) specified in this section, notwithstanding the above reference to two or more deductibles and the policy limits.
- F. Unit of Insurance: The following shall be considered a separate unit of insurance: (1) each separate building or structure; (2) the contents of each separate building or structure; (3) property in each yard; (4) business interruption for the twelve-month period immediately following the loss.

5. Loss or Damage Insured

This policy insures against all risk of direct physical loss or damage to property including General Average, salvage, and all other charges on shipments insured hereunder except as hereinafter excluded.

6. Loss or Damage Excluded

This policy does not insure the following:

- A.
 - 1. Loss or damage caused by hostile or warlike action in time of peace or war, including action in hindering, combating, or defending against an actual, impending, or expected attack:
 - (a) by any government or sovereign power (de jure or de facto) or by any authority maintaining or using military, naval, or air forces;
 - (b) or by military, naval, or air forces;
 - (c) or by an agent of such government, power, authority, or forces;
 - 2. Loss or damage caused by any weapon employing atomic fission or fusion;
 - 3. Loss or damage caused by rebellion, revolution, civil war, usurped power; or action taken by governmental authority in hindering, combating, or defending against such **occurrence**;
 - 4. Loss or damage caused by seizure or destruction by order of public authority, except destruction by order of public authority to prevent spread of, or to otherwise contain, control or minimize loss, damage, or destruction which occurs due to loss or damage insured under this policy;
 - 5. Risks of contraband or illegal trade.

Notwithstanding the above provisions 6.A. 1, 3, 4, and 5, this insurance shall insure loss or damage caused by acts of an agent of any government, party, or faction engaged in war, hostilities, or warlike operations, provided such agent or faction or government is acting secretly and not in connection with any overt operation of armed forces (whether military, naval, or air forces) in the country where the property is situated. Nothing in the foregoing shall be construed to include any loss or damage caused by or resulting from any loss or damage referenced in 6.A. 1.-5. above, excepting only the acts of certain agents expressly insured herein, but in no event shall this insurance include any loss or damage caused by or resulting from any weapon of war employing atomic fission or fusion whether in time of peace or war.

- B. Loss or damage caused by nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, and whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, attributed to, or aggravated by loss or damage insured herein except:
 - 1. The **Insurer** shall be liable for loss or damage caused by sudden or accidental radioactive contamination, including resultant radiation damage for each **occurrence** from material used or stored or from processes conducted on insured premises, provided at the time of loss there is neither a nuclear reactor capable of sustaining nuclear fission in a self-supporting chain reaction nor any new or used nuclear fuel on the insured premises;

2. If an insured loss ensues, liability is specifically assumed by the **Insurer** for such ensuing direct loss or damage insured hereunder but not including any loss due to nuclear reaction, nuclear radiation or radioactive contamination.

- C. Loss or damage caused by **fraudulent or dishonest act or acts** committed by the Insured or any of the Insured's employees.

This exclusion does not apply to loss or damage resulting from the Insured voluntarily parting with title or possession of any property if induced to do so by any fraudulent scheme, trick, device or false pretense, nor shall this exclusion apply to willful acts of destruction committed by the Insured's employees.

- D. Ordinary wear and tear, or gradual deterioration, unless loss or damage not excluded in this policy ensues, and then this policy shall insure only the ensuing loss or damage.

Except, if an **occurrence** to an **object** ensues, then this policy shall also insure the ordinary wear and tear, or gradual deterioration that initiated the damage to the object causing the **occurrence**.

- E. The cost of making good or rectifying faulty or defective workmanship, material, construction or design, but this exclusion shall not apply to damage resulting from such faulty or defective workmanship.

This exclusion shall not apply to faulty material that results in an **occurrence to an object**.

- F. Asbestos material removal except as provided in Endorsement 11.

- G. Loss or damage caused by, resulting from, contributed to or made worse by the actual, alleged or threatened release, discharge, escape or dispersal of **Pollutants or Contaminants**, all whether direct or indirect, proximate or remote or in whole or in part caused by, contributed to or aggravated by any Covered Cause of Loss under this Policy, except as provided in Clause #15.

This exclusion shall not apply to direct physical loss or damage to Insured Property arising out of seepage, contamination, or pollution caused by **Specified Perils**.

- H. Deterioration, depletion, rust, corrosion, erosion, wet or dry rot, decay, evaporation, leakage, wear and tear, animal, insect or vermin damage, inherent vice or latent defect, shrinkage or change in color, flavor, texture or finish, extremes or changes of temperature damage or changes in relative humidity damage, all whether atmospheric or not, except, if loss or damage not excluded in this policy ensues, then this policy shall insure such ensuing loss or damage.

- I. Normal settling, shrinkage, or expansion in foundations, walls, floors or ceilings unless such damage results directly from a peril insured by this Policy, or unless direct physical loss, damage or destruction by a peril insured by this Policy results, and this Policy shall insure against that resulting direct physical loss, damage or destruction.

- J. Mysterious disappearance or loss or shortage disclosed on taking inventory or any unexplained loss, except, if loss or damage not excluded in this policy ensues, then this policy shall insure such ensuing loss or damage.
- K. Electrical injury or disturbance to electrical appliances, devices, fixtures, wiring or other electrical or electronic equipment caused by electrical currents artificially generated; except this Company(ies) shall be liable for ensuing physical loss or damage resulting from an Insured cause of loss not otherwise excluded.
- L. Mechanical breakdown unless physical loss or damage resulting from an Insured cause of loss, not otherwise excluded ensues, and then this Company(ies) shall be liable for only such ensuing loss or damage. This exclusion does not apply to loss or damage to property in transit caused by mechanical breakdown or refrigeration equipment.
- M. Explosion, rupture, or bursting of steam boilers, steam pipes, steam turbines or steam engines owned or operated by the Insured unless physical loss or damage resulting from an Insured cause of loss, not otherwise excluded ensues, and then this Company(ies) shall be liable for only such ensuing loss or damage. However, it is agreed that direct loss resulting from the explosion of accumulated gases or unconsumed fuel within the firebox (or combustion chamber) of any fired vessel or within the flues or passages which conduct the gases or combustion therefrom shall be covered hereunder.

(Note: Exclusions K., L., and M. above shall also be referred to as an **Accidental Occurrence to an Object**.)

7. Coverage

This policy insures the interest of the Insured in the following:

A. Real and Personal Property

All real and personal property while such property is located anywhere within the territorial limits of this policy, including while in due course of **transit** which is owned, used, or intended for use by the Insured, or acquired by the Insured, and property of others in the Insured's care, custody or control including the Insured's liability for such property and including the costs to defend any allegations of liability for loss or damage to such property; including but not limited to the following:

1. Improvements and betterments. The **Insurer** agrees to accept and consider the Insured as sole and unconditional owner of the improvements and betterments, notwithstanding any contract or lease to the contrary.
2. At the option of the Insured, personal property of the Insured's officials and employees and hotel guests, while in the Insured's care, custody or control, or while on the Insured's premises.

- 3 Contractor's and/or subcontractor's (of any tier) and vendor's interests in property insured to the extent of the Insured's liability imposed by law or assumed by contract, whether written or oral.
4. At the option of the Insured, the interest of the Insured's customers in property sold by the Insured under conditional sale, trust agreement, installment plan or other deferred payment plan including property which is leased to customers under a lease/purchase agreement.
5. Property of others that the Insured has agreed to insure prior to loss or damage including property not in the Insured's care, custody or control and at the Insured's option the interest of the owner of such property.
6. Property while in the course of construction and/or during erection, assembly and/or installation.
7. **Architect Fees and Engineering Fees**

B. Business Interruption – Gross Earnings

1. Loss due to the necessary interruption of business conducted by the Insured, including all interdependencies between or among companies owned or operated by the Insured resulting from loss or damage insured herein and occurring during the term of this policy to real and/or personal property described in Clause 7.A.
2. Such loss shall be adjusted on the basis of the actual loss sustained by the Insured, consisting of the net profit which is prevented from being earned including **ordinary payroll** and payroll;

and

all charges and other expenses (including **soft costs**) to the extent that these must necessarily continue during the interruption of business, but only to the extent to which such charges and expenses would have been incurred had no loss occurred.

3. In determining the amount of net profit, charges, and expenses insured hereunder for the purposes of ascertaining the amount of the actual loss sustained, due consideration shall be given to the experience of the business before the date of the loss or damage and to the probable experience thereafter had no loss occurred.
4. In the event of insured loss or damage to property as described in Clause 7.A. which results in an interruption of research and development activities, which in themselves would not have produced income during the recovery period, this policy shall insure the actual loss sustained of the continuing charges and expenses, including **ordinary payroll** and payroll, directly attributable to such research and development activities.

5. As respects coverage provided under Clause 7.B., the **Insurer** shall not be liable for any loss resulting from loss or damage to **finished stock or stock in process** nor for the time required to reproduce said **finished stock or stock in process**.

C. Business Interruption - Loss of Profits

1. Loss of gross profit as hereinafter defined, resulting from interruption of or interference with the business, and caused by loss or damage to real or personal property as described in Clause 7. A. of this policy during the term of the policy.
2. Indemnity: The amount of loss of gross profit shall be based on REDUCTION IN TURNOVER and on INCREASE IN COST OF WORKING, and the amount payable as indemnity thereunder shall be:
 - (a) In respect to REDUCTION IN TURNOVER: The sum produced by applying the rate of gross profit to the amount by which the turnover during the indemnity period shall, in consequence of the damage, fall short of the standard turnover;
 - (b) In respect to INCREASE IN COST OF WORKING: The additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in turnover which but for that expenditure would have taken place during the indemnity period in consequence of the damage, but not exceeding the sum produced by applying the rate of gross profit to the amount of the reduction thereby avoided;
 - (c) In respect to auditors' fees, the reasonable charges payable by the Insured to their auditors for producing and certifying any particulars or details in the Insured's books of account or other books or documents or such other profits, information or evidence as may be required by the **Insurer**;

less any sum saved during the indemnity period in respect of such of the standing charges of the business payable out of gross profit as may cease or be reduced in consequence of the damage.
3. Definitions:
 - a) Gross Profit: The sum produced by adding to the net profit the amount of all the standing charges of the business, including **soft costs** or if there be no net profit the amount of said standing charges less the amount of any net trading loss. Standing charges shall include, but not be limited to, wages and depreciation on property.
 - b) Net Profit: The net trading profit (exclusive of all capital receipts and accretions and all outlay properly chargeable to capital) resulting from the business of the Insured after due provision has been made for all standing

and other charges including depreciation but before the deduction of any taxation chargeable on profits.

- c) Wages: The remuneration (including where applicable: bonuses, overtime, living allowance (if any), national insurance contribution, holiday pay or other payments pertaining to wages) of all employees other than those whose remuneration is treated as salaries in the Insured's books of account.
- d) Turnover: The money (less discounts allowed) paid or payable to the Insured for goods sold and delivered and for services rendered in course of the business.
- e) Rate of Gross Profit: The rate of gross profit earned on the turnover during the financial year immediately before the date of the damage.
- f) Annual Turnover: The turnover during that period in the 12 months immediately before the date of the damage.
- g) Standard Turnover: The turnover during that period in the 12 months immediately before the date of the damage which corresponds with the indemnity period.

With respect to subparagraphs e-Rate of Gross Profit, f- Annual Turnover and g- Standard Turnover as described above, such adjustments shall be made as may be necessary to provide for the trend of the business and for variations in or special circumstances affecting the business either before or after the damage or which would have affected the business had the damage not occurred, so that the figures thus adjusted shall represent as nearly as any be reasonably practicable the results which but for the damage would have been obtained during the relative period after the damage.

4. Memoranda:

MEMO 1: This policy will allow the insured to have the option to make claim based on either the:

- 1. Business Interruption Gross Earnings as stated under Clause 7B
- 2. Business Interruption Gross Profit as stated under Clause 7C

If such claim involves more than one location, including interdependency at one or more locations, all such claim will be adjusted by using the single coverage option chosen above. This option may be exercised at any time.

D. Extra Expense

- 1. Extra Expense incurred by the Insured in order to continue as nearly as practicable the normal operation of the Insured's business following loss or damage insured herein and occurring during the term of this policy to real and/or personal property as described in Clause 7.A.

2. The term Extra Expense, as used herein, is defined as the excess (if any) of the total cost chargeable to the operation of the Insured's business, over and above the total cost that would normally have been incurred to conduct the business had no loss or damage occurred, including **soft costs**.

E. Accounts Receivable

In the event of loss or damage to records or accounts receivable from customers caused by loss or damage insured herein, this **Insurer** will indemnify the Insured as follows:

1. All sums due the Insured (from customers), provided the Insured is unable to effect collection thereof as a result of loss or damage to records of accounts receivable by loss or damage insured by this policy.
2. All sums due the Insured from factoring transactions, when the property of the debtor has been lost or damaged by loss or damage insured by this policy and the Insured has been unable to effect collection thereof.
3. Interest charges on any loan to offset impaired collections pending repayment of such sums made uncollectible by such loss or damage.
4. Collection expenses in excess of normal collection cost and made necessary because of such loss or damage.
5. Other expenses, when reasonably incurred by the Insured in reestablishing records of accounts receivable following such loss or damage.

For purpose of this insurance, charges under a credit card company and maintained on **EDP Media** shall be deemed to represent sums due the Insured from customers.

When there is proof that a loss of records of accounts receivable has occurred by the Insured and the Insured cannot more accurately establish the total amount of accounts receivable outstanding as of the date of such loss, such amount shall be computed as follows:

1. The monthly average of accounts receivable during the last available twelve (12) months shall be adjusted in accordance with the percentage increased or decreased in the twelve (12) months average of monthly gross revenues, which may have occurred in the interim;
2. The monthly amount of accounts receivable thus established shall be further adjusted in accordance with any demonstrable variance from the average for the particular month in which the loss occurred, due consideration also being given to the normal fluctuations in the amount of accounts receivable within the fiscal month involved.

There shall be deducted from the total amount of accounts receivable, however established, the amount of such accounts evidenced by records, not lost or damaged, or otherwise established or collected by the Insured and an

amount to allow for probable bad debts which would normally have been uncollectible by the Insured.

F. Leasehold Interest

This policy provides coverage for leasehold interest when property is rendered wholly or partially untenable by any insured loss during the term of this policy and a lease is canceled by a party not insured by this policy in accordance with the conditions of the lease or by statutory requirements of the appropriate jurisdiction in which the damaged property is located.

1. Coverage under this clause includes the:
 - (a) Pro-rata portion from the date of loss to the expiration date of the lease (to be paid without discount) on the Insured's interest in:
 - (i) the amount of bonus paid by the Insured for the acquisition of the lease not recoverable under the terms of the lease;
 - (ii) improvements and betterments to real property which are not insured under any other section of this policy;
 - (iii) the amount of advance rental paid by the Insured and not recoverable under the terms of the lease;
2. This **Insurer** shall indemnify the Insured for its **Lease Interest** for the first three months following the loss or damage and for its **Net Lease Interest** for the remaining unexpired term of the lease, provided that the **Insurer** shall not be liable for any increase in the amount recoverable hereunder resulting from the suspension, lapse or cancellation of any license, or from the Insured exercising an option to cancel the lease; or from any act or omission of the Insured which constitutes a default under the lease; and provided further that the Insured shall use any suitable property or service owned or controlled by the Insured or obtainable from another source to reduce the loss hereunder.

G. Rental Value and Rental Income

1. Loss of Rental Income and/or Loss of Rental Value of the Insured caused by loss or damage insured herein occurring during the term of this policy to property and/or premises rented, leased or occupied by the Insured and/or rented or leased by the Insured to others.
2. Rental Income shall include the following:
 - (a) The total anticipated gross rental income from tenant(s) of the Insured's building(s) and structure(s), and
 - (b) The amount of all charges assumed by tenant(s) except those charges which do not continue, which would otherwise be obligations of the Insured, and

- (c) The fair rental reasonably expected from unrented portions of such property and the fair rental for that portion occupied by the Insured.

3. Rental Value shall include the following:

Rental Income Insurance in those situations where the Insured is required under a lease or rental agreement to maintain such insurance on behalf of any landlord.

Rental expenses incurred by the Insured in excess of the expenses which would have been incurred had a leased or rented premises not been damaged or destroyed by loss or damage insured herein. Such coverage will apply for all additional expenses incurred during the period of untenability or if the lease cannot be terminated, until its expiration.

H. Royalties

1. Loss of Royalties, Fees and Commissions which would have been earned under Royalties, Fees or Commission Agreements between the Insured and any concern(s), as a result of loss or damage to the property of such concern(s) caused by loss or damage insured herein occurring during the term of this policy.
2. Such loss shall be adjusted on the basis of actual loss sustained of such income referred to in paragraph 7.G.1., which would have been earned had no loss occurred.

I. Transit

This insurance is extended to insure loss or damage to insured property in **transit** including resulting loss as afforded under clauses 7.B., 7.C., 7.F. and 7.G.

1. This insurance is also extended to insure loss or damage to property:
 - (a) sold and shipped by the Insured under terms of F.O.B. point of origin or other terms usually regarded as terminating the shipper's responsibility short of points of delivery;
 - (b) at the Insured's option, which is incoming to the Insured.
2. This policy also insures loss or damage:
 - (a) arising out of any unauthorized person(s) representing themselves to be the proper party(ies) to receive goods for shipment or to accept goods for delivery;
 - (b) occasioned by the acceptance by the Insured, by its agents, or by its customers of fraudulent bills of lading, shipping and delivery orders, or similar documents;

8. **Extensions of Coverage**

THIS CLAUSE EXTENDS THE COVERAGES DESCRIBED IN CLAUSES 7.B., 7.C., 7.D., 7.E., 7.F., 7.G. and 7.H.

- A. This policy insures loss resulting from or caused by loss or damage insured herein to the following:

1. **Contingent Business Interruption/Contingent Extra Expense:** Property, including **Attraction Properties**, that directly or indirectly prevents a supplier (including suppliers of any tier) of goods and/or services to the Insured from rendering their goods and/or services, or property that prevents customers (including customers of any tier) of goods and/or services from the Insured from accepting the Insured's goods and/or services.

There is no liability in this section for loss or damage insured under Clause 8.A.2.

2. **Service Interruption/Off Premises Power:** Any service provider's property including, but not limited to, electrical equipment and systems, fuel, water, gas, feedstock, pulp, liquid gases, sewage, steam, telephone, fiber optic cable, telecommunications, heating, refrigeration and/or air conditioning systems, or their respective transmission and distribution lines (within 1,000 feet) or utility plants which directly or indirectly provide incoming or outgoing services to the Insured, situated on or outside of the Insured's premises. This coverage is extended to include loss or damage resulting from any **accidental occurrence** to property referenced in this clause.

There is no liability in this section for loss or damage insured under Clause 8.A.1.

3. **Impounded Water:** Dams, reservoirs or equipment connected therewith when water used as a raw material or used for power or for other manufacturing purpose stored behind such dams or reservoirs is released from storage and causes an interruption of business as a result of lack of adequate water supply from such sources.

B. **Interruption by Civil or Military Authority**

This policy is extended to insure loss sustained during the period of time when, as a result of loss, damage or an event not excluded in Clause 6, access to property is impaired by order or action of civil or military authority.

C. **Ingress/Egress**

This policy is extended to insure loss sustained during the period of time when, as a result of loss, damage or an event not excluded in Clause 6, ingress to or egress from real or personal property is impaired.

D. **Contagious Diseases**

This policy is extended to insure Business Interruption, Extra Expense, Rental Value and Rental Income loss as insured hereunder as a consequence of the closing of all or part of the premises of the Insured by order of a competent public authority consequent upon:

1. The existence or threat of an actual or suspected infectious or contagious disease manifested by any person while at the premises of the **Insured**;
2. Murder, suicide or other crime occurring at the premises of the **Insured**;
3. Injury or illness sustained by any person arising from or traceable to foreign or injurious matter in food or drink provided at the premises of the **Insured** or the threat thereof;
4. The existence or threat of actual or suspected hazardous sanitary conditions at the premises of the Insured.

The most we will pay for loss under this provision during each separate 12-month period is the limit for Contagious Disease – Annual Aggregate shown under Limits of Liability above regardless of the number of **occurrences** or locations.

E. **Defense Costs**

This policy, subject to all of its provisions, also insures the costs and fees to defend any claim or suit against the **Insured** and/or its directors, officers, and/or employees alleging physical loss or damage as insured against to property of others is the care, custody, or control of the **Insured** to the extent of the **Insured's** liability therefore, even if such claim or suit is groundless, false or fraudulent; but the **Insurer** may without prejudice make such investigation, negotiation or settlement of any such claim or suit as it deems expedient.

F. **Tenant/Hotel Guest Relocation Expense:**

1. We will pay you the actual expenses you incur as a result of reimbursing the expenses of a hotel guest for whom prearranged hotel accommodations cannot be honored because of loss or damage resulting from a covered loss.
2. We will pay you for the reasonable expenses your hotel guest has incurred:
 - a. To secure and use other comparable hotel accommodations as close as possible to your covered location;
 - b. While traveling to and from your covered location to the location where the comparable hotel accommodations are secured; and
 - c. For prepaid amounts spent for activities away from the covered location which are lost because other comparable accommodations within a reasonable distance from your covered location are unavailable.

3. We will pay you for the reimbursed expenses of the hotel guest for the time:
 - a. Beginning on the date the hotel guests prearranged accommodations at the covered location are:
 - i. Scheduled to begin; or
 - ii. InterruptedWhichever is later; and
 - b. Ending on the earliest of the following dates:
 - i. The date the hotel guests prearranged hotel accommodations at the covered location are scheduled to end;
 - ii. The date the damaged property at the covered location should be repaired, rebuilt or replaced with reasonable speed or similar quality;

Or

 - iii. Fourteen (14) days after the date determined in A. above.
4. The most we will pay to you for the reimbursed expenses of your hotel guest in excess of the deductible is subject to the limit stated in Clause 3. Limits of Liability:
5. For the purpose of this endorsement hotel guest(s) means a person of persons holding valid confirmed reservations or prearranged hotel accommodations at a location shown on the schedule.

G. Tenant/Hotel Guest Emergency Evacuation:

1. We will reimburse you for the necessary expenses you incur to evacuate a covered location because of imminent danger to life or well-being of your tenants/guests caused by an external event or condition at the covered location when a civil authority having jurisdictional authority orders you to evacuate the covered location.
2. We will not reimburse you for the necessary expenses arising out of any planned evacuation drill.
3. The most we will pay in any one (1) occurrence and in the annual aggregate for the necessary expenses is subject to the limit stated in Clause 3. Limits of Liability.

H. Increased Tax Liability

This Policy covers the loss sustained by the Insured in the event that the tax treatment of loss recoveries under any provision of this Policy differs from the tax treatment that would have been experienced by the Insured had no direct physical loss, damage or destruction by a peril insured by this Policy occurred.

I. Incentives

This Policy insures renewable energy credits which would have otherwise been due to the Insured or any other similar credits or incentives lost or reduced because of an **Occurrence** to which no exclusion in this Policy applies.

9. Loss Provisions Applicable to Clauses 7.B., 7.C., 7.F., 7.G., 7.H. and 8.

A. Period of Recovery

The length of time for which loss may be claimed is referred to as the period of recovery and:

1. shall commence with the date of such loss or damage and shall not be limited by the date of expiration of this policy;
2. shall not exceed such length of time as would be required with the exercise of due diligence and dispatch to rebuild, repair, or replace the property that has been destroyed or damaged;

and

3. such additional length of time to restore the Insured's business to the condition that would have existed had no loss occurred, commencing with the later of the following dates:
 - (a) the date on which the liability of the **Insurer** for loss or damage would otherwise terminate; or
 - (b) the date on which repair, replacement or rebuilding of the property that has been damaged is actually completed and the Insured has resumed normal operations.

but in no event for more than three hundred and sixty-five (365) consecutive days thereafter from said later commencement date;

4. with respect to alterations, additions, or property while in the course of construction, erection, installation, or assembly, due consideration shall be given to the level of production or level of business operations that would reasonably have been achieved after construction and start up would have been completed had no loss or damage occurred.

B. If the Insured can reduce the loss resulting from the interruption of business:

1. by a complete or partial resumption of operations of the property insured, whether damaged or not; or
2. by making use of stock, merchandise, or other property insured herein;

Such reduction shall be taken into account in arriving at the amount of loss hereunder.

C. Expense to Reduce Loss:

This policy also insures such expenses as are necessarily incurred for the purpose of reducing any loss under this policy, even though such expenses may exceed the amount by which the loss under this policy is thereby reduced.

D. Experience of the Business:

In determining the amount of loss insured hereunder due consideration shall be given to the experience of the business before the date of loss or damage and to the probable experience thereafter had no loss or damage occurred.

10. Property Excluded

This policy does not insure loss or damage to:

- A. Watercraft over forty (40) feet only while waterborne, aircraft and motor vehicles licensed for highway use when not on the Insured's premises, except this exclusion shall not apply to contractor's equipment, nor to such property which constitutes stock or which is on exhibit or being repaired.
- B. Land, except as insured under Clause 15, Decontamination and Clean Up Expense. This exclusion shall not apply to the cost of reclaiming, restoring or repairing land improvements. Land improvements as described hereunder include, but are not limited to, any alteration to the natural condition of the land by grading, excavating, landscaping, earthen dikes or dams, as well as additions to land such as pavements, roadways, ponds, golf courses, or similar works;
- C. Currency, money, gold bullion, evidence of debt, except accounts receivable as defined in the policy, notes or securities except as otherwise defined in this policy.
- D. Growing crops, standing timber to be used for industrial processes, and live animals not used for research.
- E. Water, except as insured under Clause 8.A.3. Impounded Water, Clause 15. Decontamination and Clean Up Expense, or when contained in any form of piping system, processing system or holding tank or used in the manufacturing process.
- F. Export and import shipments after loading on board the oceangoing watercraft and during ocean **transit**, but coverage will attach after unloading at the destination port.
- G. Waterborne shipments via the Panama Canal.
- H. Waterborne shipments to and from Alaska, to and from Hawaii, and to and from Puerto Rico, Guam and the Virgin Islands.
- I. Bridges, tunnels, sea walls, docks, piers, wharves; precious metals; and air supported structures.

- J. Underground mines, any property therein, and mining property located below the surface of the ground.
- K. Offshore oil rigs, platforms and property contained thereon.
- L. Satellites and spacecraft while on launch pad or after time of launch.
- M. Dams or dikes.

11. Valuation

At time of loss, the basis of adjustment shall be as follows:

- A. On buildings and structures, at the replacement cost new; if not replaced, then at the actual cash value.
- B. On machinery, equipment, furniture, fixtures and improvements and betterments at the replacement cost new; if not replaced, then at the actual cash value.
- C. **Valuable Papers and Records** and **EDP Media** at the value blank plus the cost of labor, service and/or supplies for actually reconstructing, researching, gathering information, reproducing, recreating, transcribing or copying such papers, records and **EDP Media**.
- D. **Fine Arts** owned by the Insured at the cost of reasonably restoring the property to its condition immediately prior to the loss, or in the event that the property cannot be restored at the appraised value prior to the loss. In absence of such appraisal, at the market value at the time of loss, plus the Insured's costs.

Fine Arts, which is the property of others, at the Insured's option, either at the cost of reasonably restoring the property to its condition immediately prior to loss, or the Insured's contractual or legal liability.
- E. **Finished Stock** and other merchandise for sale, at the Insured's selling price less discounts to which the goods would have been subject had no loss occurred.
- F. Property of others and property leased by the Insured, or for which the Insured has agreed to insure, at the Insured's option either:
 - 1. the replacement cost new, or;
 - 2. the amount stipulated in the lease agreement, or;
 - 3. Insured's contractual or legal liability.
- G. Stock in process (raw stock which has undergone any aging, seasoning, or other processing by the Insured, but which has not become **finished stock**) shall be valued at the Insured's selling price of **finished stock** at the time of loss, less any manufacturing expense not incurred by the Insured and less any discounts, rebates, and unincurred expenses to which the sales price would have been subject.

H. On property designated as being historic properties:

1. if buildings or structures sustain loss, damage or destruction, this Policy will pay the cost to replace, repair or restore them using the same materials, workmanship and architectural features and details that existed before such loss, damage or destruction, provided they are available and including the use of skilled labor. However, if any materials or workmanship needed to replace, repair or restore a building or structure are not available, this Policy will pay the cost to use materials and/or workmanship that will permit the replacement, repair or restoration of the building or structure to a condition that most closely resembles the condition which existed immediately before the loss, damage or destruction occurred.
2. if there is an ordinance or law in effect at the time of loss that regulates zoning, land use or construction of a building or structure, such as a Historic Preservation Act or other landmark regulation, and if that ordinance or law affects the repair or rebuilding of the loss or damaged building or structure and if the Insured:
 - a. repairs or rebuilds the building or structure as soon as reasonably possible, this Policy will pay the replacement value of the damaged and undamaged portions of the building, the cost to demolish and clear the site of the undamaged portion of the building, and the increased cost to repair or rebuild the building to the same general size in accordance with the minimum standards of such ordinance or law;
 - b. does not repair, rebuild or replace the building or structure, this Policy will pay the actual cash value of the damaged and undamaged portions of the building; and the cost to demolish and clear the site of the undamaged portion of the building.

Coverage afforded by item 2. does not apply to the costs associated with the enforcement of any ordinance or law that requires any Insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize or in any way respond to or assess the effects of pollutants or contaminants. In addition, nothing in this clause H. shall increase the limit of liability of this Policy.

With respect to properties that qualify for "Historical Landmark Status," the Insured shall have the sole discretion as to the means by which said property shall be repaired, rebuilt or replaced, but not to exceed the actual costs which would have been incurred in order to comply with "Historical Landmark Status" requirements.

- I. All other property, not otherwise mentioned above, at the replacement cost new; if not replaced, then at the actual cash value.

It is understood and agreed that as respects replacement cost new, the Insured shall have the option of replacing with equipment having technological advantages and/or representing an improvement in function and/or forming part of a program of system enhancement provided that such replacement can be accomplished without increasing the **Insurer's** liability.

The Insured, using reasonable discretion, shall be the sole judge as to whether electrical and mechanical equipment are damaged and unusable. This **Insurer** shall be allowed to dispose of, as salvage, any non-proprietary property deemed unusable by the Insured.

As respects 11.A., 11.B. and 11.H., the Insured may elect not to replace the real and/or personal property lost, damaged, or destroyed and obtain loss settlement on a replacement cost basis if the proceeds of such loss settlement are expended in any other expenditures related to the Insured's operations.

As respects 11.A., 11.B. 11.H and 11.I., the Insured may elect not to replace the real and/or personal property lost, damaged, or destroyed and obtain loss settlement on a replacement cost basis if the proceeds of such loss settlement are expended in any other expenditures related to the Insured's operations.

Permission is granted for the Insured to replace the property with similar property at the same or another site within the territorial limits of the policy, but recovery is limited to what it would cost to replace on same site.

12. Demolition and Increased Cost of Construction

In the event of loss or damage insured under this policy that causes the enforcement of any law, ordinance or governmental directive regulating the construction, repair or use of the property, the **Insurer** shall be liable for:

- A. The cost of demolishing the undamaged property including the cost of clearing the site;
- B. The proportion that the value of the undamaged part of the property bore to the value of the entire property prior to loss;
- C. The increased cost of repair or reconstruction of the damaged and undamaged property on the same or another site and limited to the costs that would have been incurred in order to comply with the minimum requirements of such law, ordinance or governmental directive regulating the repair or reconstruction or use of the damaged property on the same site or another site. However, the **Insurer** shall not be liable for any increased cost of construction loss unless the damaged property is actually rebuilt or replaced;
- D. The increase in loss, including, but not limited to, Business Interruption, Extra Expense, Rental Value, Leasehold Interest or Royalties or extensions thereof arising out of the additional time required to comply with said law, ordinance or governmental directive.
- E. In the event of loss or damage to insured property caused by a peril insured against, the Insurers shall be liable for loss as described below due to the enforcement of any law, ordinance or other governmental restrictions in effect prior to the insured loss or damage, which limits the Insured's ability to rebuild the damaged property to like kind and quality, density, use, size or number of floors in existence immediately prior to such loss or damage.

The **Insurers** limit of liability shall be limited to the sum of the replacement value of the real property which must be demolished or which is lost, damaged, destroyed or which may not be rebuilt, including loss of rents for the portions of the property which cannot be repaired or replaced due to the operation of the above described

ordinances, laws, and regulations subject to the maximum amount payable under Clause 3. Limits of Liability. However, as respects loss of rents, the maximum period of indemnity is 12 (twelve) months.

13. Service Charges

This policy insures service charges and expenses of Fire Department, Police, Rescue Squad, and any government or authority charges incurred by the Insured because of an **Occurrence** of a peril insured by this Policy.

14. Debris Removal

This policy insures the necessary and reasonable expenses actually incurred by the Insured due to loss or damage as insured herein, occurring during the term of this policy, to remove, clean up and/or properly dispose of any debris remaining after any such loss or damage.

15. Decontamination and Pollutant Clean Up Expense

- a. We will pay up to the policy limits to remove pollutants or hazardous substances from covered property at a covered location if the pollution or contamination results from a covered peril, subject to the applicable limit of liability.
- b. We will pay up to the Hazardous Substance sublimit to remove pollutants or hazardous substances from covered property at a covered location, if the pollution or contamination results from an Equipment Breakdown.
- c. If pollution results from a covered peril, we will pay up to the Pollution Cleanup annual aggregate sublimit of liability:
 - i. To remove pollutants or hazardous substances from land, soil, surface or ground water upon, within, beneath or comprising a covered location; or,
 - ii. For testing performed in the course of extracting the pollutants from land, soil, surface or ground water upon, within, beneath or comprising a covered location; or,
 - iii. For emergency measures undertaken in order to mitigate any circumstances pertaining to Section i. above.

We will only pay these expenses if these expenses are reported to us in writing within three hundred sixty-five (365) days of the date of the covered loss.

The coverage extensions in this section override any endorsements attached to this policy that could potentially exclude or limit coverage as described in sections 15 a, b, and c.

16. Notice of Loss

The Insured shall report to the **Insurer** any loss or damage which may become a claim under this insurance policy as soon as may be practicable after it becomes known to the Director of the Risk Management Department (or the individual acting in a similar capacity) of the Insured.

17. Knowledge of Occurrence

It is agreed that knowledge of an **occurrence** by an agent, servant or employee of the Insured shall not in itself constitute knowledge by the Insured. Knowledge is understood to occur only when the Director of the Risk Management Department (or the individual acting in a similar capacity) of the Insured shall have received notice from its agent, servant or employee.

18. Proof and Payment of Loss

A detailed Proof of Loss shall be filed with the **Insurer** as soon as practicable. Loss shall be adjusted with the Risk Management Department of the Insured or assigned representatives, and all adjusted claims shall be paid to the Insured or its order within Thirty (30) days after filing a Proof of Loss.

19. Non-Reduction of Limits of Liability

Any loss hereunder shall not reduce the limit(s) of liability under this policy except for aggregate limits as described in Clause 3.

20. Subrogation and Subrogation Waiver

- A. It is agreed that upon payment of any loss, this **Insurer** is subrogated to all the rights of the Insured to the extent of such payment.

Any release or waiver of liability entered into by the Insured in the course of their business prior to loss (including but not limited to bills of lading and/or receipts from carriers, bailees, warehouseman, lighterman, processors, limiting or releasing their liability) hereunder shall not prejudice the Insured's rights of recovery under this policy.

- B. The right of subrogation against the Insured's subsidiary, affiliated, or associated corporations or companies, joint ventures, partnerships or individuals, or any other party required to be insured, or any other corporations or companies associated with the Insured through ownership or management is waived, and at the option of the Insured, subrogation is waived against any tenant or landlord of the Insured.

- C. In the event of any payment under this policy, except where subrogation rights have been waived, the **Insurer** shall be subrogated to the extent of such payment to all the Insured's rights of recovery therefore. The Insured shall execute all papers required and shall take reasonable and necessary action to secure such subrogation rights. The **Insurer** will act in concert with all other interests concerned, i.e., the Insured and any other company(ies) participating in the payment of any loss as primary or excess insurers, in the exercise of such rights of recovery. If any amount is recovered, after deducting the costs or recovery, such amount shall be divided between the interests concerned in the proportion of their respective interests. If there should be no recovery, all costs and expenses shall be borne by the party instituting the proceedings.

21. Sue and Labor

In case of actual or imminent loss or damage insured herein, it shall be lawful and necessary for the Insured, their factors, servants or assignees, to sue, labor and travel for, in and about the defense, safeguard and recovery of the property insured hereunder, or any part thereof, without prejudice of this insurance. Nor shall the acts of the Insured or these **Insurers** in recovering, saving, and preserving the property insured in case of actual or imminent loss or damage, be considered a waiver or acceptance of an abandonment. The **Insurer** will be responsible for all expenses. The deductible provision of this policy shall not apply to this clause. This provision does not increase the limit of liability of this policy.

22. Appraisal

In case the Insured and this **Insurer** shall fail to agree as to the amount of loss, then, on the written demand of either, each shall select a competent and disinterested appraiser and notify the other of the appraiser selected within Twenty (20) days of such demand. The appraisers shall select a competent and disinterested umpire; and, failing for Fifteen (15) days to agree upon such umpire, then on request of the Insured or the **Insurer**, such umpire shall be selected by a judge of a district court of a judicial district in accordance with the Jurisdiction and Suit clause of this policy. The appraisers shall then appraise the loss, separating the loss to each item; and, failing to agree, shall submit their differences only to the umpire. An award in writing, so itemized of any two when filed with the **Insurer**, shall determine the amount of loss. Each appraiser shall be paid by the party selecting each respective appraiser and the expenses of appraisal and umpire shall be paid by the parties equally. However, if the award is greater than the amount offered by the **Insurer** in payment of the loss at any time before the award is rendered, then the **Insurer** shall pay 100% of the fees and expenses for each appraiser and the umpire and for the appraisal.

23. Brands and Labels

In case of insured loss or damage to property bearing a brand or trademark or which in any way carries or implies the guarantee or the responsibility of the manufacturer or the Insured, the salvage value of such damaged property shall be determined after removal in the customary manner, at the expense of the **Insurer**, of all such brands or trademarks or other identifying characteristics.

24. Control of Damaged Merchandise

The Insured shall have full right to the possession of all merchandise manufactured, sold or distributed by the **Insured** involved in any loss under this policy and shall retain control of all damaged merchandise. The Insured, exercising reasonable discretion, shall be the sole judge as to whether the merchandise involved in any loss under this policy are fit for consumption, sale or use and any merchandise so deemed by the Insured to be unfit for consumption, sale or use shall not be sold or otherwise disposed of except by the Insured or with the Insured's consent, but the Insured shall allow this **Insurer** any salvage proceeds obtained by the Insured on any sale or other disposition of such merchandise.

25. Salvage and Recoveries

Except as described in Clause 24, after expenses incurred in salvage or recovery are deducted, any salvage or other recovery, except recovery through subrogation proceedings and/or from underlying and/or excess insurance as described herein, shall accrue entirely to the benefit of this **Insurer** until the sum paid by the **Insurer** has been recovered.

26. Expediting Expense

This policy insures the reasonable extra cost of temporary repair or replacement and of expediting the repair or replacement of damaged property insured hereunder, including overtime and express freight or other rapid means of transportation.

27. Jurisdiction and Suit

It is hereby understood and agreed that:

- A. In the event of the failure of the **Insurer** to pay an amount claimed to be due hereunder, at the direction of the Insured, the **Insurer** will submit to the jurisdiction of any court of competent jurisdiction within the United States and will comply with all requirements necessary to give such jurisdiction. All matters arising hereunder shall be determined in accordance with the law and practice of such court.
- B. In any suit instituted against it under this policy, the **Insurer** will abide by the final decision of such court or any appellate court in the event of an appeal.

28. Pair and Set/Consequential Reduction in Value

In the event of insured loss or damage to personal property, this policy shall insure the resulting reduction in value of the remaining undamaged components or parts of products customarily sold as individual units or sold as pairs, sets or lots or ranges of sizes or colors.

29. Consequential/Sequential Damage

The policy insures consequential/sequential loss or damage caused by or resulting from the change in temperature or humidity caused by, but not limited to, interruption of power, heat, light, air conditioning, refrigeration, telephone or telegraphs, supply water or telecommunications to property/equipment or plants used to provide refrigeration, cooling, humidifying, dehumidifying, air conditioning, heating, generating, converting power, or telephone or telegraphs, or telecommunications, including all connections and supply from transmission lines and pipes, power generating equipment, utility plants or sources, whether or not such equipment is on or off the premises of the Insured.

30. Permits

Permission is hereby granted for any building(s) to be and remain vacant and unoccupied without limit of time and without prejudice to the Insured's right of recovery for claim under this policy.

Any change in occupancy or use of the premises or any increase in hazard shall not prejudice the Insured's right of recovery for claim under this policy.

31. Contributing Insurance

Permission is granted for other policies written upon the same terms, conditions, and provisions irrespective of limit or attachment point as those contained in this policy. This policy shall contribute to the total of each loss otherwise payable herein to the extent of the participation of this policy in the total limit of liability stated herein.

32. Excess Insurance

Permission is granted for the Insured to have excess insurance over the limit of liability in this policy without prejudice to this policy and the existence of such insurance, if any, shall not reduce any liability under this policy.

33. Underlying Insurance

Permission is granted for the Insured to purchase insurance on all or any part of the deductible and against all or any of the coverage provided by this policy. The existence of such underlying insurance shall not prejudice or affect any recovery otherwise payable under this policy.

34. Other Insurance

Except as referred to in Clause 31, 32 and 33, if any property included in the terms of this policy shall, at the time of any loss, be more specifically insured with insurance purchased by the **Insured**, this policy shall extend to cover such property only so far as related to any excess of insured values not covered by such other insurance, and this policy shall be liable on such specifically insured property only for such loss as shall be in excess of the amount payable by or recoverable from such more specific insurance.

35. Coinsurance Waiver

This policy is not subject to Coinsurance or Average Clause.

36. Errors & Omissions

No inadvertent error, omission or failure in making reports or other data hereunder shall prejudice the Insured's right of recovery but shall be corrected when discovered. It is further understood and agreed that any error in description of locations, or values of projects insured or to be insured by this policy shall not invalidate or reduce the policy limit of liability, or otherwise prejudice any recovery under this policy.

37. Liberalization

If during the period that insurance is in force under this policy, any authorized endorsement or filed rules or regulations affecting the same are revised by statute or otherwise so as to broaden the insurance without additional premium charge, such extended or broadened insurance shall inure to the benefit of the Insured hereunder.

38. Titles of Paragraphs

The several titles of the various paragraphs of this policy (and of Endorsements and Supplemental Policies, if any, which are attached to this policy) are inserted solely for convenience or reference and shall not be deemed in any way to limit or affect the provisions to which they relate.

39. Waiver of Company Conditions

The terms and conditions of this manuscript form are substituted for those of the **Insurer's** policy jacket and other preprinted **Insurer** forms and the **Insurer's** declaration page to which it is attached, the terms and conditions of same being waived and superseded by this manuscript form.

40. Certificates of Insurance

All parties to whom a Certificate of Insurance has been issued are automatically added to this policy upon issuance of said certificates, either as Additional Insureds, Mortgagees or as Loss Payees, or any, in accordance with the terms and conditions of this policy unless otherwise agreed to by the **Insurer**. Permission is granted for Lockton Companies to issue Certificates on the **Insurer's** behalf.

41. Partial Payment of Loss

It is understood and agreed that this **Insurer** will make partial payments of claims subject to the policy provisions and the normal policy adjustment provisions.
To obtain said partial claim payment, the Insured shall submit a partial Proof of Loss with supporting documentation.

42. Loss Payee and Mortgagee Clause

- A. The Company will pay for loss to specified property insured under this Policy to each specified Loss Payee as its interest may appear, and to each specified Mortgagee as its interest may appear, under all present or future mortgages upon such property, in order of precedence of the mortgages.
- B. The interest of the Loss Payee or Mortgagee (as the case may be) in property insured under this Policy will not be invalidated by:
 - 1) any act or neglect of the debtor, mortgagor, or owner (as the case may be) of the property.
 - 2) foreclosure, notice of sale, or similar proceedings with respect to the property.
 - 3) change in the title or ownership of the property.
 - 4) change to a more hazardous occupancy.

The Loss Payee or Mortgagee will notify the Company of any known change in ownership, occupancy, or hazard and, within 10 days of written request by the

Company, may pay the increased premium associated with such known change. If the Loss Payee or Mortgagee fails to pay the increased premium, all coverage under this Policy will cease.

- C. If this Policy is cancelled at the request of the Insured or its agent, the coverage for the interest of the Loss Payee or Mortgagee will terminate 10 days after the Company sends to the Loss Payee or Mortgagee written notice of cancellation, unless:
 - 1) sooner terminated by authorization, consent, approval, acceptance, or ratification of the Insured's action by the Loss Payee or Mortgagee, or its agent.
 - 2) this Policy is replaced by the Insured, with a policy providing coverage for the interest of the Loss Payee or Mortgagee, in which event coverage under this Policy with respect to such interest will terminate as of the effective date of the replacement policy, notwithstanding any other provision of this Policy.
- D. The Company may cancel this Policy and/or the interest of the Loss Payee or Mortgagee under this Policy, by giving the Loss Payee or Mortgagee written notice 90 days prior to the effective date of cancellation, if cancellation is for any reason other than non-payment. If the debtor, mortgagor, or owner has failed to pay any premium due under this Policy, the Company may cancel this Policy for such non-payment, but will give the Loss Payee or Mortgagee written notice 10 days prior to the effective date of cancellation. If the Loss Payee or Mortgagee fails to pay the premium due by the specified cancellation date, all coverage under this Policy will cease.
- E. The Company has the right to invoke this Policy's SUSPENSION clause (if any). The suspension of insurance will apply to the interest of the Loss Payee or Mortgagee in any machine, vessel, or part of any machine or vessel, subject to the suspension. The Company will provide the Loss Payee or Mortgagee at the last known address a copy of the suspension notice.
- F. If the Company pays the Loss Payee or Mortgagee for any loss, and denies payment to the debtor, mortgagor or owner, the Company will, to the extent of the payment made to the Loss Payee or Mortgagee be subrogated to the rights of the Loss Payee or Mortgagee under all securities held as collateral to the debt or mortgage. No subrogation will impair the right of the Loss Payee or Mortgagee to sue or recover the full amount of its claim. At its option, the Company may pay to the Loss Payee or Mortgagee the whole principal due on the debt or mortgage plus any accrued interest. In this event, all rights and securities will be assigned and transferred from the Loss Payee or Mortgagee to the Company, and the remaining debt or mortgage will be paid to the Company.
- G. If the Insured fails to render proof of loss, the Loss Payee or Mortgagee, upon notice of the Insured's failure to do so, will render proof of loss within 60 days of notice and will be subject to the provisions of this Policy relating to APPRAISAL, SETTLEMENT OF CLAIMS, and SUIT AGAINST THE COMPANY.
- H. Other provisions relating to the interests and obligations of the Loss Payee or Mortgagee may be added to this Policy by agreement in writing.

43. Cancellation

- A. This policy may be canceled at any time at the request of the first named Insured, or it may be canceled by the **Insurer** by mailing via registered or certified mail to G6 Hospitality located at 4001 International Parkway, Carrollton, TX 75007 and with copies provided to Lockton Companies located at 2100 Ross Avenue, Suite 1400, Dallas, TX 75201, during the term of this policy, written notice stating when no less than Ninety (90) days thereafter, except Ten (10) days for nonpayment of premium, such cancellation shall be effective.

This insurance may be canceled at any time by the Insured by surrender of this policy to the **Insurer** or by mailing or delivery to the **Insurer** written notice stating when thereafter such cancellation shall take effect. Return premium shall be allowed the Insured on a pro rata basis if the **Insurer** cancels and also on a pro rata basis if the Insured cancels.

Payments or tender of any unearned premium by the **Insurer** shall not be a condition precedent to the effectiveness of cancellation, but such payment shall be made as soon as practicable.

- B. The mailing of notice as described in A. above shall be sufficient proof of notice and 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 Insured or by this **Insurer** shall be equivalent to mailing.
- C. Cancellation shall not affect coverage on any shipment in **transit** on the date of cancellation. Coverage will continue in full force until such property is safely delivered and accepted at place of final destination.

44. Inspection and Audit

This **Insurer** shall be permitted, but not obligated, to inspect the Insured's property at any reasonable time. Neither the **Insurer's** right to make inspections, nor the making thereof, nor any report thereon, shall constitute an undertaking, on behalf of or for the benefit of the Insured or others, to determine or warrant that such property is safe.

45. Loss Adjustment Expenses

This policy is extended to insure expenses incurred by the Insured, or by the Insured's representatives for assessing, for preparing and/or certifying details of a claim resulting from a loss which would be payable under this policy. However, this policy does not insure the expenses of Public Adjustors.

46. Lost Key/Alternative Key Systems

This policy is extended to cover the consequential loss to keys and locks if a master key or grand master key is lost or damaged directly resulting from an insured peril. The policy will provide payment for the actual cost to replace keys, adjustment of locks to accept new keys, or if required, new locks including the cost of their installation. Further, the policy is extended to cover loss or damage directly resulting from an insured peril to alternative key system, such

as mechanically or electronically coded key cards, including card-programmer, card-readers, computers, related alarms, transreceivers, power supplies and any other electronic or mechanical apparatus needed to make the card keys operate.

47. Severability of Interest

Each of the Insureds insured by this policy will have the same protection and obligations as if the policy has been issued individually to each of them, except as respects the obligations associated with Clause 43. **Cancellation.** However, the inclusion of more than one Insured will not operate to increase the limit of liability of the **Insurer** beyond the limit of liability stated in this policy.

48. Extortion

Recovery under this Policy shall not be affected by the refusal of the Insured to comply with any extortion demand.

49. Loss Adjustors

It is hereby understood and agreed that each and every loss will be adjusted on behalf of the Insurers by Michael S. Beach of McLarens, 1200 Roosevelt Road, Glen Ellyn, IL 60137 or equivalent as otherwise agreed by the Insured and the **Insurer**. The cost of these services will be borne by the Insurer.

50. Loss Payable

Loss, if any, shall be adjusted with and payable to G6 Hospitality, LLC or order.

51. Definitions

The following terms whenever used in this policy shall mean:

A. Accidental Occurrence

A sudden and accidental **occurrence** which does not result from physical loss or damage.

However, accidental occurrence does not include, under any circumstances, coverage for hostile or warlike action, nuclear reaction or radiation or pollution and contamination as excluded in Clauses 6.A., 6.B. and 6.F.

B. Architect Fees and Engineering Fees

Any cost associated with the preparation of plans for the repair or reconstruction of the damaged property.

C. Attraction Properties

Properties, not owned or operated by the Insured, which attract potential customers to the vicinity of the Insured's location.

D. **CFC Refrigerants**

The Company will pay for the additional cost to repair or replace covered property that is physically damaged because of the use or presence of a refrigerant containing CFC (chlorinated fluorocarbon) substances. This means the additional expense to do the least expensive of the following:

- (1) Repair the damaged property and replace any lost CFC refrigerant;
- (2) Repair the damaged property, retrofit the system to accept a non-CFC refrigerant and charge the system with a non-CFC refrigerant; or
- (3) Replace the system with one using a non-CFC refrigerant.

Additional costs mean those beyond what would have been required had no CFC refrigerant been involved

E. **Earthquake**

Quaking, vibratory or undulating movement of a portion of the earth's crust, produced by underground volcanic forces or by breaking and shifting of rock beneath the earth's crust. It is understood and agreed that, wherever used in this policy, the term "loss caused by" or "loss arising from" **Earthquake** shall be restricted exclusively to the actual, specific cracking, rupturing, shifting or toppling of property and shall not include ensuing loss or damage, if any, resulting from other loss or damage insured. Such ensuing loss shall be construed to have been of the same **occurrence**, but of a different proximate cause.

F. **EDP Systems**

Electronic Data Processing Systems shall include, but not be limited to, transferring equipment, computer systems, telecommunications systems or electronic control equipment and component parts.

G. **EDP Media**

All forms of data, converted data, electronically converted data and/or programs and/or applications and/or instructions and/or media vehicles employed.

H. **Equipment Breakdown**

The term "Equipment Breakdown" is defined solely for the determination of the limits of liability and/or deductible(s) and application of the sue and labor and suspension section only. The term "Equipment Breakdown" shall not limit or define the perils or coverages provided elsewhere in this policy.

A. The term " Equipment Breakdown " shall mean:

- (1) Any condition or occurrence within boilers or fired or unfired vessels owned by, operated by, or under the control of the Insured and subject to pressure or vacuum including piping or apparatus attached to and

forming a part thereof, except that the words "any condition or occurrence" shall not include explosion, other than explosion of the parts of a steam boiler containing steam or water, steam piping, steam turbines, or steam engines;

- (2) Mechanical breakdown of any machine or apparatus arising out of any condition or occurrence within such machine or apparatus;
- (3) Electrical injury or disturbance to electrical appliances, devices, fixtures, wiring, or other electrical or electronic equipment caused by electrical currents artificially generated.

However, the term "Equipment Breakdown" does not include:

- (1) loss or damage from fire or from the use of water or other means to extinguish fire; and
- (2) the normal operation of any safety or protective device;

B. The term "Equipment Breakdown" shall not apply to the following property:

- (1) property in **transit**;
- (2) property while in the course of construction, erection, installation, or assembly;
- (3) electronic data processing systems used for administrative, statistical, or accounting purposes;
- (4) any sewer piping, any piping forming a part of a fire protective system, or any water piping other than the following:
 - (a) boiler feed water piping;
 - (b) boiler condensate return-piping;
 - (c) water piping used in a heat transfer system for cooling, humidifying, or space heating purposes;
- (5) any vehicle, aircraft, or self-propelled equipment or floating vessel;
- (6) any elevator, crane, ladle or bucket, hoist, power shovel, drag line, excavator, scale, or conveyor, but not excluding any pressure vessel, gears, engines or electrical equipment used with a machine.

I. **Fine Arts**

Fine Arts shall include, but not be limited to, bona fide works of art, works of rarity, works of historical value, works of artistic merit, photographs, (positives and negatives) lithographs, illustrations, galley proofs, original records.

J. **Finished Stock**

Stock manufactured by the Insured which, in the ordinary course of the Insured's business, is ready for packing, shipment or sale.

K. **Fire Brigade Charges/Fire Extinguishing Materials and Expenses**

Firefighting and/or containment charges and/or fire department service charges and other extinguishing expenses.

L. **Flood**

Waves, tide or tidal water, tsunami, rapid accumulation of surface waters, or the rising (including overflowing or breaking of boundaries) of lakes, reservoirs, rivers, streams or other bodies of water. It is understood and agreed that, whenever used in this policy, the term "loss caused by" or "loss arising from" flood shall not include ensuing loss or damage, if any resulting from other loss or damage insured. Such ensuing loss shall be construed to have been of the same **occurrence**, but of a different proximate cause.

Storm Surge as a result of **Named Windstorm** is not considered **Flood** and will be subject to the **Named Windstorm** Limit of Liability.

M. **Fraudulent or Dishonest Acts**

Fraudulent or dishonest acts committed by the Insured or the Insured's employees with the manifest intent to:

1. cause the Insured to sustain such loss; and
2. obtain financial benefit for the Insured, Insured's employee, or for any other person or organization intended by the Insured or the employee to receive such benefit for such fraudulent or dishonest act or acts.

N. **Lease Interest**

The excess rent paid for the same or similar replacement property over actual rent payable plus cash bonuses or advance rent paid (including any maintenance or operating charges) for each month during the unexpired term of the Insured's lease; and/or

The rental income earned by the Insured from sublease agreements, to the extent not insured under any other section of this policy, over and above the rental expenses specified in the lease between the Insured and the lessor.

O. **Named Windstorm**

The term "Named Windstorm" shall mean a weather condition that has been declared by the U.S. National Weather Service to be a hurricane, typhoon, tropical storm, or cyclone that results in loss or damage to Insured Property directly or indirectly caused by:

- (1) the force of wind caused by or resulting from a Named Windstorm; or
- (2) any material, object or debris that is carried, propelled or in any manner moved by a Named Windstorm; or
- (3) hail, lightning, or tornado(es) that are a result of actions or effects of a Named Windstorm; or rain or water, whether the rain or water is driven by wind or not, that enters the covered building or structure through an opening(s) created by the force of wind from a Named Windstorm; or
- (4) water inundation, storm surge, or **Flood** as defined herein, if covered by this policy, including loss or damage from the destruction or breaching of any levee, dam, or dike as a result of actions or effects of a Named Windstorm.

P. Net Lease Interest

That sum which placed at 3% interest compounded annually would equal the Lease Interest (less any amounts otherwise payable hereunder).

Q. New Madrid is defined as property located in the following counties:

Arkansas	Clay, Craighead, Crittenden, Cross, Greene, Jackson, Lawrence, Mississippi, Poinsett, Randolph, Sharp
Illinois	Alexander, Bond, Clinton, Franklin, Hardin, Jackson, Jefferson, Johnson, Madison, Massac, Monroe, Perry, Pope, Pulaski, Randolph, Saline, St. Clair, Union, Washington, Williamson
Indiana	Gibson, Pike, Posey, Vanderburgh, Warrick
Kentucky	Ballard, Calloway, Carlisle, Fulton, Graves, Hickman, Livingston, Marshall, McCracken
Mississippi	Bolivar, Coahoma, De Soto, Marshall, Tate, Tunica
Missouri	Bollinger, Butler, Cape Girardeau, Dunklin, Franklin, Iron, Jefferson, Madison, Mississippi, New Madrid, Pemiscot, Perry, Reynolds, St. Charles, St. Francois, St. Genevieve, St. Louis, Scott, Stoddard, Warren, Washington, Wayne
Tennessee	Crockett, , Dyer, Fayette, Gibson, Hardeman, Haywood, Lake, Lauderdale, Madison, Obion, Shelby, Tipton

R. Object

Means any boiler, fired or unfired vessel subject to pressure or vacuum, including piping or apparatus attached thereto and forming a part thereof, and any mechanical or electrical machine or apparatus used for the generation, transmission or utilization of mechanical or electrical power.

S. Occurrence

Loss, or a series of losses or several losses, which are attributable directly or indirectly to one cause or disaster or to one series of similar causes or disasters arising from a single event. All such losses shall be added together and the total amount of such

losses shall be treated as one **occurrence** irrespective of the period of time or area over which such losses occur.

When the term applies to **Named Windstorms**, it shall be defined as the sum total of all losses arising out of or caused by the same atmospheric disturbance during any period of 72 consecutive hours. The Insured shall have the right to elect the moment from which the 72-hour period shall be deemed to have commenced, provided always that no elected period of 72 hours shall commence within the period of any previous occurrence. However, it is further understood and agreed that any loss from **Named Windstorm** and resulting loss and damage can be considered more than one occurrence if the duration of the **Named Windstorm** exceeds 72 hours. The storm cell shall no longer be considered a Named Windstorm once it is downgraded to a Tropical Depression.

When the term applies to **Earthquake**, it shall be defined as the sum total of all the Insured's losses sustained during any period of 168 consecutive hours by reason of one **Earthquake** or a series of **Earthquakes**. The Insured may elect the moment from which the 168-hour period shall be deemed to have commenced, provided always that no elected period of 168 hours shall commence within the period of any previous **occurrence**.

When the term applies to **Flood**, it shall be defined as the sum total of all losses sustained by reason of one **Flood** or a series of **Floods**.

When the term applies to theft, the sum total of all losses insured herein resulting from one or more **Fraudulent or Dishonest Acts** committed by a person(s) acting alone or in collusion with others shall constitute one **occurrence**.

As respects, riot, civil commotion, looting, arson, vandalism and malicious mischief, occurrence shall mean all losses, not otherwise excluded, sustained by the Insured during a continuous period of 168 hours and such additional losses occurring beyond such period of 168 hours but during the continued occupation of the location by strikers provided such occupation commenced during the said period of 168 hours.

T. **Ordinary Payroll**

Ordinary Payroll is the entire payroll expense for all employees of the Insured except officers, executives, employees under contract, and other critical employees.

U. **Pacific Northwest is defined as property located in the following counties:**

Washington	Clallam, Jefferson, King, Kitsap, Mason, Pierce, San Juan, Skagit, Snohomish, Thurston, Whatcom
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V. **Soft Costs**

This policy shall cover soft costs, as hereinafter defined, incurred by the Insured caused by loss, damage, or destruction by any of the perils covered herein during the term of this policy to property as covered herein.

- a) The term "Soft Costs" shall include but not be limited to:
- i) Additional interest costs on money used to finance construction or repair;
 - ii) Additional real estate and property taxes incurred for the period of time that construction extends beyond the projected completion date;
 - iii) Additional legal and accounting fees; and
 - iv) Additional advertising and promotional expenses which become necessary as a result of an insured loss.
 - v) Commission Expense
 - vi) Insurance Premium
 - vii) Project Administration Expense
- b) This company shall pay soft costs incurred from the date that the building, structure or improvement would have been completed had no physical damage occurred until such time that it is completed. As soon as practicable after any loss, the Insured shall utilize every available means to reduce the amount of loss including but not limited to:
- i) partial or complete resumption of construction, business or operations;
 - ii) making use of materials, equipment, supplies, or other property at the Insured's premises or elsewhere; or
 - iii) making use of substitute facilities or services where practical;

such reduction will be taken into account in arriving at the amount of such loss.

W. "Special Flood Hazard Area" or "SFHA"

Locations within areas of 100-year flooding as defined by the Federal Emergency Management Agency (FEMA).

X. Specified Perils

Direct Physical loss or damage caused by or resulting from fire, lightning, aircraft, explosion, riot, civil commotion, smoke, vehicles, wind or hail, malicious mischief, leakage or accidental discharge from automatic fire protection systems, and collapse.

Y. Tier 1 Counties are defined as:

Alabama	Baldwin, Mobile;
Florida:	Entire State
Georgia:	Bryan, Camden, Chatham, Glynn, Liberty, McIntosh
Hawaii	Entire State
Louisiana:	Cameron, Iberia, Jefferson, Lafourche, Orleans, Plaquemines, St. Mary, St. Bernard, St. Tammany, Terrebonne, Vermilion
Mississippi	Hancock, Harrison, Jackson;
North Carolina	Beaufort, Brunswick, Carteret, Craven, Dare, Hyde, New Hanover, Onslow, Pamlico, Pender
South Carolina	Beaufort, Berkley, Charleston, Colleton, Georgetown, Horry, Jasper

Texas:	Aransas, Brazoria, Calhoun, Cameron, Chambers, Galveston, Harris, Jackson, Jefferson, Kenedy, Kleberg, Matagorda, Nueces, Orange, Refugio, San Patricio, Victoria, Willacy
Virginia:	Accomack, Chesapeake, Gloucester, Hampton City, Lancaster, Mathews, Middlesex, Newport News, Norfolk City, Northampton, Northumberland, Poquoson City, Portsmouth City, Suffolk City, Virginia Beach City, York

Z. Transit

Shipments within and between the territorial limits of this policy, including the coastal waters thereof, by any means of conveyance, from the time the property is moved for purpose of loading and continuously thereafter while awaiting and during loading and unloading and in temporary storage including temporary storage on any conveyance intended for use for any outbound or used for inbound shipment, including during deviation and delay, until safely delivered and accepted at place of final destination.

AA. Underlying Policy

An insurance policy issued to the Insured which is similar as respects the terms and conditions of this policy and issued for limits below the attachment point or deductible of this policy.

BB. Valuable Papers and Records

Written, printed or otherwise inscribed documents, and records including but not limited to books, maps, films, drawings, abstracts, deeds, mortgages, mortgage files, manuscripts and micro or electronically/magnetically inscribed documents, but not including the monetary value of monies and/or securities.

CC. Insurer

As stated in the Security Details of the Market Reform Contract.

Authorized Signature/Insurer

EXHIBIT B

Lloyd's Apollo Policy



713 LCI

Primary USD 10m (APL1969)

NORTH AMERICAN PROPERTY

Policy Number

PRPNA2000673

Insured

G6 Hospitality, LLC

Period

1st January 2020 to 1st January 2021

**POLICYHOLDER DISCLOSURE
NOTICE OF TERRORISM INSURANCE COVERAGE**

You are hereby notified that under the Terrorism Risk Insurance Act of 2002, as amended ("TRIA"), that you now have a right to purchase insurance coverage for losses arising out of acts of terrorism, **as defined in Section 102(1) of the Act, as amended:** The term "act of terrorism" means any act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of an air carrier or vessel or the premises of a United States mission; and 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. Any coverage you purchase for "acts of terrorism" shall expire at 12:00 midnight December 31, 2020, the date on which the TRIA Program is scheduled to terminate, or the expiry date of the policy whichever occurs first, and shall not cover any losses or events which arise after the earlier of these dates.

YOU SHOULD KNOW THAT COVERAGE PROVIDED BY THIS POLICY FOR LOSSES CAUSED BY CERTIFIED ACTS OF TERRORISM IS PARTIALLY REIMBURSED BY THE UNITED STATES UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THIS FORMULA, THE UNITED STATES PAYS 85% THROUGH 2015; 84% BEGINNING ON JANUARY 1, 2016; 83% BEGINNING ON JANUARY 1, 2017; 82% BEGINNING ON JANUARY 1, 2018; 81% BEGINNING ON JANUARY 1, 2019 AND 80% BEGINNING ON JANUARY 1, 2020; OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURER(S) PROVIDING THE COVERAGE. YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A USD100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS USD100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED USD100 BILLION, YOUR COVERAGE MAY BE REDUCED.

THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

<input type="checkbox"/>	I hereby elect to purchase coverage for acts of terrorism for a prospective premium of USD_____
<input type="checkbox"/>	I hereby elect to have coverage for acts of terrorism excluded from my policy. I understand that I will have no coverage for losses arising from acts of terrorism.

Policyholder/Applicant's Signature

APL1969 Syndicate on behalf of certain
underwriters at Lloyd's

Print Name

B0713PRPNA2000673
Policy Number

Date

**Policy Number**

PRPNA2000673

Assured / account

G6 Hospitality, LLC

Unique market reference number

B0713PRPNA2000673

RISK DETAILS**UNIQUE MARKET
REFERENCE:**

B0713PRPNA2000673

TYPE:

ALL RISKS OF DIRECT PHYSICAL LOSS OR DAMAGE,
Including Flood, Earthquake / Earthquake Sprinkler Leakage, as more
fully defined in the Policy Wording.

INSURED:

G6 Hospitality, LLC and any subsidiary, affiliated, associated, or
allied company, corporation, firm, organization, and the Insured's
interest in partnerships and/or joint ventures, and/or any owned
(wholly or partially) or controlled company(ies) where the Insured
maintains an interest, as now or hereafter constituted or acquired; and
any other party or interest that is required by contract or agreement as
defined in the Policy Wording.

ADDRESS:

4001 International Parkway, Carrollton, TX, 75007, U.S.A.

PERIOD:

From 1st January 2020 to 1st January 2021 both days at 12.01 a.m.
Standard Time at the location of the property (re)insured (or date
and/or period to be agreed by the Slip Leader only).

INTEREST:

REAL AND PERSONAL PROPERTY and TIME ELEMENT, as
more fully defined in the Policy Wording and as per schedule
initialled by underwriters.

SUM INSURED:

USD 10,000,000 per occurrence and in the annual aggregate separately
in respect of the perils of Flood and Earthquake.

EXCESS OF

Various deductible amounts as set forth in the attached Schedule of
Primary Policy Deductibles.

Subject to the Schedule of Program Sublimits attached, and as more
fully defined in the Policy Wording.

Checked

**Policy Number**

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SITUATION:

This policy insures within and between the 50 states comprising the United States of America, the District of Columbia, Puerto Rico, and including any other territories and possessions of the foregoing. The territory includes coastal and inland waterways between points and places therein.

As respects coverage for interdependency provided under Clause 7.B. and coverage provided under Clause 8.A.1. of the Policy Wording, the territory shall be worldwide.

CONDITIONS:

Policy Wording as expiry or to be agreed by Slip Leader only.

War Exclusion Clause as per Policy Wording.

NMA2920 Terrorism Exclusion Endorsement.

Radioactive Contamination Exclusion as per Policy Wording.

Fraudulent or dishonest act or acts as per Policy Wording.

LMA5219 U.S. Terrorism Risk Insurance Act of 2002 as amended Not Purchased Clause to apply if no formal confirmation received from the Insured prior to inception.

Third Party Deductible Requirements Clause, as per Policy Wording.

Notice of Cancellation to Third Parties Clause, as per Policy Wording.

LMA5400 Property Cyber and Data Endorsement.

Quarterly Adjustment Endorsement, as attached.

Contagious Disease Clause, as attached.

Loss Payees and/or Mortgagees and/or Additional Named Insured's automatically agreed hereon as and where applicable without advice.

Agree, if required, to allow agent to issue Certificates and/or Verifications and/or Evidence of Insurance without advice.

Final going in values and premium to be agreed by the Slip Leader only.

Underwriters hereon agree to maintain written dollar lines part of a reduced Sum Insured at terms agreed Slip Leader only.

The assigned adjuster for all losses will be Mike Beach at McLarens, 1200 Roosevelt Road, Suite 206, Glen Ellyn, Illinois 60137, or as may be mutually agreed between the Insured and the Slip Leader only.

Notification of Claims:

Lockton Companies, 2100 Ross Ave., Suite 1400, Dallas, TX 75201, U.S.A.

Global Risks Claims, Lockton Companies LLP, The St Botolph Building, 138 Houndsditch, London, EC3A 7AG.

LMA3100 (Amended) Sanction Limitation and Exclusion Clause.

NOTICES:

LMA9080B Texas Complaints Notice.

LMA9079 Texas Surplus Lines Notice.

Checked

**Policy Number**

PRPNA2000673

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**CHOICE OF LAW &
JURISDICTION:**

This Policy shall be subject to the applicable state law to be determined by the court of competent jurisdiction as determined by the provisions of the Service of Suit clause within this Policy.

Service of Suit: LMA5020 Service of Suit (U.S.A.) naming:
Lloyd's America, Inc.
Attention: Legal Department
280 Park Avenue, East Tower, 25th Floor
New York, NY 10017.

PREMIUM:

USD 3,500,000 (100%) annual.

Reporting and payment of US Federal Excise Tax in relation to this (re)insurance is the responsibility of each individual (re)insurer where FET is due for their share.

PAYMENT TERMS:

PPC4 (TOR) 4/86 (Direct) 713NHG00424 (60 days) as attached.
Any extensions to the Premium Payment Condition to be agreed by the Slip Leader only.

**TAXES PAYABLE BY
THE INSURED AND
ADMINISTERED BY
INSURERS:**

None Applicable

**RECORDING,
TRANSMITTING &
STORING
INFORMATION:**

Where Lockton Companies LLP maintains risk and claim data / information / documents Lockton Companies LLP may hold and transmit data / information / documents electronically.

Checked

**Policy Number**

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**INSURER
CONTRACT**

DOCUMENTATION: This document details the contract terms entered into by the (re)insurer(s) and constitutes the contract document.

Any further documentation changing this contract, agreed in accordance with the contract change provisions set out in this contract, shall form the evidence of such change.

This contract is subject to US state surplus lines requirements. It is the responsibility of the surplus lines broker to affix a surplus lines notice to the contract document before it is provided to the insured. In the event that the surplus lines notice is not affixed to the contract document the insured should contact the surplus lines broker.

**NOTICE OF
CANCELLATION
PROVISIONS:**

Where (re)insurers have the right to give notice of cancellation, in accordance with the provisions of the contract, then to the extent provided by the contract any (re)insurer may issue such notice in respect of its own participation.

Checked

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**Policy Number**

PRPNA2000673

Assured / account

G6 Hospitality, LLC

Unique market reference number

B0713PRPNA2000673

SCHEDULE OF PRIMARY POLICY DEDUCTIBLES (FOR 100%)

(To apply Per Occurrence Unless Otherwise Stated)

- A. All loss or damage arising out of any one **occurrence** shall be adjusted as one loss and the amount of such adjusted loss shall be deducted from an annual aggregate deductible of USD 2,500,000. When the aggregate is exhausted, a USD 100,000 per occurrence deductible will apply. Only the portion of loss or damage exceeding USD 100,000 will apply to the aggregate. Losses relating to **Flood, Earthquake, and Named Windstorm in Tier 1 Counties** do not apply to the aggregate.

Named Windstorm:

The sum of USD 100,000 shall be deducted from any adjusted loss due to the peril of Named Windstorm, except;

As respects the peril of **Named Windstorm in Tier 1 Counties**, the sum of 5% of the total values declared by insured, as per Statement of Values on file with Insurer at the time of loss, at each location submitting a claim, to be calculated separately for each unit of insurance which sustains loss or damage, subject to a minimum of USD 500,000 per location with a maximum of USD 2,500,000 per occurrence.

Flood:

With respect to buildings and structures located wholly or partially within **Special Flood Hazard Areas (SFHA)** as outlined in Endorsement #10:

- a) If insurance is maintained through the National Flood Insurance Program (NFIP) or any other primary or underlying policy or program covering property damaged by flood, with limits equal to the full replacement cost of the building and contents, or the maximum NFIP limit available per building and contents, then the deductible shall be the amount payable from NFIP or other primary or underlying insurance for such damage plus USD 50,000 per occurrence (not per building) for any Business Interruption or rental value loss.
- b) If insurance is not maintained through NFIP or any other primary or underlying policy or program covering property damaged by flood, the deductible shall be the maximum amount available under NFIP.

Checked

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**Policy Number**

PRPNA2000673

Assured / account

G6 Hospitality, LLC

Unique market reference number

B0713PRPNA2000673

SCHEDULE OF PRIMARY POLICY DEDUCTIBLES (FOR 100%) continued

(To apply Per Occurrence Unless Otherwise Stated)

In the event that underlying insurance is maintained through NFIP or any other primary or underlying policy or program, it is agreed that this policy shall be excess over the amount payable under such National Flood Insurance Policy(ies). Insurance maintained through NFIP shall be considered Underlying Insurance.

With respect to any other **Flood** loss, the sum of USD 250,000 shall be deducted from any adjusted loss.

Earthquake:

The sum of USD 100,000 shall be deducted from any adjusted loss due to the peril of Earthquake, except;

As respects the peril of **Earthquake** in the States of California and Alaska, the sum of 5% of the total values declared by insured, as per Statement of Values on file with Insurer at the time of loss, at each location submitting a claim, to be calculated separately for each unit of insurance which sustains loss or damage, subject to a minimum of USD 250,000 per occurrence.

As respects the peril of **Earthquake** in Hawaii, **New Madrid** and **Pacific Northwest Territories**, the sum of 2% of the total values declared by insured, as per Statement of Values on file with Insurer at the time of loss, at each location submitting a claim, to be calculated separately for each unit of insurance which sustains loss or damage, subject to a minimum of USD 100,000 per occurrence.

- B. In the event of loss or damage involving more than one deductible, the Insured can either elect to have the deductibles apply separately or have the single largest deductible apply.
- C. The deductible amount specified in Clause A. above shall not apply to General Average contributions and/or salvage charges.

Checked



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SCHEDULE OF PRIMARY POLICY DEDUCTIBLES (FOR 100%) continued

(To apply Per Occurrence Unless Otherwise Stated)

- D. If other insurance applies to the same property as insured hereunder, and to the extent recovery is made from such other insurance, the deductible under this policy shall be reduced by such recovery, but in no event shall the deductible under this policy be less than shown in the policy. If recovery from such other insurance is greater than the deductible in this policy, then the deductible under this policy shall not apply.
- E. In any **occurrence** where loss or damage is caused by more than one cause of loss or damage (peril) insured against under this policy or occurs at more than one location or building, the Insured shall have the right to separate the loss amount by peril or location or building for the purposes of application of the deductible(s) specified in this section, notwithstanding the above reference to two or more deductibles and the policy limits.
- F. Unit of Insurance: The following shall be considered a separate unit of insurance: (1) each separate building or structure; (2) the contents of each separate building or structure; (3) property in each yard; (4) business interruption for the twelve month period immediately following the loss.

As more fully defined in the Policy Wording.

Checked

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**Policy Number**

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Assured / account

G6 Hospitality, LLC

Unique market reference number

B0713PRPNA2000673

SCHEDULE OF PROGRAM SUBLIMITS (FOR 100%)

(To apply Per Occurrence Unless Otherwise Stated and Excess of the Primary Policy Deductibles)

In the event of loss or damage insured under this policy, this **Insurer** shall be liable for its proportional share of USD100,000,000 per **occurrence** except as respects the following, excess of the policy deductibles:

USD100,000,000	Flood per occurrence and annual aggregate, except;
USD50,000,000	Flood per occurrence and annual aggregate for buildings and structures located wholly or partially within Special Flood Hazard Areas as outlined in Endorsement #10 of the Policy Wording.
USD100,000,000	Earthquake per occurrence and annual aggregate, except;
USD40,000,000	Earthquake per occurrence and annual aggregate within the States of California, Alaska and Hawaii and Puerto Rico
USD100,000,000	Earthquake per occurrence and annual aggregate within the Pacific Northwest and New Madrid Territories
USD100,000,000	Named Windstorm
USD25,000,000	Accounts Receivable
USD10,000,000	Civil or Military Authority
USD1,500,000	Contagious Diseases per occurrence and annual aggregate
USD1,000,000	Contingent Business Interruption and Contingent Extra Expense including Attraction Properties
USD1,000,000	Defense Costs
Included	Electronic Data Processing Equipment
USD10,000,000	Electronic Data and Media
USD10,000,000	Errors and Omissions
365 days	Extended Period of Indemnity
USD2,500,000	Expediting Expense
USD5,000,000	Historic Properties
USD10,000,000	Ingress/Egress
USD1,000,000	Loss Adjustment Expense
USD15,000,000	Miscellaneous Unnamed Locations, per Location
USD2,500,000	Mold Coverage per occurrence and annual aggregate provided for in Endorsement #1 of the Policy Wording.
USD50,000,000	Newly Acquired Locations – 120 days reporting – Miscellaneous Unnamed Locations sublimit applies after 120 days
USD2,500,000	Offsite Storage Locations
60 Days	Ordinary Payroll
USD1,000,000	Outdoor Property: Trees, Shrubs, Plants and Landscaping

Checked

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SCHEDULE OF PROGRAM SUBLIMITS (FOR 100%) continued

(To apply Per Occurrence Unless Otherwise Stated and Excess of the Primary Policy Deductibles)

USD500,000	Pollutant Clean Up of Land and Water per occurrence and annual aggregate
USD10,000,000	Property in the Course of Construction, Erection, Installation or Assembly
USD500,000	Property of Officers, Employees, Hotel Guests or Tenants
60 days	Service Interruption – Business Interruption and Extra Expense
USD1,000,000	Soft Costs
USD1,000,000	Tenant/Hotel Guest Emergency Evacuation – per occurrence and annual aggregate
USD1,000,000	Tenant and Hotel Guest Relocation Expense – per occurrence and annual aggregate
USD250,000	Transit per conveyance per occurrence
USD5,000,000	Upgrade to Green provided for in Endorsement #8 of the Policy Wording.

Waiting Periods:

24 hour waiting period shall apply to loss due to Service Interruption.

Waiting period application: The insurer will not be liable for any Loss or Damage unless the period of interruption exceeds the specified waiting period. Once the period of liability exceeds 24 hours, coverage then applies to the entire period of interruption subject to the Policy Deductible.

APPLICATION OF LIMITS OF LIABILITY - This Policy may contain sublimits applicable to specific locations or specific coverage's or specific causes of loss. Such limits shall be the total payable as a result of a single occurrence (or an annual aggregate of certain occurrences where so specified) and neither the policy limit nor any sublimit shall be increased by the application of one or more sublimits.

As more fully defined in the Policy Wording.

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INFORMATION

As per Lockton Companies LLP Underwriting Submission dated November 2019, which seen, noted, understood and agreed by Underwriters hereon and uploaded to PPL.

Values:	Building:	USD 1,248,161,010
	Contents:	USD 274,940,511
	<u>Business Interruption:</u>	<u>USD 455,166,295</u>
	Total Insurable Values:	USD 1,978,267,816

Business Description: G6 Hospitality owns, operates and franchises 1,300 economy lodging locations under the iconic Motel 6 brand and the Studio 6 Extended Stay brand

Checked

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TERRORISM EXCLUSION ENDORSEMENT

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism.

If the Underwriters allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Assured.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

08/10/01
NMA2920

Checked



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QUARTERLY ADJUSTMENT ENDORSEMENT

It is hereby agreed that changes in values will be submitted quarterly. Additional or return premiums will be calculated annually using rates to be agreed upon, subject to a total change in values of more than 5% of the Total Insurable Values on file with **Insurer** at time of policy inception. If total values do not increase or decrease more than 5%, due solely to the addition or deletion of locations, there will be no additional or return premium due.

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**U.S. TERRORISM RISK INSURANCE ACT OF 2002 AS AMENDED
NOT PURCHASED CLAUSE**

This Clause is issued in accordance with the terms and conditions of the "U.S. Terrorism Risk Insurance Act of 2002" as amended as summarized in the disclosure notice.

It is hereby noted that the Underwriters have made available coverage for "insured losses" directly resulting from an "act of terrorism" as defined in the "U.S. Terrorism Risk Insurance Act of 2002", as amended ("TRIA") and the Insured has declined or not confirmed to purchase this coverage.

This Insurance therefore affords no coverage for losses directly resulting from any "act of terrorism" as defined in TRIA except to the extent, if any, otherwise provided by this policy.

All other terms, conditions, insured coverage and exclusions of this Insurance including applicable limits and deductibles remain unchanged and apply in full force and effect to the coverage provided by this Insurance.

LMA5219
12 January 2015

Checked

9

**Policy Number**

PRPNA2000673

Assured / account

G6 Hospitality, LLC

Unique market reference number

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PROPERTY CYBER AND DATA ENDORSEMENT

- 1 Notwithstanding any provision to the contrary within this Policy or any endorsement thereto this Policy excludes any:
 - 1.1 Cyber Loss, unless subject to the provisions of paragraph 2;
 - 1.2 loss, damage, liability, claim, cost, expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any Data, including any amount pertaining to the value of such Data, unless subject to the provisions of paragraph 3;regardless of any other cause or event contributing concurrently or in any other sequence thereto.
- 2 Subject to all the terms, conditions, limitations and exclusions of this Policy or any endorsement thereto, this Policy covers physical loss or physical damage to property insured under this Policy caused by any ensuing fire or explosion which directly results from a Cyber Incident, unless that Cyber Incident is caused by, contributed to by, resulting from, arising out of or in connection with a Cyber Act including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act.
- 3 Subject to all the terms, conditions, limitations and exclusions of this Policy or any endorsement thereto, should Data Processing Media owned or operated by the Insured suffer physical loss or physical damage insured by this Policy, then this Policy will cover the cost to repair or replace the Data Processing Media itself plus the costs of copying the Data from back-up or from originals of a previous generation. These costs will not include research and engineering nor any costs of recreating, gathering or assembling the Data. If such media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank Data Processing Media. However, this Policy excludes any amount pertaining to the value of such Data, to the Insured or any other party, even if such Data cannot be recreated, gathered or assembled.
- 4 In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.
- 5 This endorsement supersedes and, if in conflict with any other wording in the Policy or any endorsement thereto having a bearing on Cyber Loss, Data or Data Processing Media, replaces that wording.

Definitions

- 6 Cyber Loss means any loss, damage, liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any Cyber Act or Cyber Incident including, but not limited to, any action

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taken in controlling, preventing, suppressing or remediating any Cyber Act or Cyber Incident.

- 7 Cyber Act means an unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any Computer System.
- 8 Cyber Incident means:
- 8.1 any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any Computer System; or
- 8.2 any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any Computer System.
- 9 Computer System means:
- 9.1 any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility, owned or operated by the Insured or any other party.
- 10 Data means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a Computer System.
- 11 Data Processing Media means any property insured by this Policy on which Data can be stored but not the Data itself.

LMA5400

11 November 2019

Checked



Policy Number

PRPNA2000673

Assured / account

G6 Hospitality, LLC

Unique market reference number

B0713PRPNA2000673

CONTAGIOUS DISEASE

This policy is extended to insure loss as insured hereunder when there is an interruption or interference with the business of the Insured as a consequence of:

infectious or contagious disease manifested by any person while on the premises of the Insured;

Closing of the whole or part of the premises of the Insured by order of a competent public authority consequent upon the existence or threat of hazardous conditions either actual or suspected at the premises of the Insured.

All other terms, clauses and conditions remain unaltered.

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**Policy Number**

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SANCTION LIMITATION AND EXCLUSION CLAUSE

No (re)insurer shall be deemed to provide cover and no (re)insurer shall 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 that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

Notwithstanding the above Sanction Limitation and Exclusion Clause (re)insurers hereon will honour their obligations under the terms and conditions of this Policy when all applicable sanctions, prohibitions or restrictions under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America have been lifted as if the sanction clause had not applied. Furthermore (re)insurers will extend the Proof of Loss Condition for as long as the relevant sanction applies.

15/09/10

LMA3100 (Amended)

Checked

**Policy Number**

PRPNA2000673

Assured / account

G6 Hospitality, LLC

Unique market reference number

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TEXAS COMPLAINTS NOTICE

IMPORTANT NOTICE	AVISO IMPORTANTE
<p>To obtain information or make a complaint:</p> <p>You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights or complaints at:</p> <p style="text-align: center;">1-800-252-3439</p> <p>You may write the Texas Department of Insurance:</p> <p>P. O. Box 149104 Austin, TX 78714-9104 Fax: (512) 490-1007 Web: www.tdi.texas.gov E-mail: ConsumerProtection@tdi.texas.gov</p> <p>PREMIUM OR CLAIM DISPUTES:</p> <p>Should you have a dispute concerning your premium or about a claim you should contact the agent first. If the dispute is not resolved, you may contact the Texas Department of Insurance.</p> <p>ATTACH THIS NOTICE TO YOUR POLICY: This notice is for information only and does not become a part or condition of the attached document.</p>	<p>Para obtener información o para presentar una queja:</p> <p>Usted puede comunicarse con el Departamento de Seguros de Texas para obtener información sobre compañías, coberturas, derechos, o quejas al:</p> <p style="text-align: center;">1-800-252-3439</p> <p>Usted puede escribir al Departamento de Seguros de Texas a:</p> <p>P. O. Box 149104 Austin, TX 78714-9104 Fax: (512) 490-1007 Web: www.tdi.texas.gov E-mail: ConsumerProtection@tdi.texas.gov</p> <p>DISPUTAS POR PRIMAS DE SEGUROS O RECLAMACIONES: Si tiene una disputa relacionada con su prima de seguro o con una reclamación, usted debe comunicarse con el agente primero. Si la disputa no es resuelta, usted puede comunicarse con el Departamento de Seguros de Texas.</p> <p>ADJUNTE ESTE AVISO A SU PÓLIZA: Este aviso es solamente para propósitos informativos y no se convierte en parte o en condición del documento adjunto.</p>

19 October 2015

LMA9080B

TEXAS SURPLUS LINES CLAUSE

This insurance contract is with an insurer not licensed to transact insurance in this state and is issued and delivered as surplus line coverage under the Texas insurance statutes. The Texas Department of Insurance does not audit the finances or review the solvency of the surplus lines insurer providing this coverage, and the insurer is not a member of the property and casualty insurance guaranty association created under Chapter 462, Insurance Code. Chapter 225, Insurance Code, requires payment of a (4.85) percent tax on gross premium.

01/09/13

LMA9079

Checked

**Policy Number**

PRPNA2000673

Assured / account

G6 Hospitality, LLC

Unique market reference number

B0713PRPNA2000673

SERVICE OF SUIT CLAUSE (U.S.A.)

This Service of Suit Clause will not be read to conflict with or override the obligations of the parties to arbitrate their disputes as provided for in any Arbitration provision within this Policy. This Clause is intended as an aid to compelling arbitration or enforcing such arbitration or arbitral award, not as an alternative to such Arbitration provision for resolving disputes arising out of this contract of insurance (or reinsurance).

It is agreed that in the event of the failure of the Underwriters hereon to pay any amount claimed to be due hereunder, the Underwriters hereon, at the request of the Insured (or Reinsured), will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this Clause constitutes or should be understood to constitute a waiver of Underwriters' 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 Lloyd's America, Inc.
Attention: Legal Department
280 Park Avenue, East Tower, 25th Floor
New York, NY 10017

and that in any suit instituted against any one of them upon this contract, Underwriters will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

The above-named are authorized and directed to accept service of process on behalf of Underwriters in any such suit and/or upon the request of the Insured (or Reinsured) to give a written undertaking to the Insured (or Reinsured) that they will enter a general appearance upon Underwriters' behalf in the event such a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefor, Underwriters hereon hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their 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 Reinsured) or any beneficiary hereunder arising out of this contract of insurance (or reinsurance), and hereby designate the above-named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

14/09/2005
LMA5020

Checked



Policy Number

PRPNA2000673

Assured / account

G6 Hospitality, LLC

Unique market reference number

B0713PRPNA2000673

PPC4 (TOR) 4/86 (DIRECT)

It is a condition of this contract of insurance that the premium due at inception must be paid to and received by insurers on or before midnight on 1st March 2020.

If this condition is not complied with then this contract of insurance shall terminate on the above date with the insured hereby agreeing to pay premium calculated at not less than pro-rata temporis

713NHG00424

Checked

9

**Policy Number**

PRPNA2000673

Assured / account

G6 Hospitality, LLC

Unique market reference number

B0713PRPNA2000673

SUBSCRIPTION AGREEMENT**SLIP LEADER:**

Lloyd's Syndicate No.1969 (APL).

**BASIS OF
AGREEMENT TO
CONTRACT
CHANGES:**

All changes to be managed and agreed in accordance with the General Underwriters Agreement (version 2.0) February 2014 and the GUA Non-Marine Schedule (October 2001). Non bureaux markets to follow the agreement of the slip leader unless otherwise stated.

As regards Contract Change Endorsements where full market approval is deemed not necessary within the provisions of the GUA then, when required Lockton Companies LLP may be permitted to utilise email facilities to supply the 'follow' Underwriters with scanned copies of such Contract Change Endorsements for their records.

It is agreed that any increase/decrease in the total insured values by up to 10% may be agreed by the Slip Leader only.

One month automatic extension of period at pro rata premium to be agreed Slip Leader only.

Wherever practicable, between the broker and each (re)insurer which have at any time the ability to send and receive ACORD messages:

1. the broker agrees that any proposed contract change will be requested via an 'ACORD message' or using an ACORD enabled electronic trading platform;
2. whilst the parties may negotiate and agree any contract change in any legally effective manner, each relevant (re)insurer agrees to respond via an appropriate 'ACORD message' or using an ACORD enabled electronic trading platform;
3. where a (re)insurer has requested to receive notification of any contract change the broker agrees to send the notification via an 'ACORD message' or using an ACORD enabled electronic trading platform.

Checked

**Policy Number**

PRPNA2000673

Assured / account

G6 Hospitality, LLC

Unique market reference number

B0713PRPNA2000673

**OTHER
AGREEMENT
PARTIES FOR
CONTRACT
CHANGES, FOR
PART 2 GUA
CHANGES ONLY:**

Slip Leader only to agree part two changes

**AGREEMENT
PARTIES FOR
CONTRACT
CHANGES, FOR
THEIR
PROPORTION
ONLY:**

None

**BASIS OF CLAIMS
AGREEMENT:**

As specified under the CLAIMS AGREEMENT PARTIES and to be managed in accordance with:

- i) The SINGLE CLAIMS AGREEMENT PARTY ARRANGEMENTS - LMA9150 for claims or circumstances assigned as Single Claims Agreement Party Claims (SCAP Claims) or, where it is not applicable, then the following shall apply as appropriate:
- ii) The Lloyd's Claims Scheme (Combined), or as amended or any successor thereto.
- iii) IUA claims agreement practices.
- iv) The practices of any company(ies) electing to agree claims in respect of their own participation.

The applicable arrangements (scheme, agreement or practices) will be determined by the rules and scope of said arrangements and should be referred to as appropriate.

Checked

**Policy Number**

PRPNA2000673

Assured / account

G6 Hospitality, LLC

Unique market reference number

B0713PRPNA2000673

**CLAIMS
AGREEMENT
PARTIES:**

- A. Claims falling within the scope of the LMA9150 to be agreed by Slip Leader only on behalf of all (re)insurers subscribing (1) to this Contract on the same contractual terms (other than premium and brokerage) and (2) to these Arrangements.

For the purposes of calculating the Threshold Amount, the sterling rate on the date that a financial value of the claim is first established by the Slip Leader shall be used and the rate of exchange shall be the Bank of England spot rate for the purchase of sterling at the time of the deemed conversion.

B. For all other claims:

- i) For Lloyd's syndicates:
The leading Lloyd's syndicate and, where required by the applicable Lloyd's Claims Scheme, the second Lloyd's syndicate.
The second Lloyd's Syndicate is AES1225
- ii) Those companies acting in accordance with the IUA claims agreement practices, excepting those that may have opted out via iii below
- iii) Those companies that have specifically elected to agree claims in respect of their own participation: Not Applicable
- iv) All other subscribing insurers that are not party to the Lloyd's/IUA claims agreement practices, each in respect of their own participation.

CLAIMS**ADMINISTRATION:**

Where appropriate, Lockton Companies LLP and insurers agree that any claims hereunder (including any claims related costs/fees) will be notified and administered via ECF with any payment(s) processed via CLASS, unless both parties agree to do otherwise.

Where claims or circumstances are not administered via ECF, notification, administration and payment(s) will be electronic.

Where a Lloyd's syndicate or IUA company is not an agreement party to the claim or circumstance (per CLAIMS AGREEMENT PARTIES A. above), they agree to accept correct ECF sequences for administrative purposes to ensure information is circulated to all subscribing parties.

Checked

**Policy Number**

PRPNA2000673

Assured / account

G6 Hospitality, LLC

Unique market reference number

B0713PRPNA2000673

**RULES AND
EXTENT
OF ANY OTHER
DELEGATED
CLAIMS
AUTHORITY:**

None required.

**EXPERT(S) FEES
COLLECTION:**In respect of Claims related experts Fees:

Xchanging 'Experts Fees Service' or similar third party collection agency to be used as service provider for all slip security, including overseas insurers.

In the event the broker collects any expert fees the following would apply:

The following terms covering treatment of money shall NOT apply to any Lloyd's Managing Agent who have all agreed specific Terms of Business with Lockton Companies LLP ("LCLLP"). These terms shall ONLY apply to Insurance Companies or Underwriting Agents ('underwriter') who do NOT have a current Terms of Business or letter agreement in place with LCLLP, as follows:

Where LCLLP holds claims adjustment, legal, survey or other experts fee monies that it receives from Insurers for onward payment, the Broker will hold such fee monies on behalf of Underwriters and not the client. It is a requirement of English law (as specified in the FCA Client Assets Sourcebook 'CASS') that Risk Transfer shall apply and that Underwriters shall hereby agree and consent to "the Broker comingling such experts fee monies in its client non-statutory trust account and that Underwriters rights to such monies shall be subordinated to those of the Brokers other clients".

Checked

**Policy Number**

PRPNA2000673

Assured / account

G6 Hospitality, LLC

Unique market reference number

B0713PRPNA2000673

**SETTLEMENT
DUE DATE:**1st March 2020

In the absence of an insurer specified Settlement Due Date shown herein or within any contract endorsement attaching hereto, the Settlement Due Date will be calculated by applying the terms of trade for the original premium to whichever is the later of either:

1. the latest effective date of the subject matter of the contract endorsement; or
2. the date on which the final insurer agreement is obtained.

**BUREAUX
ARRANGEMENTS:**

Delinked accounts to be presented by Lockton Companies LLP to LPSO/XIS (Ins-sure).

Premium payment requirements deemed met if accounts are correctly released for settlement to LPSO/XIS (Ins-sure) in line with bureaux procedures on or before the settlement due date.

Insurers(s) agree to accept/settle accounts at rate of exchange declared by Lockton Companies LLP

Insurer(s) to sign any deferred premium instalments as Additional Premium(s); however, any annual instalments to be allocated to respective year of account.

Insurer(s) hereby agree to permit Xchanging Ins-sure Services to take down For Declaration Only (FDO) signing for the purpose of issuing the policy, prior to the SDD.

Where settlement due date, Premium Payment Condition (PPC) or Premium Warranty (PPW) due date falls on a weekend or bank holiday, presentation to LPSO/XIS (Ins-Sure) or Insurer(s) hereon as applicable on next working day will be deemed compliant with PPC or PPW. Where the PPC/PPW is later than the SDD the SDD is automatically deemed updated to be the same as the PPC/PPW.

Closings and/or PANS may be issued on a net equivalent downwards basis if required by Lockton Companies LLP

IUA companies not domiciled in London agree authorise XIS slip endorsements without sight of Insurers agreement. Lockton Companies LLP to note on endorsement date of Insurers written agreement.

In the event of formal policy being required a J (NMA2420) or Ja (NMA2421) is to apply.

Where an insurer(s) has not applied a separate reference a risk code applicable hereon, then the first reference for the insurer(s) is deemed to apply

Checked

**Policy Number**

PRPNA2000673

Assured / account

G6 Hospitality, LLC

Unique market reference number

B0713PRPNA2000673

Insurers agree that the broker may release delinked premiums for this contract into settlement at different times.

Where the territorial limit states Worldwide, this is deemed to exclude the sanctioned countries of Cuba, Iran, Crimea, Sudan, Syria and The Democratic People's Republic of Korea.

**NON-BUREAUX
ARRANGEMENTS:**

Insurer(s) agree to accept/settle accounts at rate of exchange declared by Lockton Companies LLP.

Where settlement due date, Premium Payment Condition (PPC) or Premium Warranty (PPW) due date falls on a weekend or bank holiday, payment to Insurer(s) hereon as applicable on next working day will be deemed compliant with PPC or PPW.

Closings may be issued on a net equivalent downwards basis if required by Lockton Companies LLP.

**NOTICE OF
CANCELLATION
PROVISIONS:**

The content and format of any such notice should be in accordance with the 'Notice of Cancellation' standard, as published by the London Market Group (LMG), or their successor body, on behalf of London Market Associations and participants. However failure to comply with this standard will not affect the validity of the notice given.

Further to any provision which may be contained within the policy wording all notices of cancellation shall be provided to the broker by email in addition to any other provision within the policy wording.

Failure to comply with this delivery requirement will make the notice null and void. Satisfactory delivery of the notice will cause it to be effective irrespective of whether the broker has acknowledged receipt.

Checked

**Policy Number**

PRPNA2000673

Assured / account

G6 Hospitality, LLC

Unique market reference number

B0713PRPNA2000673

FISCAL AND REGULATORY**TAX PAYABLE BY
INSURER(S):**

None

**COUNTRY OF
ORIGIN:**

United States of America.

OVERSEAS BROKER:Lockton Companies, 2100 Ross Ave., Suite 1400, Dallas, TX 75201,
U.S.A.**SURPLUS LINES
BROKER:**Lockton Companies LLC, 444 W. 47th Street, Kansas City, MO
64112.**STATE OF FILING:****Home State:**

Texas

License Agent/Name:

Lockton Companies, LLC

License Number:

1375931

US**CLASSIFICATION:**

US Surplus Lines

**ALLOCATION OF
PREMIUM TO
CODING:**

100% P2

**REGULATORY
CLIENT****CLASSIFICATION:**

Large Risk

Checked



Policy Number

PRPNA2000673

Assured / account

G6 Hospitality, LLC

Unique market reference number

B0713PRPNA2000673

BROKER REMUNERATION & DEDUCTIONS

**FEE PAYABLE BY
CLIENT:**

No

**TOTAL
BROKERAGE:**

20% of gross premium.

**OTHER
DEDUCTIONS
FROM PREMIUM:**

None

Checked

A handwritten signature, possibly "e", is enclosed in a rectangular box.

**Policy Number**

PRPNA2000673

Assured / account

G6 Hospitality, LLC

Unique market reference number

B0713PRPNA2000673

SECURITY DETAILS**INSURER'S
LIABILITY:****(RE)INSURERS LIABILITY CLAUSE****(Re)insurer's liability several not joint**

The liability of a (re)insurer under this contract is several and not joint with other (re)insurers party to this contract. A (re)insurer is liable only for the proportion of liability it has underwritten. A (re)insurer is not jointly liable for the proportion of liability underwritten by any other (re)insurer. Nor is a (re)insurer otherwise responsible for any liability of any other (re)insurer that may underwrite this contract.

The proportion of liability under this contract underwritten by a (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp. This is subject always to the provision concerning "signing" below.

In the case of a Lloyd's syndicate, each member of the syndicate (rather than the syndicate itself) is a (re)insurer. Each member has underwritten a proportion of the total shown for the syndicate (that total itself being the total of the proportions underwritten by all the members of the syndicate taken together). The liability of each member of the syndicate is several and not joint with other members. A member is liable only for that member's proportion. A member is not jointly liable for any other member's proportion. Nor is any member otherwise responsible for any liability of any other (re)insurer that may underwrite this contract. The business address of each member is Lloyd's, One Lime Street, London EC3M 7HA. The identity of each member of a Lloyd's syndicate and their respective proportion may be obtained by writing to Market Services, Lloyd's, at the above address.

Proportion of liability

Unless there is "signing" (see below), the proportion of liability under this contract underwritten by each (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp and is referred to as its "written line".

Checked

**Policy Number**

PRPNA2000673

Assured / account

G6 Hospitality, LLC

Unique market reference number

B0713PRPNA2000673

Where this contract permits, written lines, or certain written lines, may be adjusted ("signed"). In that case a schedule is to be appended to this contract to show the definitive proportion of liability under this contract underwritten by each (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together). A definitive proportion (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of a Lloyd's syndicate taken together) is referred to as a "signed line". The signed lines shown in the schedule will prevail over the written lines unless a proven error in calculation has occurred.

Although reference is made at various points in this clause to "this contract" in the singular, where the circumstances so require this should be read as a reference to contracts in the plural.

LMA3333

21 June 2007

ORDER HEREON: As per total signed lines as detailed in Security Details herein.

**BASIS OF WRITTEN
LINES:**

Percentage of Whole
NMA2419 Lines Clause.

**SIGNING
PROVISIONS:**

In the event that the written lines hereon exceed 100% of the order, any lines written "to stand" will be allocated in full and all other lines will be signed down in equal proportions so that the aggregate signed lines are equal to 100% of the order without further agreement of any of the (re)insurers.

However:

- a) in the event that the placement of the order is not completed by the commencement date of the period of insurance then all lines written by that date will be signed in full;
- b) the insured may elect for the disproportionate signing of insurers' lines, without further specific agreement of insurers, providing that any such variation is made prior to the commencement date of the period of insurance, and that lines written "to stand" may not be varied without the documented agreement of those insurers;

Checked

**Policy Number**

PRPNA2000673

Assured / account

G6 Hospitality, LLC

Unique market reference number

B0713PRPNA2000673

- c) the signed lines resulting from the application of the above provisions can be varied, before or after the commencement date of the period of insurance, by the documented agreement of the insured and all insurers whose lines are to be varied. The variation to the contracts will take effect only when all such insurers have agreed, with the resulting variation in signed lines commencing from the date set out in that agreement.

**LINE
CONDITIONS:**

None

Checked

SECURITY DETAILS

REFERENCES

UMR (Unique Market Reference): B0713PRPNA2000673

Date contract printed to PDF: 07:43 02 January 2020

SIGNED UNDERWRITERS

Apollo Syndicate Management Ltd

Richard Hardcastle

Written Line	15.00%	Signed Line	15.00%
Agreed on	10:54 31 December 2019		

For and on behalf of:

Lloyd's Underwriter Syndicate No. 1969 APL,
London, England

Written Line	Signed Line
15.00%	15.00%

Bound as Slip Leader, Lloyd's Leader

<i>Lloyd's Stamp:</i>	1969
<i>LORS Code:</i>	L1969
<i>Reference:</i>	20PT55031001
<i>Description:</i>	NJ
<i>Risk Code(s):</i>	P2

AEGIS London

Toby Sawyer

Written Line	10.00%	Signed Line	10.00%
Agreed on	11:08 31 December 2019		

For and on behalf of:

Lloyd's Underwriter Syndicate No. 1225 AES,
London, England

Written Line	Signed Line
10.00%	10.00%

Bound

<i>Lloyd's Stamp:</i>	1225
<i>LORS Code:</i>	L1225
<i>Reference:</i>	20N37140AA1P
<i>Description:</i>	
<i>Risk Code(s):</i>	P2

Brit Insurance

Dean Broomhead

Written Line	10.00%	Signed Line	10.00%
Agreed on	11:06 31 December 2019		

For and on behalf of:

Lloyd's Underwriter Syndicate No. 2988 BRIT,
London, England

Written Line	Signed Line
1.5%	1.5%

Bound

<i>Lloyd's Stamp:</i>	2988
<i>LORS Code:</i>	L2988
<i>Reference:</i>	JL141D20A000
<i>Description:</i>	
<i>Risk Code(s):</i>	P2

Lloyd's Underwriter Syndicate No. 2987 BRIT,
London, England

8.5%	8.5%
------	------

Bound

<i>Lloyd's Stamp:</i>	2987
<i>LORS Code:</i>	L2987
<i>Reference:</i>	JL141D20A000
<i>Description:</i>	
<i>Risk Code(s):</i>	P2

Cincinnati Global

William Upton

Written Line	7.5%	Signed Line	7.5%
Agreed on	11:23 31 December 2019		

For and on behalf of:

Lloyd's Underwriter Syndicate No. 318 CIN,
London, England

Written Line	Signed Line
7.5%	7.5%

Bound

<i>Lloyd's Stamp:</i>	0318
<i>LORS Code:</i>	L0318
<i>Reference:</i>	42001H20LB0X
<i>Description:</i>	
<i>Risk Code(s):</i>	P2

CNA Hardy

James Dick

Written Line

7.5%

Signed Line

7.5%

Agreed on

10:59 31 December 2019

For and on behalf of:

Lloyd's Underwriter Syndicate No. 0382 HDU,
London, England

Written Line

7.5%

Signed Line

7.5%

Bound

Lloyd's Stamp:

0382

LORS Code:

L0382

Reference:

NTFAED0126DX

Description:

Talbot Underwriting Ltd

Jamie Courtney

Written Line

5.00%

Signed Line

5.00%

Agreed on

11:57 31 December 2019

For and on behalf of:

Lloyd's Underwriter Syndicate No. 1183 TAL,
London, England

Written Line

5.00%

Signed Line

5.00%

Bound

Lloyd's Stamp:

1183

LORS Code:

L1183

Reference:

ACL118504K20

Description:

Primary \$10m

Risk Code(s):

P2

Policy Number: (UMR) B0713PRPNA2000673

Unicorn Underwriting Limited

Neil Chapman

Written Line

5.00%

Signed Line

5.00%

Agreed on

11:30 31 December 2019

For and on behalf of:

Written Line

Signed Line

Unicorn Worldwide Property Limited 9417 - ARG

5.00%

5.00%

2121 (100%). All underwriters as per LPSO

Registered No 9417

Bound

Lloyd's Stamp:

9417

Reference:

M27681PA120X

Description:

SETTLEMENT INFORMATION

Allocation of Premium to Coding

P2 at 100.00%

Allocation of Premium to Year of Account

2020

Terms of Settlement

Settlement Due Date: 01 March 2020

Instalment Premium Period of Credit: 0 day(s)

Adjustment Premium Period of Credit: 0 day(s)

Lloyd's Underwriter Syndicate No. 1969 APL, London, England

Bureau Leader and Lloyd's Leader

Richard Hardcastle

G6 Hospitality, LLC

Master Policy

Policy Number:

(Excluding Equipment Breakdown)

G6 Hospitality, LLC and any subsidiary, affiliated, associated, or allied company, corporation, firm, organization, and the Insured's interest in partnerships and/or joint ventures, and/or any owned (wholly or partially) or controlled company(ies) where the Insured maintains an interest, as now or hereafter constituted or acquired; and any other party or interest that is required by contract or agreement;

all hereafter referred to as the "Insured."

1. Policy Term and Participation

In consideration of the annual premium, this policy attaches and insures from January 1, 2020 to January 1, 2021 beginning and ending at 12:01 A.M. at the location of the property involved.

In the event of loss or damage insured by this policy, this **Insurer** shall be liable for its proportion of the Limits of Liability set forth in Clause No. 3 as stated in the Security Details of the Market Reform Contract.

2. Territory

This policy insures within and between the 50 states comprising the United States of America, the District of Columbia, Puerto Rico, and including any other territories and possessions of the foregoing. The territory includes coastal and inland waterways between points and places therein.

As respects coverage for interdependency provided under Clause 7.B. and coverage provided under Clause 8.A.1., the territory shall be worldwide.

3. Program Limits of Liability

In the event of loss or damage insured under this policy, this **Insurer** shall be liable for its proportional share of USD100,000,000 per **occurrence** as stated in the Risk Details section of the Market Reform Contract except as respects the following, excess of the policy deductibles:

USD	100,000,000	Flood per occurrence and annual aggregate, except;
USD	50,000,000	Flood per occurrence and annual aggregate for buildings and structures located wholly or partially within Special Flood Hazard Area as outlined in Endorsement #10
USD	100,000,000	Earthquake per occurrence and annual aggregate, except;
USD	40,000,000	Earthquake per occurrence and annual aggregate within the States of California, Alaska and Hawaii and Puerto Rico
USD	100,000,000	Earthquake per occurrence and annual aggregate within the Pacific Northwest and New Madrid Territories
USD	100,000,000	Named Windstorm
USD	25,000,000	Accounts Receivable
USD	10,000,000	Civil or Military Authority
USD	1,500,000	Contagious Diseases per occurrence and annual aggregate
USD	1,000,000	Contingent Business Interruption and Contingent Extra Expense including Attraction Properties
USD	1,000,000	Defense Costs

APL
1969
28/1/20

	Included	Electronic Data Processing Equipment
	Excluded	Equipment Breakdown
USD	10,000,000	Errors and Omissions
	365 days	Extended Period of Indemnity
USD	2,500,000	Expediting Expense
USD	5,000,000	Historic Properties
USD	10,000,000	Ingress/Egress
USD	1,000,000	Loss Adjustment Expense
USD	15,000,000	Miscellaneous Unnamed Locations, per Location
USD	2,500,000	Mold Coverage per occurrence and annual aggregate provided for in Endorsement #1
USD	50,000,000	Newly Acquired Locations – 120 days reporting - Miscellaneous Unnamed Locations sublimit applies after 120 days
USD	2,500,000	Offsite Storage Locations
	60 Days	Ordinary Payroll
USD	1,000,000	Outdoor Property: Trees, Shrubs, Plants and Landscaping
USD	500,000	Pollutant Clean Up of Land and Water per occurrence and annual aggregate
USD	10,000,000	Property in the Course of Construction, Erection, Installation or Assembly
USD	500,000	Property of Officers, Employees, Hotel Guests or Tenants
	60 days	Service Interruption – Business Interruption and Extra Expense
USD	1,000,000	Soft Costs
USD	1,000,000	Tenant/Hotel Guest Emergency Evacuation – per occurrence and annual aggregate
USD	1,000,000	Tenant and Hotel Guest Relocation Expense – per occurrence and annual aggregate
USD	250,000	Transit per conveyance per occurrence
USD	5,000,000	Upgrade to Green provided for in Endorsement #8

Waiting Periods:

24 hour waiting period shall apply to loss due to Service Interruption.

Waiting period application: The insurer will not be liable for any Loss or Damage unless the period of interruption exceeds the specified waiting period. Once the period of liability exceeds 24 hours, coverage then applies to the entire period of interruption subject to the Policy Deductible.

APPLICATION OF LIMITS OF LIABILITY - This Policy may contain sublimits applicable to specific locations or specific coverage's or specific causes of loss. Such limits shall be the total payable as a result of a single occurrence (or an annual aggregate of certain occurrences where so specified) and neither the policy limit nor any sublimit shall be increased by the application of one or more sublimits.

4. Deductible

- A. All loss or damage arising out of any one **occurrence** shall be adjusted as one loss and the amount of such adjusted loss shall be deducted from an annual aggregate deductible of USDUSD2,500,000. When the aggregate is exhausted, a USD100,000 per occurrence deductible will apply. Only the portion of loss or damage exceeding USD100,000 will erode the aggregate. Losses relating to **Flood, Earthquake, and Named Windstorm in Tier 1 Counties** do not erode the aggregate.

Named Windstorm:

The sum of USD100,000 shall be deducted from any adjusted loss due to the peril of Named Windstorm, except;

As respects the peril of **Named Windstorm** in Tier 1 Counties, the sum of 5% of the total values declared by insured, as per Statement of Values on file with Insurer at the time of loss, at each location submitting a claim, to be calculated separately for each unit of insurance which sustains loss or damage, subject to a minimum of USD500,000 per location with a maximum of USD2,500,000 per occurrence.

Flood:

With respect to buildings and structures located wholly or partially within **Special Flood Hazard Areas (SFHA)** as outlined in Endorsement #10:

- a) If insurance is maintained through the National Flood Insurance Program (NFIP) or any other primary or underlying policy or program covering property damaged by flood, with limits equal to the full replacement cost of the building and contents, or the maximum NFIP limit available per building and contents, then the deductible shall be the amount payable from NFIP or other primary or underlying insurance for such damage plus USD50,000 per occurrence (not per building) for any Business Interruption or rental value loss.
- b) If insurance is not maintained through NFIP or any other primary or underlying policy or program covering property damaged by flood, the deductible shall be the maximum amount available under NFIP.

In the event that underlying insurance is maintained through NFIP or any other primary or underlying policy or program, it is agreed that this policy shall be excess over the amount payable under such National Flood Insurance Policy(ies). Insurance maintained through NFIP shall be considered Underlying Insurance.

With respect to any other **Flood** loss, the sum of 5% of the total values declared by insured, as per Statement of Values on file with Insurer at the time of loss, at each location submitting a claim, to be calculated separately for each unit of insurance which sustains loss or damage, subject to a minimum of USD25,000 with a maximum of USD100,000 per occurrence.

Earthquake:

The sum of USD100,000 shall be deducted from any adjusted loss due to the peril of Earthquake, except;

As respects the peril of **Earthquake** in the States of California and Alaska, the sum of 5% of the total values declared by insured, as per Statement of Values on file with Insurer at the time of loss, at each location submitting a claim, to be calculated separately for each unit of insurance which sustains loss or damage, subject to a minimum of USD250,000 per occurrence.

As respects the peril of **Earthquake** in Hawaii, **New Madrid** and **Pacific Northwest** Territories, the sum of 2% of the total values declared by insured, as per Statement of Values on file with Insurer at the time of loss, at each location submitting a claim, to be calculated separately for each unit of insurance which sustains loss or damage, subject to a minimum of USD100,000 per occurrence.

- B. In the event of loss or damage involving more than one deductible, the Insured can either elect to have the deductibles apply separately or have the single largest deductible apply.
- C. The deductible amount specified in Clause A. above shall not apply to General Average contributions and/or salvage charges.
- D. If other insurance applies to the same property as insured hereunder, and to the extent recovery is made from such other insurance, the deductible under this policy shall be reduced by such recovery, but in no event shall the deductible under this policy be less than shown in the policy. If recovery from such other insurance is greater than the deductible in this policy, then the deductible under this policy shall not apply.
- E. In any **occurrence** where loss or damage is caused by more than one cause of loss or damage (peril) insured against under this policy or occurs at more than one location or building, the Insured shall have the right to separate the loss amount by peril or location or building for the purposes of application of the deductible(s) specified in this section, notwithstanding the above reference to two or more deductibles and the policy limits.
- F. Unit of Insurance: The following shall be considered a separate unit of insurance: (1) each separate building or structure; (2) the contents of each separate building or structure; (3) property in each yard; (4) business interruption for the twelve-month period immediately following the loss.

5. Loss or Damage Insured

This policy insures against all risk of direct physical loss or damage to property including General Average, salvage, and all other charges on shipments insured hereunder except as hereinafter excluded.

6. Loss or Damage Excluded

This policy does not insure the following:

- A.
 - 1. Loss or damage caused by hostile or warlike action in time of peace or war, including action in hindering, combating, or defending against an actual, impending, or expected attack:
 - (a) by any government or sovereign power (de jure or de facto) or by any authority maintaining or using military, naval, or air forces;
 - (b) or by military, naval, or air forces;
 - (c) or by an agent of such government, power, authority, or forces;
 - 2. Loss or damage caused by any weapon employing atomic fission or fusion;
 - 3. Loss or damage caused by rebellion, revolution, civil war, usurped power; or action taken by governmental authority in hindering, combating, or defending against such **occurrence**;
 - 4. Loss or damage caused by seizure or destruction by order of public authority, except destruction by order of public authority to prevent spread of, or to otherwise contain, control or minimize loss, damage, or destruction which occurs due to loss or damage insured under this policy;
 - 5. Risks of contraband or illegal trade.

Notwithstanding the above provisions 6.A. 1, 3, 4, and 5, this insurance shall insure loss or damage caused by acts of an agent of any government, party, or faction engaged in war, hostilities, or warlike operations, provided such agent or faction or government is acting secretly and not in connection with any overt operation of armed forces (whether military, naval, or air forces) in the country where the property is situated. Nothing in the foregoing shall be construed to include any loss or damage caused by or resulting from any loss or damage referenced in 6.A. 1.-5. above, excepting only the acts of certain agents expressly insured herein, but in no event shall this insurance include any loss or damage caused by or resulting from any weapon of war employing atomic fission or fusion whether in time of peace or war.

- B. Loss or damage caused by nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, and whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, attributed to, or aggravated by loss or damage insured herein except:
 - 1. The **Insurer** shall be liable for loss or damage caused by sudden or accidental radioactive contamination, including resultant radiation damage for each **occurrence** from material used or stored or from processes conducted on insured premises, provided at the time of loss there is neither a nuclear reactor capable of sustaining nuclear fission in a self-supporting chain reaction nor any new or used nuclear fuel on the insured premises;

2. If an insured loss ensues, liability is specifically assumed by the **Insurer** for such ensuing direct loss or damage insured hereunder but not including any loss due to nuclear reaction, nuclear radiation or radioactive contamination.

- C. Loss or damage caused by **fraudulent or dishonest act or acts** committed by the Insured or any of the Insured's employees.

This exclusion does not apply to loss or damage resulting from the Insured voluntarily parting with title or possession of any property if induced to do so by any fraudulent scheme, trick, device or false pretense, nor shall this exclusion apply to willful acts of destruction committed by the Insured's employees.

- D. Ordinary wear and tear, or gradual deterioration, unless loss or damage not excluded in this policy ensues, and then this policy shall insure only the ensuing loss or damage.

Except, if an **occurrence** to an **object** ensues, then this policy shall also insure the ordinary wear and tear, or gradual deterioration that initiated the damage to the object causing the **occurrence**.

- E. The cost of making good or rectifying faulty or defective workmanship, material, construction or design, but this exclusion shall not apply to damage resulting from such faulty or defective workmanship.

This exclusion shall not apply to faulty material that results in an **occurrence to an object**.

- F. Asbestos material removal except as provided in Endorsement 11.

- G. Loss or damage caused by, resulting from, contributed to or made worse by the actual, alleged or threatened release, discharge, escape or dispersal of **Pollutants or Contaminants**, all whether direct or indirect, proximate or remote or in whole or in part caused by, contributed to or aggravated by any Covered Cause of Loss under this Policy, except as provided in Clause #15.

This exclusion shall not apply to direct physical loss or damage to Insured Property arising out of seepage, contamination, or pollution caused by **Specified Perils**.

- H. Deterioration, depletion, rust, corrosion, erosion, wet or dry rot, decay, evaporation, leakage, wear and tear, animal, insect or vermin damage, inherent vice or latent defect, shrinkage or change in color, flavor, texture or finish, extremes or changes of temperature damage or changes in relative humidity damage, all whether atmospheric or not, except, if loss or damage not excluded in this policy ensues, then this policy shall insure such ensuing loss or damage.

- I. Normal settling, shrinkage, or expansion in foundations, walls, floors or ceilings unless such damage results directly from a peril insured by this Policy, or unless direct physical loss, damage or destruction by a peril insured by this Policy results, and this Policy shall insure against that resulting direct physical loss, damage or destruction.

- J. Mysterious disappearance or loss or shortage disclosed on taking inventory or any unexplained loss, except, if loss or damage not excluded in this policy ensues, then this policy shall insure such ensuing loss or damage.
- K. Electrical injury or disturbance to electrical appliances, devices, fixtures, wiring or other electrical or electronic equipment caused by electrical currents artificially generated; except this Company(ies) shall be liable for ensuing physical loss or damage resulting from an Insured cause of loss not otherwise excluded.
- L. Mechanical breakdown unless physical loss or damage resulting from an Insured cause of loss, not otherwise excluded ensues, and then this Company(ies) shall be liable for only such ensuing loss or damage. This exclusion does not apply to loss or damage to property in transit caused by mechanical breakdown or refrigeration equipment.
- M. Explosion, rupture, or bursting of steam boilers, steam pipes, steam turbines or steam engines owned or operated by the Insured unless physical loss or damage resulting from an Insured cause of loss, not otherwise excluded ensues, and then this Company(ies) shall be liable for only such ensuing loss or damage. However, it is agreed that direct loss resulting from the explosion of accumulated gases or unconsumed fuel within the firebox (or combustion chamber) of any fired vessel or within the flues or passages which conduct the gases or combustion therefrom shall be covered hereunder.

(Note: Exclusions K., L., and M. above shall also be referred to as an **Accidental Occurrence to an Object**.)

7. Coverage

This policy insures the interest of the Insured in the following:

A. Real and Personal Property

All real and personal property while such property is located anywhere within the territorial limits of this policy, including while in due course of **transit** which is owned, used, or intended for use by the Insured, or acquired by the Insured, and property of others in the Insured's care, custody or control including the Insured's liability for such property and including the costs to defend any allegations of liability for loss or damage to such property; including but not limited to the following:

1. Improvements and betterments. The **Insurer** agrees to accept and consider the Insured as sole and unconditional owner of the improvements and betterments, notwithstanding any contract or lease to the contrary.
2. At the option of the Insured, personal property of the Insured's officials and employees and hotel guests, while in the Insured's care, custody or control, or while on the Insured's premises.

- 3 Contractor's and/or subcontractor's (of any tier) and vendor's interests in property insured to the extent of the Insured's liability imposed by law or assumed by contract, whether written or oral.
4. At the option of the Insured, the interest of the Insured's customers in property sold by the Insured under conditional sale, trust agreement, installment plan or other deferred payment plan including property which is leased to customers under a lease/purchase agreement.
5. Property of others that the Insured has agreed to insure prior to loss or damage including property not in the Insured's care, custody or control and at the Insured's option the interest of the owner of such property.
6. Property while in the course of construction and/or during erection, assembly and/or installation.
7. **Architect Fees and Engineering Fees**

B. Business Interruption – Gross Earnings

1. Loss due to the necessary interruption of business conducted by the Insured, including all interdependencies between or among companies owned or operated by the Insured resulting from loss or damage insured herein and occurring during the term of this policy to real and/or personal property described in Clause 7.A.
2. Such loss shall be adjusted on the basis of the actual loss sustained by the Insured, consisting of the net profit which is prevented from being earned including **ordinary payroll** and payroll;

and

all charges and other expenses (including **soft costs**) to the extent that these must necessarily continue during the interruption of business, but only to the extent to which such charges and expenses would have been incurred had no loss occurred.

3. In determining the amount of net profit, charges, and expenses insured hereunder for the purposes of ascertaining the amount of the actual loss sustained, due consideration shall be given to the experience of the business before the date of the loss or damage and to the probable experience thereafter had no loss occurred.
4. In the event of insured loss or damage to property as described in Clause 7.A. which results in an interruption of research and development activities, which in themselves would not have produced income during the recovery period, this policy shall insure the actual loss sustained of the continuing charges and expenses, including **ordinary payroll** and payroll, directly attributable to such research and development activities.

5. As respects coverage provided under Clause 7.B., the **Insurer** shall not be liable for any loss resulting from loss or damage to **finished stock or stock in process** nor for the time required to reproduce said **finished stock or stock in process**.

C. Business Interruption - Loss of Profits

1. Loss of gross profit as hereinafter defined, resulting from interruption of or interference with the business, and caused by loss or damage to real or personal property as described in Clause 7. A. of this policy during the term of the policy.
2. Indemnity: The amount of loss of gross profit shall be based on REDUCTION IN TURNOVER and on INCREASE IN COST OF WORKING, and the amount payable as indemnity thereunder shall be:
 - (a) In respect to REDUCTION IN TURNOVER: The sum produced by applying the rate of gross profit to the amount by which the turnover during the indemnity period shall, in consequence of the damage, fall short of the standard turnover;
 - (b) In respect to INCREASE IN COST OF WORKING: The additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in turnover which but for that expenditure would have taken place during the indemnity period in consequence of the damage, but not exceeding the sum produced by applying the rate of gross profit to the amount of the reduction thereby avoided;
 - (c) In respect to auditors' fees, the reasonable charges payable by the Insured to their auditors for producing and certifying any particulars or details in the Insured's books of account or other books or documents or such other profits, information or evidence as may be required by the **Insurer**;

less any sum saved during the indemnity period in respect of such of the standing charges of the business payable out of gross profit as may cease or be reduced in consequence of the damage.
3. Definitions:
 - a) Gross Profit: The sum produced by adding to the net profit the amount of all the standing charges of the business, including **soft costs** or if there be no net profit the amount of said standing charges less the amount of any net trading loss. Standing charges shall include, but not be limited to, wages and depreciation on property.
 - b) Net Profit: The net trading profit (exclusive of all capital receipts and accretions and all outlay properly chargeable to capital) resulting from the business of the Insured after due provision has been made for all standing

and other charges including depreciation but before the deduction of any taxation chargeable on profits.

- c) Wages: The remuneration (including where applicable: bonuses, overtime, living allowance (if any), national insurance contribution, holiday pay or other payments pertaining to wages) of all employees other than those whose remuneration is treated as salaries in the Insured's books of account.
- d) Turnover: The money (less discounts allowed) paid or payable to the Insured for goods sold and delivered and for services rendered in course of the business.
- e) Rate of Gross Profit: The rate of gross profit earned on the turnover during the financial year immediately before the date of the damage.
- f) Annual Turnover: The turnover during that period in the 12 months immediately before the date of the damage.
- g) Standard Turnover: The turnover during that period in the 12 months immediately before the date of the damage which corresponds with the indemnity period.

With respect to subparagraphs e-Rate of Gross Profit, f- Annual Turnover and g- Standard Turnover as described above, such adjustments shall be made as may be necessary to provide for the trend of the business and for variations in or special circumstances affecting the business either before or after the damage or which would have affected the business had the damage not occurred, so that the figures thus adjusted shall represent as nearly as any be reasonably practicable the results which but for the damage would have been obtained during the relative period after the damage.

4. Memoranda:

MEMO 1: This policy will allow the insured to have the option to make claim based on either the:

- 1. Business Interruption Gross Earnings as stated under Clause 7B
- 2. Business Interruption Gross Profit as stated under Clause 7C

If such claim involves more than one location, including interdependency at one or more locations, all such claim will be adjusted by using the single coverage option chosen above. This option may be exercised at any time.

D. Extra Expense

- 1. Extra Expense incurred by the Insured in order to continue as nearly as practicable the normal operation of the Insured's business following loss or damage insured herein and occurring during the term of this policy to real and/or personal property as described in Clause 7.A.

2. The term Extra Expense, as used herein, is defined as the excess (if any) of the total cost chargeable to the operation of the Insured's business, over and above the total cost that would normally have been incurred to conduct the business had no loss or damage occurred, including **soft costs**.

E. Accounts Receivable

In the event of loss or damage to records or accounts receivable from customers caused by loss or damage insured herein, this **Insurer** will indemnify the Insured as follows:

1. All sums due the Insured (from customers), provided the Insured is unable to effect collection thereof as a result of loss or damage to records of accounts receivable by loss or damage insured by this policy.
2. All sums due the Insured from factoring transactions, when the property of the debtor has been lost or damaged by loss or damage insured by this policy and the Insured has been unable to effect collection thereof.
3. Interest charges on any loan to offset impaired collections pending repayment of such sums made uncollectible by such loss or damage.
4. Collection expenses in excess of normal collection cost and made necessary because of such loss or damage.
5. Other expenses, when reasonably incurred by the Insured in reestablishing records of accounts receivable following such loss or damage.

For purpose of this insurance, charges under a credit card company and maintained on **EDP Media** shall be deemed to represent sums due the Insured from customers.

When there is proof that a loss of records of accounts receivable has occurred by the Insured and the Insured cannot more accurately establish the total amount of accounts receivable outstanding as of the date of such loss, such amount shall be computed as follows:

1. The monthly average of accounts receivable during the last available twelve (12) months shall be adjusted in accordance with the percentage increased or decreased in the twelve (12) months average of monthly gross revenues, which may have occurred in the interim;
2. The monthly amount of accounts receivable thus established shall be further adjusted in accordance with any demonstrable variance from the average for the particular month in which the loss occurred, due consideration also being given to the normal fluctuations in the amount of accounts receivable within the fiscal month involved.

There shall be deducted from the total amount of accounts receivable, however established, the amount of such accounts evidenced by records, not lost or damaged, or otherwise established or collected by the Insured and an

amount to allow for probable bad debts which would normally have been uncollectible by the Insured.

F. Leasehold Interest

This policy provides coverage for leasehold interest when property is rendered wholly or partially untenable by any insured loss during the term of this policy and a lease is canceled by a party not insured by this policy in accordance with the conditions of the lease or by statutory requirements of the appropriate jurisdiction in which the damaged property is located.

1. Coverage under this clause includes the:
 - (a) Pro-rata portion from the date of loss to the expiration date of the lease (to be paid without discount) on the Insured's interest in:
 - (i) the amount of bonus paid by the Insured for the acquisition of the lease not recoverable under the terms of the lease;
 - (ii) improvements and betterments to real property which are not insured under any other section of this policy;
 - (iii) the amount of advance rental paid by the Insured and not recoverable under the terms of the lease;
2. This **Insurer** shall indemnify the Insured for its **Lease Interest** for the first three months following the loss or damage and for its **Net Lease Interest** for the remaining unexpired term of the lease, provided that the **Insurer** shall not be liable for any increase in the amount recoverable hereunder resulting from the suspension, lapse or cancellation of any license, or from the Insured exercising an option to cancel the lease; or from any act or omission of the Insured which constitutes a default under the lease; and provided further that the Insured shall use any suitable property or service owned or controlled by the Insured or obtainable from another source to reduce the loss hereunder.

G. Rental Value and Rental Income

1. Loss of Rental Income and/or Loss of Rental Value of the Insured caused by loss or damage insured herein occurring during the term of this policy to property and/or premises rented, leased or occupied by the Insured and/or rented or leased by the Insured to others.
2. Rental Income shall include the following:
 - (a) The total anticipated gross rental income from tenant(s) of the Insured's building(s) and structure(s), and
 - (b) The amount of all charges assumed by tenant(s) except those charges which do not continue, which would otherwise be obligations of the Insured, and

- (c) The fair rental reasonably expected from unrented portions of such property and the fair rental for that portion occupied by the Insured.

3. Rental Value shall include the following:

Rental Income Insurance in those situations where the Insured is required under a lease or rental agreement to maintain such insurance on behalf of any landlord.

Rental expenses incurred by the Insured in excess of the expenses which would have been incurred had a leased or rented premises not been damaged or destroyed by loss or damage insured herein. Such coverage will apply for all additional expenses incurred during the period of untenability or if the lease cannot be terminated, until its expiration.

H. Royalties

1. Loss of Royalties, Fees and Commissions which would have been earned under Royalties, Fees or Commission Agreements between the Insured and any concern(s), as a result of loss or damage to the property of such concern(s) caused by loss or damage insured herein occurring during the term of this policy.
2. Such loss shall be adjusted on the basis of actual loss sustained of such income referred to in paragraph 7.G.1., which would have been earned had no loss occurred.

I. Transit

This insurance is extended to insure loss or damage to insured property in **transit** including resulting loss as afforded under clauses 7.B., 7.C., 7.F. and 7.G.

1. This insurance is also extended to insure loss or damage to property:
 - (a) sold and shipped by the Insured under terms of F.O.B. point of origin or other terms usually regarded as terminating the shipper's responsibility short of points of delivery;
 - (b) at the Insured's option, which is incoming to the Insured.
2. This policy also insures loss or damage:
 - (a) arising out of any unauthorized person(s) representing themselves to be the proper party(ies) to receive goods for shipment or to accept goods for delivery;
 - (b) occasioned by the acceptance by the Insured, by its agents, or by its customers of fraudulent bills of lading, shipping and delivery orders, or similar documents;

8. **Extensions of Coverage**

THIS CLAUSE EXTENDS THE COVERAGES DESCRIBED IN CLAUSES 7.B., 7.C., 7.D., 7.E., 7.F., 7.G. and 7.H.

- A. This policy insures loss resulting from or caused by loss or damage insured herein to the following:

1. **Contingent Business Interruption/Contingent Extra Expense:** Property, including **Attraction Properties**, that directly or indirectly prevents a supplier (including suppliers of any tier) of goods and/or services to the Insured from rendering their goods and/or services, or property that prevents customers (including customers of any tier) of goods and/or services from the Insured from accepting the Insured's goods and/or services.

There is no liability in this section for loss or damage insured under Clause 8.A.2.

2. **Service Interruption/Off Premises Power:** Any service provider's property including, but not limited to, electrical equipment and systems, fuel, water, gas, feedstock, pulp, liquid gases, sewage, steam, telephone, fiber optic cable, telecommunications, heating, refrigeration and/or air conditioning systems, or their respective transmission and distribution lines (within 1,000 feet) or utility plants which directly or indirectly provide incoming or outgoing services to the Insured, situated on or outside of the Insured's premises. This coverage is extended to include loss or damage resulting from any **accidental occurrence** to property referenced in this clause.

There is no liability in this section for loss or damage insured under Clause 8.A.1.

3. **Impounded Water:** Dams, reservoirs or equipment connected therewith when water used as a raw material or used for power or for other manufacturing purpose stored behind such dams or reservoirs is released from storage and causes an interruption of business as a result of lack of adequate water supply from such sources.

B. **Interruption by Civil or Military Authority**

This policy is extended to insure loss sustained during the period of time when, as a result of loss, damage or an event not excluded in Clause 6, access to property is impaired by order or action of civil or military authority.

C. **Ingress/Egress**

This policy is extended to insure loss sustained during the period of time when, as a result of loss, damage or an event not excluded in Clause 6, ingress to or egress from real or personal property is impaired.

D. **Contagious Diseases**

This policy is extended to insure Business Interruption, Extra Expense, Rental Value and Rental Income loss as insured hereunder as a consequence of the closing of all or part of the premises of the Insured by order of a competent public authority consequent upon:

1. The existence or threat of an actual or suspected infectious or contagious disease manifested by any person while at the premises of the **Insured**;
2. Murder, suicide or other crime occurring at the premises of the **Insured**;
3. Injury or illness sustained by any person arising from or traceable to foreign or injurious matter in food or drink provided at the premises of the **Insured** or the threat thereof;
4. The existence or threat of actual or suspected hazardous sanitary conditions at the premises of the Insured.

The most we will pay for loss under this provision during each separate 12-month period is the limit for Contagious Disease – Annual Aggregate shown under Limits of Liability above regardless of the number of **occurrences** or locations.

E. **Defense Costs**

This policy, subject to all of its provisions, also insures the costs and fees to defend any claim or suit against the **Insured** and/or its directors, officers, and/or employees alleging physical loss or damage as insured against to property of others is the care, custody, or control of the **Insured** to the extent of the **Insured's** liability therefore, even if such claim or suit is groundless, false or fraudulent; but the **Insurer** may without prejudice make such investigation, negotiation or settlement of any such claim or suit as it deems expedient.

F. **Tenant/Hotel Guest Relocation Expense:**

1. We will pay you the actual expenses you incur as a result of reimbursing the expenses of a hotel guest for whom prearranged hotel accommodations cannot be honored because of loss or damage resulting from a covered loss.
2. We will pay you for the reasonable expenses your hotel guest has incurred:
 - a. To secure and use other comparable hotel accommodations as close as possible to your covered location;
 - b. While traveling to and from your covered location to the location where the comparable hotel accommodations are secured; and
 - c. For prepaid amounts spent for activities away from the covered location which are lost because other comparable accommodations within a reasonable distance from your covered location are unavailable.

3. We will pay you for the reimbursed expenses of the hotel guest for the time:
 - a. Beginning on the date the hotel guests prearranged accommodations at the covered location are:
 - i. Scheduled to begin; or
 - ii. InterruptedWhichever is later; and
 - b. Ending on the earliest of the following dates:
 - i. The date the hotel guests prearranged hotel accommodations at the covered location are scheduled to end;
 - ii. The date the damaged property at the covered location should be repaired, rebuilt or replaced with reasonable speed or similar quality;

Or

 - iii. Fourteen (14) days after the date determined in A. above.
4. The most we will pay to you for the reimbursed expenses of your hotel guest in excess of the deductible is subject to the limit stated in Clause 3. Limits of Liability:
5. For the purpose of this endorsement hotel guest(s) means a person of persons holding valid confirmed reservations or prearranged hotel accommodations at a location shown on the schedule.

G. Tenant/Hotel Guest Emergency Evacuation:

1. We will reimburse you for the necessary expenses you incur to evacuate a covered location because of imminent danger to life or well-being of your tenants/guests caused by an external event or condition at the covered location when a civil authority having jurisdictional authority orders you to evacuate the covered location.
2. We will not reimburse you for the necessary expenses arising out of any planned evacuation drill.
3. The most we will pay in any one (1) occurrence and in the annual aggregate for the necessary expenses is subject to the limit stated in Clause 3. Limits of Liability.

H. Increased Tax Liability

This Policy covers the loss sustained by the Insured in the event that the tax treatment of loss recoveries under any provision of this Policy differs from the tax treatment that would have been experienced by the Insured had no direct physical loss, damage or destruction by a peril insured by this Policy occurred.

I. Incentives

This Policy insures renewable energy credits which would have otherwise been due to the Insured or any other similar credits or incentives lost or reduced because of an **Occurrence** to which no exclusion in this Policy applies.

9. Loss Provisions Applicable to Clauses 7.B., 7.C., 7.F., 7.G., 7.H. and 8.

A. Period of Recovery

The length of time for which loss may be claimed is referred to as the period of recovery and:

1. shall commence with the date of such loss or damage and shall not be limited by the date of expiration of this policy;
2. shall not exceed such length of time as would be required with the exercise of due diligence and dispatch to rebuild, repair, or replace the property that has been destroyed or damaged;

and

3. such additional length of time to restore the Insured's business to the condition that would have existed had no loss occurred, commencing with the later of the following dates:
 - (a) the date on which the liability of the **Insurer** for loss or damage would otherwise terminate; or
 - (b) the date on which repair, replacement or rebuilding of the property that has been damaged is actually completed and the Insured has resumed normal operations.

but in no event for more than three hundred and sixty-five (365) consecutive days thereafter from said later commencement date;

4. with respect to alterations, additions, or property while in the course of construction, erection, installation, or assembly, due consideration shall be given to the level of production or level of business operations that would reasonably have been achieved after construction and start up would have been completed had no loss or damage occurred.

B. If the Insured can reduce the loss resulting from the interruption of business:

1. by a complete or partial resumption of operations of the property insured, whether damaged or not; or
2. by making use of stock, merchandise, or other property insured herein;

Such reduction shall be taken into account in arriving at the amount of loss hereunder.

C. Expense to Reduce Loss:

This policy also insures such expenses as are necessarily incurred for the purpose of reducing any loss under this policy, even though such expenses may exceed the amount by which the loss under this policy is thereby reduced.

D. Experience of the Business:

In determining the amount of loss insured hereunder due consideration shall be given to the experience of the business before the date of loss or damage and to the probable experience thereafter had no loss or damage occurred.

10. Property Excluded

This policy does not insure loss or damage to:

- A. Watercraft over forty (40) feet only while waterborne, aircraft and motor vehicles licensed for highway use when not on the Insured's premises, except this exclusion shall not apply to contractor's equipment, nor to such property which constitutes stock or which is on exhibit or being repaired.
- B. Land, except as insured under Clause 15, Decontamination and Clean Up Expense. This exclusion shall not apply to the cost of reclaiming, restoring or repairing land improvements. Land improvements as described hereunder include, but are not limited to, any alteration to the natural condition of the land by grading, excavating, landscaping, earthen dikes or dams, as well as additions to land such as pavements, roadways, ponds, golf courses, or similar works;
- C. Currency, money, gold bullion, evidence of debt, except accounts receivable as defined in the policy, notes or securities except as otherwise defined in this policy.
- D. Growing crops, standing timber to be used for industrial processes, and live animals not used for research.
- E. Water, except as insured under Clause 8.A.3. Impounded Water, Clause 15. Decontamination and Clean Up Expense, or when contained in any form of piping system, processing system or holding tank or used in the manufacturing process.
- F. Export and import shipments after loading on board the oceangoing watercraft and during ocean **transit**, but coverage will attach after unloading at the destination port.
- G. Waterborne shipments via the Panama Canal.
- H. Waterborne shipments to and from Alaska, to and from Hawaii, and to and from Puerto Rico, Guam and the Virgin Islands.
- I. Bridges, tunnels, sea walls, docks, piers, wharves; precious metals; and air supported structures.

- J. Underground mines, any property therein, and mining property located below the surface of the ground.
- K. Offshore oil rigs, platforms and property contained thereon.
- L. Satellites and spacecraft while on launch pad or after time of launch.
- M. Dams or dikes.

11. Valuation

At time of loss, the basis of adjustment shall be as follows:

- A. On buildings and structures, at the replacement cost new; if not replaced, then at the actual cash value.
- B. On machinery, equipment, furniture, fixtures and improvements and betterments at the replacement cost new; if not replaced, then at the actual cash value.
- C. **Valuable Papers and Records** and **EDP Media** at the value blank plus the cost of labor, service and/or supplies for actually reconstructing, researching, gathering information, reproducing, recreating, transcribing or copying such papers, records and **EDP Media**.
- D. **Fine Arts** owned by the Insured at the cost of reasonably restoring the property to its condition immediately prior to the loss, or in the event that the property cannot be restored at the appraised value prior to the loss. In absence of such appraisal, at the market value at the time of loss, plus the Insured's costs.

Fine Arts, which is the property of others, at the Insured's option, either at the cost of reasonably restoring the property to its condition immediately prior to loss, or the Insured's contractual or legal liability.
- E. **Finished Stock** and other merchandise for sale, at the Insured's selling price less discounts to which the goods would have been subject had no loss occurred.
- F. Property of others and property leased by the Insured, or for which the Insured has agreed to insure, at the Insured's option either:
 - 1. the replacement cost new, or;
 - 2. the amount stipulated in the lease agreement, or;
 - 3. Insured's contractual or legal liability.
- G. Stock in process (raw stock which has undergone any aging, seasoning, or other processing by the Insured, but which has not become **finished stock**) shall be valued at the Insured's selling price of **finished stock** at the time of loss, less any manufacturing expense not incurred by the Insured and less any discounts, rebates, and unincurred expenses to which the sales price would have been subject.

H. On property designated as being historic properties:

1. if buildings or structures sustain loss, damage or destruction, this Policy will pay the cost to replace, repair or restore them using the same materials, workmanship and architectural features and details that existed before such loss, damage or destruction, provided they are available and including the use of skilled labor. However, if any materials or workmanship needed to replace, repair or restore a building or structure are not available, this Policy will pay the cost to use materials and/or workmanship that will permit the replacement, repair or restoration of the building or structure to a condition that most closely resembles the condition which existed immediately before the loss, damage or destruction occurred.
2. if there is an ordinance or law in effect at the time of loss that regulates zoning, land use or construction of a building or structure, such as a Historic Preservation Act or other landmark regulation, and if that ordinance or law affects the repair or rebuilding of the loss or damaged building or structure and if the Insured:
 - a. repairs or rebuilds the building or structure as soon as reasonably possible, this Policy will pay the replacement value of the damaged and undamaged portions of the building, the cost to demolish and clear the site of the undamaged portion of the building, and the increased cost to repair or rebuild the building to the same general size in accordance with the minimum standards of such ordinance or law;
 - b. does not repair, rebuild or replace the building or structure, this Policy will pay the actual cash value of the damaged and undamaged portions of the building; and the cost to demolish and clear the site of the undamaged portion of the building.

Coverage afforded by item 2. does not apply to the costs associated with the enforcement of any ordinance or law that requires any Insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize or in any way respond to or assess the effects of pollutants or contaminants. In addition, nothing in this clause H. shall increase the limit of liability of this Policy.

With respect to properties that qualify for "Historical Landmark Status," the Insured shall have the sole discretion as to the means by which said property shall be repaired, rebuilt or replaced, but not to exceed the actual costs which would have been incurred in order to comply with "Historical Landmark Status" requirements.

- I. All other property, not otherwise mentioned above, at the replacement cost new; if not replaced, then at the actual cash value.

It is understood and agreed that as respects replacement cost new, the Insured shall have the option of replacing with equipment having technological advantages and/or representing an improvement in function and/or forming part of a program of system enhancement provided that such replacement can be accomplished without increasing the **Insurer's** liability.

The Insured, using reasonable discretion, shall be the sole judge as to whether electrical and mechanical equipment are damaged and unusable. This **Insurer** shall be allowed to dispose of, as salvage, any non-proprietary property deemed unusable by the Insured.

As respects 11.A., 11.B. and 11.H., the Insured may elect not to replace the real and/or personal property lost, damaged, or destroyed and obtain loss settlement on a replacement cost basis if the proceeds of such loss settlement are expended in any other expenditures related to the Insured's operations.

As respects 11.A., 11.B. 11.H and 11.I., the Insured may elect not to replace the real and/or personal property lost, damaged, or destroyed and obtain loss settlement on a replacement cost basis if the proceeds of such loss settlement are expended in any other expenditures related to the Insured's operations.

Permission is granted for the Insured to replace the property with similar property at the same or another site within the territorial limits of the policy, but recovery is limited to what it would cost to replace on same site.

12. Demolition and Increased Cost of Construction

In the event of loss or damage insured under this policy that causes the enforcement of any law, ordinance or governmental directive regulating the construction, repair or use of the property, the **Insurer** shall be liable for:

- A. The cost of demolishing the undamaged property including the cost of clearing the site;
- B. The proportion that the value of the undamaged part of the property bore to the value of the entire property prior to loss;
- C. The increased cost of repair or reconstruction of the damaged and undamaged property on the same or another site and limited to the costs that would have been incurred in order to comply with the minimum requirements of such law, ordinance or governmental directive regulating the repair or reconstruction or use of the damaged property on the same site or another site. However, the **Insurer** shall not be liable for any increased cost of construction loss unless the damaged property is actually rebuilt or replaced;
- D. The increase in loss, including, but not limited to, Business Interruption, Extra Expense, Rental Value, Leasehold Interest or Royalties or extensions thereof arising out of the additional time required to comply with said law, ordinance or governmental directive.
- E. In the event of loss or damage to insured property caused by a peril insured against, the Insurers shall be liable for loss as described below due to the enforcement of any law, ordinance or other governmental restrictions in effect prior to the insured loss or damage, which limits the Insured's ability to rebuild the damaged property to like kind and quality, density, use, size or number of floors in existence immediately prior to such loss or damage.

The **Insurers** limit of liability shall be limited to the sum of the replacement value of the real property which must be demolished or which is lost, damaged, destroyed or which may not be rebuilt, including loss of rents for the portions of the property which cannot be repaired or replaced due to the operation of the above described

ordinances, laws, and regulations subject to the maximum amount payable under Clause 3. Limits of Liability. However, as respects loss of rents, the maximum period of indemnity is 12 (twelve) months.

13. Service Charges

This policy insures service charges and expenses of Fire Department, Police, Rescue Squad, and any government or authority charges incurred by the Insured because of an **Occurrence** of a peril insured by this Policy.

14. Debris Removal

This policy insures the necessary and reasonable expenses actually incurred by the Insured due to loss or damage as insured herein, occurring during the term of this policy, to remove, clean up and/or properly dispose of any debris remaining after any such loss or damage.

15. Decontamination and Pollutant Clean Up Expense

- a. We will pay up to the policy limits to remove pollutants or hazardous substances from covered property at a covered location if the pollution or contamination results from a covered peril, subject to the applicable limit of liability.
- b. We will pay up to the Hazardous Substance sublimit to remove pollutants or hazardous substances from covered property at a covered location, if the pollution or contamination results from an Equipment Breakdown.
- c. If pollution results from a covered peril, we will pay up to the Pollution Cleanup annual aggregate sublimit of liability:
 - i. To remove pollutants or hazardous substances from land, soil, surface or ground water upon, within, beneath or comprising a covered location; or,
 - ii. For testing performed in the course of extracting the pollutants from land, soil, surface or ground water upon, within, beneath or comprising a covered location; or,
 - iii. For emergency measures undertaken in order to mitigate any circumstances pertaining to Section i. above.

We will only pay these expenses if these expenses are reported to us in writing within three hundred sixty-five (365) days of the date of the covered loss.

The coverage extensions in this section override any endorsements attached to this policy that could potentially exclude or limit coverage as described in sections 15 a, b, and c.

16. Notice of Loss

The Insured shall report to the **Insurer** any loss or damage which may become a claim under this insurance policy as soon as may be practicable after it becomes known to the Director of the Risk Management Department (or the individual acting in a similar capacity) of the Insured.

17. Knowledge of Occurrence

It is agreed that knowledge of an **occurrence** by an agent, servant or employee of the Insured shall not in itself constitute knowledge by the Insured. Knowledge is understood to occur only when the Director of the Risk Management Department (or the individual acting in a similar capacity) of the Insured shall have received notice from its agent, servant or employee.

18. Proof and Payment of Loss

A detailed Proof of Loss shall be filed with the **Insurer** as soon as practicable. Loss shall be adjusted with the Risk Management Department of the Insured or assigned representatives, and all adjusted claims shall be paid to the Insured or its order within Thirty (30) days after filing a Proof of Loss.

19. Non-Reduction of Limits of Liability

Any loss hereunder shall not reduce the limit(s) of liability under this policy except for aggregate limits as described in Clause 3.

20. Subrogation and Subrogation Waiver

- A. It is agreed that upon payment of any loss, this **Insurer** is subrogated to all the rights of the Insured to the extent of such payment.

Any release or waiver of liability entered into by the Insured in the course of their business prior to loss (including but not limited to bills of lading and/or receipts from carriers, bailees, warehouseman, lighterman, processors, limiting or releasing their liability) hereunder shall not prejudice the Insured's rights of recovery under this policy.

- B. The right of subrogation against the Insured's subsidiary, affiliated, or associated corporations or companies, joint ventures, partnerships or individuals, or any other party required to be insured, or any other corporations or companies associated with the Insured through ownership or management is waived, and at the option of the Insured, subrogation is waived against any tenant or landlord of the Insured.

- C. In the event of any payment under this policy, except where subrogation rights have been waived, the **Insurer** shall be subrogated to the extent of such payment to all the Insured's rights of recovery therefore. The Insured shall execute all papers required and shall take reasonable and necessary action to secure such subrogation rights. The **Insurer** will act in concert with all other interests concerned, i.e., the Insured and any other company(ies) participating in the payment of any loss as primary or excess insurers, in the exercise of such rights of recovery. If any amount is recovered, after deducting the costs or recovery, such amount shall be divided between the interests concerned in the proportion of their respective interests. If there should be no recovery, all costs and expenses shall be borne by the party instituting the proceedings.

21. Sue and Labor

In case of actual or imminent loss or damage insured herein, it shall be lawful and necessary for the Insured, their factors, servants or assignees, to sue, labor and travel for, in and about the defense, safeguard and recovery of the property insured hereunder, or any part thereof, without prejudice of this insurance. Nor shall the acts of the Insured or these **Insurers** in recovering, saving, and preserving the property insured in case of actual or imminent loss or damage, be considered a waiver or acceptance of an abandonment. The **Insurer** will be responsible for all expenses. The deductible provision of this policy shall not apply to this clause. This provision does not increase the limit of liability of this policy.

22. Appraisal

In case the Insured and this **Insurer** shall fail to agree as to the amount of loss, then, on the written demand of either, each shall select a competent and disinterested appraiser and notify the other of the appraiser selected within Twenty (20) days of such demand. The appraisers shall select a competent and disinterested umpire; and, failing for Fifteen (15) days to agree upon such umpire, then on request of the Insured or the **Insurer**, such umpire shall be selected by a judge of a district court of a judicial district in accordance with the Jurisdiction and Suit clause of this policy. The appraisers shall then appraise the loss, separating the loss to each item; and, failing to agree, shall submit their differences only to the umpire. An award in writing, so itemized of any two when filed with the **Insurer**, shall determine the amount of loss. Each appraiser shall be paid by the party selecting each respective appraiser and the expenses of appraisal and umpire shall be paid by the parties equally. However, if the award is greater than the amount offered by the **Insurer** in payment of the loss at any time before the award is rendered, then the **Insurer** shall pay 100% of the fees and expenses for each appraiser and the umpire and for the appraisal.

23. Brands and Labels

In case of insured loss or damage to property bearing a brand or trademark or which in any way carries or implies the guarantee or the responsibility of the manufacturer or the Insured, the salvage value of such damaged property shall be determined after removal in the customary manner, at the expense of the **Insurer**, of all such brands or trademarks or other identifying characteristics.

24. Control of Damaged Merchandise

The Insured shall have full right to the possession of all merchandise manufactured, sold or distributed by the **Insured** involved in any loss under this policy and shall retain control of all damaged merchandise. The Insured, exercising reasonable discretion, shall be the sole judge as to whether the merchandise involved in any loss under this policy are fit for consumption, sale or use and any merchandise so deemed by the Insured to be unfit for consumption, sale or use shall not be sold or otherwise disposed of except by the Insured or with the Insured's consent, but the Insured shall allow this **Insurer** any salvage proceeds obtained by the Insured on any sale or other disposition of such merchandise.

25. Salvage and Recoveries

Except as described in Clause 24, after expenses incurred in salvage or recovery are deducted, any salvage or other recovery, except recovery through subrogation proceedings and/or from underlying and/or excess insurance as described herein, shall accrue entirely to the benefit of this **Insurer** until the sum paid by the **Insurer** has been recovered.

26. Expediting Expense

This policy insures the reasonable extra cost of temporary repair or replacement and of expediting the repair or replacement of damaged property insured hereunder, including overtime and express freight or other rapid means of transportation.

27. Jurisdiction and Suit

It is hereby understood and agreed that:

- A. In the event of the failure of the **Insurer** to pay an amount claimed to be due hereunder, at the direction of the Insured, the **Insurer** will submit to the jurisdiction of any court of competent jurisdiction within the United States and will comply with all requirements necessary to give such jurisdiction. All matters arising hereunder shall be determined in accordance with the law and practice of such court.
- B. In any suit instituted against it under this policy, the **Insurer** will abide by the final decision of such court or any appellate court in the event of an appeal.

28. Pair and Set/Consequential Reduction in Value

In the event of insured loss or damage to personal property, this policy shall insure the resulting reduction in value of the remaining undamaged components or parts of products customarily sold as individual units or sold as pairs, sets or lots or ranges of sizes or colors.

29. Consequential/Sequential Damage

The policy insures consequential/sequential loss or damage caused by or resulting from the change in temperature or humidity caused by, but not limited to, interruption of power, heat, light, air conditioning, refrigeration, telephone or telegraphs, supply water or telecommunications to property/equipment or plants used to provide refrigeration, cooling, humidifying, dehumidifying, air conditioning, heating, generating, converting power, or telephone or telegraphs, or telecommunications, including all connections and supply from transmission lines and pipes, power generating equipment, utility plants or sources, whether or not such equipment is on or off the premises of the Insured.

30. Permits

Permission is hereby granted for any building(s) to be and remain vacant and unoccupied without limit of time and without prejudice to the Insured's right of recovery for claim under this policy.

Any change in occupancy or use of the premises or any increase in hazard shall not prejudice the Insured's right of recovery for claim under this policy.

31. Contributing Insurance

Permission is granted for other policies written upon the same terms, conditions, and provisions irrespective of limit or attachment point as those contained in this policy. This policy shall contribute to the total of each loss otherwise payable herein to the extent of the participation of this policy in the total limit of liability stated herein.

32. Excess Insurance

Permission is granted for the Insured to have excess insurance over the limit of liability in this policy without prejudice to this policy and the existence of such insurance, if any, shall not reduce any liability under this policy.

33. Underlying Insurance

Permission is granted for the Insured to purchase insurance on all or any part of the deductible and against all or any of the coverage provided by this policy. The existence of such underlying insurance shall not prejudice or affect any recovery otherwise payable under this policy.

34. Other Insurance

Except as referred to in Clause 31, 32 and 33, if any property included in the terms of this policy shall, at the time of any loss, be more specifically insured with insurance purchased by the **Insured**, this policy shall extend to cover such property only so far as related to any excess of insured values not covered by such other insurance, and this policy shall be liable on such specifically insured property only for such loss as shall be in excess of the amount payable by or recoverable from such more specific insurance.

35. Coinsurance Waiver

This policy is not subject to Coinsurance or Average Clause.

36. Errors & Omissions

No inadvertent error, omission or failure in making reports or other data hereunder shall prejudice the Insured's right of recovery but shall be corrected when discovered. It is further understood and agreed that any error in description of locations, or values of projects insured or to be insured by this policy shall not invalidate or reduce the policy limit of liability, or otherwise prejudice any recovery under this policy.

37. Liberalization

If during the period that insurance is in force under this policy, any authorized endorsement or filed rules or regulations affecting the same are revised by statute or otherwise so as to broaden the insurance without additional premium charge, such extended or broadened insurance shall inure to the benefit of the Insured hereunder.

38. Titles of Paragraphs

The several titles of the various paragraphs of this policy (and of Endorsements and Supplemental Policies, if any, which are attached to this policy) are inserted solely for convenience or reference and shall not be deemed in any way to limit or affect the provisions to which they relate.

39. Waiver of Company Conditions

The terms and conditions of this manuscript form are substituted for those of the **Insurer's** policy jacket and other preprinted **Insurer** forms and the **Insurer's** declaration page to which it is attached, the terms and conditions of same being waived and superseded by this manuscript form.

40. Certificates of Insurance

All parties to whom a Certificate of Insurance has been issued are automatically added to this policy upon issuance of said certificates, either as Additional Insureds, Mortgagees or as Loss Payees, or any, in accordance with the terms and conditions of this policy unless otherwise agreed to by the **Insurer**. Permission is granted for Lockton Companies to issue Certificates on the **Insurer's** behalf.

41. Partial Payment of Loss

It is understood and agreed that this **Insurer** will make partial payments of claims subject to the policy provisions and the normal policy adjustment provisions.
To obtain said partial claim payment, the Insured shall submit a partial Proof of Loss with supporting documentation.

42. Loss Payee and Mortgagee Clause

- A. The Company will pay for loss to specified property insured under this Policy to each specified Loss Payee as its interest may appear, and to each specified Mortgagee as its interest may appear, under all present or future mortgages upon such property, in order of precedence of the mortgages.
- B. The interest of the Loss Payee or Mortgagee (as the case may be) in property insured under this Policy will not be invalidated by:
 - 1) any act or neglect of the debtor, mortgagor, or owner (as the case may be) of the property.
 - 2) foreclosure, notice of sale, or similar proceedings with respect to the property.
 - 3) change in the title or ownership of the property.
 - 4) change to a more hazardous occupancy.

The Loss Payee or Mortgagee will notify the Company of any known change in ownership, occupancy, or hazard and, within 10 days of written request by the

Company, may pay the increased premium associated with such known change. If the Loss Payee or Mortgagee fails to pay the increased premium, all coverage under this Policy will cease.

- C. If this Policy is cancelled at the request of the Insured or its agent, the coverage for the interest of the Loss Payee or Mortgagee will terminate 10 days after the Company sends to the Loss Payee or Mortgagee written notice of cancellation, unless:
 - 1) sooner terminated by authorization, consent, approval, acceptance, or ratification of the Insured's action by the Loss Payee or Mortgagee, or its agent.
 - 2) this Policy is replaced by the Insured, with a policy providing coverage for the interest of the Loss Payee or Mortgagee, in which event coverage under this Policy with respect to such interest will terminate as of the effective date of the replacement policy, notwithstanding any other provision of this Policy.
- D. The Company may cancel this Policy and/or the interest of the Loss Payee or Mortgagee under this Policy, by giving the Loss Payee or Mortgagee written notice 90 days prior to the effective date of cancellation, if cancellation is for any reason other than non-payment. If the debtor, mortgagor, or owner has failed to pay any premium due under this Policy, the Company may cancel this Policy for such non-payment, but will give the Loss Payee or Mortgagee written notice 10 days prior to the effective date of cancellation. If the Loss Payee or Mortgagee fails to pay the premium due by the specified cancellation date, all coverage under this Policy will cease.
- E. The Company has the right to invoke this Policy's SUSPENSION clause (if any). The suspension of insurance will apply to the interest of the Loss Payee or Mortgagee in any machine, vessel, or part of any machine or vessel, subject to the suspension. The Company will provide the Loss Payee or Mortgagee at the last known address a copy of the suspension notice.
- F. If the Company pays the Loss Payee or Mortgagee for any loss, and denies payment to the debtor, mortgagor or owner, the Company will, to the extent of the payment made to the Loss Payee or Mortgagee be subrogated to the rights of the Loss Payee or Mortgagee under all securities held as collateral to the debt or mortgage. No subrogation will impair the right of the Loss Payee or Mortgagee to sue or recover the full amount of its claim. At its option, the Company may pay to the Loss Payee or Mortgagee the whole principal due on the debt or mortgage plus any accrued interest. In this event, all rights and securities will be assigned and transferred from the Loss Payee or Mortgagee to the Company, and the remaining debt or mortgage will be paid to the Company.
- G. If the Insured fails to render proof of loss, the Loss Payee or Mortgagee, upon notice of the Insured's failure to do so, will render proof of loss within 60 days of notice and will be subject to the provisions of this Policy relating to APPRAISAL, SETTLEMENT OF CLAIMS, and SUIT AGAINST THE COMPANY.
- H. Other provisions relating to the interests and obligations of the Loss Payee or Mortgagee may be added to this Policy by agreement in writing.

43. Cancellation

- A. This policy may be canceled at any time at the request of the first named Insured, or it may be canceled by the **Insurer** by mailing via registered or certified mail to G6 Hospitality located at 4001 International Parkway, Carrollton, TX 75007 and with copies provided to Lockton Companies located at 2100 Ross Avenue, Suite 1400, Dallas, TX 75201, during the term of this policy, written notice stating when no less than Ninety (90) days thereafter, except Ten (10) days for nonpayment of premium, such cancellation shall be effective.

This insurance may be canceled at any time by the Insured by surrender of this policy to the **Insurer** or by mailing or delivery to the **Insurer** written notice stating when thereafter such cancellation shall take effect. Return premium shall be allowed the Insured on a pro rata basis if the **Insurer** cancels and also on a pro rata basis if the Insured cancels.

Payments or tender of any unearned premium by the **Insurer** shall not be a condition precedent to the effectiveness of cancellation, but such payment shall be made as soon as practicable.

- B. The mailing of notice as described in A. above shall be sufficient proof of notice and 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 Insured or by this **Insurer** shall be equivalent to mailing.
- C. Cancellation shall not affect coverage on any shipment in **transit** on the date of cancellation. Coverage will continue in full force until such property is safely delivered and accepted at place of final destination.

44. Inspection and Audit

This **Insurer** shall be permitted, but not obligated, to inspect the Insured's property at any reasonable time. Neither the **Insurer's** right to make inspections, nor the making thereof, nor any report thereon, shall constitute an undertaking, on behalf of or for the benefit of the Insured or others, to determine or warrant that such property is safe.

45. Loss Adjustment Expenses

This policy is extended to insure expenses incurred by the Insured, or by the Insured's representatives for assessing, for preparing and/or certifying details of a claim resulting from a loss which would be payable under this policy. However, this policy does not insure the expenses of Public Adjustors.

46. Lost Key/Alternative Key Systems

This policy is extended to cover the consequential loss to keys and locks if a master key or grand master key is lost or damaged directly resulting from an insured peril. The policy will provide payment for the actual cost to replace keys, adjustment of locks to accept new keys, or if required, new locks including the cost of their installation. Further, the policy is extended to cover loss or damage directly resulting from an insured peril to alternative key system, such

as mechanically or electronically coded key cards, including card-programmer, card-readers, computers, related alarms, transreceivers, power supplies and any other electronic or mechanical apparatus needed to make the card keys operate.

47. Severability of Interest

Each of the Insureds insured by this policy will have the same protection and obligations as if the policy has been issued individually to each of them, except as respects the obligations associated with Clause 43. **Cancellation.** However, the inclusion of more than one Insured will not operate to increase the limit of liability of the **Insurer** beyond the limit of liability stated in this policy.

48. Extortion

Recovery under this Policy shall not be affected by the refusal of the Insured to comply with any extortion demand.

49. Loss Adjustors

It is hereby understood and agreed that each and every loss will be adjusted on behalf of the Insurers by Michael S. Beach of McLarens, 1200 Roosevelt Road, Glen Ellyn, IL 60137 or equivalent as otherwise agreed by the Insured and the **Insurer**. The cost of these services will be borne by the Insurer.

50. Loss Payable

Loss, if any, shall be adjusted with and payable to G6 Hospitality, LLC or order.

51. Definitions

The following terms whenever used in this policy shall mean:

A. Accidental Occurrence

A sudden and accidental **occurrence** which does not result from physical loss or damage.

However, accidental occurrence does not include, under any circumstances, coverage for hostile or warlike action, nuclear reaction or radiation or pollution and contamination as excluded in Clauses 6.A., 6.B. and 6.F.

B. Architect Fees and Engineering Fees

Any cost associated with the preparation of plans for the repair or reconstruction of the damaged property.

C. Attraction Properties

Properties, not owned or operated by the Insured, which attract potential customers to the vicinity of the Insured's location.

D. **CFC Refrigerants**

The Company will pay for the additional cost to repair or replace covered property that is physically damaged because of the use or presence of a refrigerant containing CFC (chlorinated fluorocarbon) substances. This means the additional expense to do the least expensive of the following:

- (1) Repair the damaged property and replace any lost CFC refrigerant;
- (2) Repair the damaged property, retrofit the system to accept a non-CFC refrigerant and charge the system with a non-CFC refrigerant; or
- (3) Replace the system with one using a non-CFC refrigerant.

Additional costs mean those beyond what would have been required had no CFC refrigerant been involved

E. **Earthquake**

Quaking, vibratory or undulating movement of a portion of the earth's crust, produced by underground volcanic forces or by breaking and shifting of rock beneath the earth's crust. It is understood and agreed that, wherever used in this policy, the term "loss caused by" or "loss arising from" **Earthquake** shall be restricted exclusively to the actual, specific cracking, rupturing, shifting or toppling of property and shall not include ensuing loss or damage, if any, resulting from other loss or damage insured. Such ensuing loss shall be construed to have been of the same **occurrence**, but of a different proximate cause.

F. **EDP Systems**

Electronic Data Processing Systems shall include, but not be limited to, transferring equipment, computer systems, telecommunications systems or electronic control equipment and component parts.

G. **EDP Media**

All forms of data, converted data, electronically converted data and/or programs and/or applications and/or instructions and/or media vehicles employed.

H. **Equipment Breakdown**

The term "Equipment Breakdown" is defined solely for the determination of the limits of liability and/or deductible(s) and application of the sue and labor and suspension section only. The term "Equipment Breakdown" shall not limit or define the perils or coverages provided elsewhere in this policy.

A. The term " Equipment Breakdown " shall mean:

- (1) Any condition or occurrence within boilers or fired or unfired vessels owned by, operated by, or under the control of the Insured and subject to pressure or vacuum including piping or apparatus attached to and

forming a part thereof, except that the words "any condition or occurrence" shall not include explosion, other than explosion of the parts of a steam boiler containing steam or water, steam piping, steam turbines, or steam engines;

- (2) Mechanical breakdown of any machine or apparatus arising out of any condition or occurrence within such machine or apparatus;
- (3) Electrical injury or disturbance to electrical appliances, devices, fixtures, wiring, or other electrical or electronic equipment caused by electrical currents artificially generated.

However, the term "Equipment Breakdown" does not include:

- (1) loss or damage from fire or from the use of water or other means to extinguish fire; and
- (2) the normal operation of any safety or protective device;

B. The term "Equipment Breakdown" shall not apply to the following property:

- (1) property in **transit**;
- (2) property while in the course of construction, erection, installation, or assembly;
- (3) electronic data processing systems used for administrative, statistical, or accounting purposes;
- (4) any sewer piping, any piping forming a part of a fire protective system, or any water piping other than the following:
 - (a) boiler feed water piping;
 - (b) boiler condensate return-piping;
 - (c) water piping used in a heat transfer system for cooling, humidifying, or space heating purposes;
- (5) any vehicle, aircraft, or self-propelled equipment or floating vessel;
- (6) any elevator, crane, ladle or bucket, hoist, power shovel, drag line, excavator, scale, or conveyor, but not excluding any pressure vessel, gears, engines or electrical equipment used with a machine.

I. **Fine Arts**

Fine Arts shall include, but not be limited to, bona fide works of art, works of rarity, works of historical value, works of artistic merit, photographs, (positives and negatives) lithographs, illustrations, galley proofs, original records.

J. **Finished Stock**

Stock manufactured by the Insured which, in the ordinary course of the Insured's business, is ready for packing, shipment or sale.

K. **Fire Brigade Charges/Fire Extinguishing Materials and Expenses**

Firefighting and/or containment charges and/or fire department service charges and other extinguishing expenses.

L. **Flood**

Waves, tide or tidal water, tsunami, rapid accumulation of surface waters, or the rising (including overflowing or breaking of boundaries) of lakes, reservoirs, rivers, streams or other bodies of water. It is understood and agreed that, whenever used in this policy, the term "loss caused by" or "loss arising from" flood shall not include ensuing loss or damage, if any resulting from other loss or damage insured. Such ensuing loss shall be construed to have been of the same **occurrence**, but of a different proximate cause.

Storm Surge as a result of **Named Windstorm** is not considered **Flood** and will be subject to the **Named Windstorm** Limit of Liability.

M. **Fraudulent or Dishonest Acts**

Fraudulent or dishonest acts committed by the Insured or the Insured's employees with the manifest intent to:

1. cause the Insured to sustain such loss; and
2. obtain financial benefit for the Insured, Insured's employee, or for any other person or organization intended by the Insured or the employee to receive such benefit for such fraudulent or dishonest act or acts.

N. **Lease Interest**

The excess rent paid for the same or similar replacement property over actual rent payable plus cash bonuses or advance rent paid (including any maintenance or operating charges) for each month during the unexpired term of the Insured's lease; and/or

The rental income earned by the Insured from sublease agreements, to the extent not insured under any other section of this policy, over and above the rental expenses specified in the lease between the Insured and the lessor.

O. **Named Windstorm**

The term "Named Windstorm" shall mean a weather condition that has been declared by the U.S. National Weather Service to be a hurricane, typhoon, tropical storm, or cyclone that results in loss or damage to Insured Property directly or indirectly caused by:

- (1) the force of wind caused by or resulting from a Named Windstorm; or
- (2) any material, object or debris that is carried, propelled or in any manner moved by a Named Windstorm; or
- (3) hail, lightning, or tornado(es) that are a result of actions or effects of a Named Windstorm; or rain or water, whether the rain or water is driven by wind or not, that enters the covered building or structure through an opening(s) created by the force of wind from a Named Windstorm; or
- (4) water inundation, storm surge, or **Flood** as defined herein, if covered by this policy, including loss or damage from the destruction or breaching of any levee, dam, or dike as a result of actions or effects of a Named Windstorm.

P. Net Lease Interest

That sum which placed at 3% interest compounded annually would equal the Lease Interest (less any amounts otherwise payable hereunder).

Q. New Madrid is defined as property located in the following counties:

Arkansas	Clay, Craighead, Crittenden, Cross, Greene, Jackson, Lawrence, Mississippi, Poinsett, Randolph, Sharp
Illinois	Alexander, Bond, Clinton, Franklin, Hardin, Jackson, Jefferson, Johnson, Madison, Massac, Monroe, Perry, Pope, Pulaski, Randolph, Saline, St. Clair, Union, Washington, Williamson
Indiana	Gibson, Pike, Posey, Vanderburgh, Warrick
Kentucky	Ballard, Calloway, Carlisle, Fulton, Graves, Hickman, Livingston, Marshall, McCracken
Mississippi	Bolivar, Coahoma, De Soto, Marshall, Tate, Tunica
Missouri	Bollinger, Butler, Cape Girardeau, Dunklin, Franklin, Iron, Jefferson, Madison, Mississippi, New Madrid, Pemiscot, Perry, Reynolds, St. Charles, St. Francois, St. Genevieve, St. Louis, Scott, Stoddard, Warren, Washington, Wayne
Tennessee	Crockett, , Dyer, Fayette, Gibson, Hardeman, Haywood, Lake, Lauderdale, Madison, Obion, Shelby, Tipton

R. Object

Means any boiler, fired or unfired vessel subject to pressure or vacuum, including piping or apparatus attached thereto and forming a part thereof, and any mechanical or electrical machine or apparatus used for the generation, transmission or utilization of mechanical or electrical power.

S. Occurrence

Loss, or a series of losses or several losses, which are attributable directly or indirectly to one cause or disaster or to one series of similar causes or disasters arising from a single event. All such losses shall be added together and the total amount of such

losses shall be treated as one **occurrence** irrespective of the period of time or area over which such losses occur.

When the term applies to **Named Windstorms**, it shall be defined as the sum total of all losses arising out of or caused by the same atmospheric disturbance during any period of 72 consecutive hours. The Insured shall have the right to elect the moment from which the 72-hour period shall be deemed to have commenced, provided always that no elected period of 72 hours shall commence within the period of any previous occurrence. However, it is further understood and agreed that any loss from **Named Windstorm** and resulting loss and damage can be considered more than one occurrence if the duration of the **Named Windstorm** exceeds 72 hours. The storm cell shall no longer be considered a Named Windstorm once it is downgraded to a Tropical Depression.

When the term applies to **Earthquake**, it shall be defined as the sum total of all the Insured's losses sustained during any period of 168 consecutive hours by reason of one **Earthquake** or a series of **Earthquakes**. The Insured may elect the moment from which the 168-hour period shall be deemed to have commenced, provided always that no elected period of 168 hours shall commence within the period of any previous **occurrence**.

When the term applies to **Flood**, it shall be defined as the sum total of all losses sustained by reason of one **Flood** or a series of **Floods**.

When the term applies to theft, the sum total of all losses insured herein resulting from one or more **Fraudulent or Dishonest Acts** committed by a person(s) acting alone or in collusion with others shall constitute one **occurrence**.

As respects, riot, civil commotion, looting, arson, vandalism and malicious mischief, occurrence shall mean all losses, not otherwise excluded, sustained by the Insured during a continuous period of 168 hours and such additional losses occurring beyond such period of 168 hours but during the continued occupation of the location by strikers provided such occupation commenced during the said period of 168 hours.

T. Ordinary Payroll

Ordinary Payroll is the entire payroll expense for all employees of the Insured except officers, executives, employees under contract, and other critical employees.

U. Pacific Northwest is defined as property located in the following counties:

Washington	Clallam, Jefferson, King, Kitsap, Mason, Pierce, San Juan, Skagit, Snohomish, Thurston, Whatcom
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V. Soft Costs

This policy shall cover soft costs, as hereinafter defined, incurred by the Insured caused by loss, damage, or destruction by any of the perils covered herein during the term of this policy to property as covered herein.

- a) The term "Soft Costs" shall include but not be limited to:
- i) Additional interest costs on money used to finance construction or repair;
 - ii) Additional real estate and property taxes incurred for the period of time that construction extends beyond the projected completion date;
 - iii) Additional legal and accounting fees; and
 - iv) Additional advertising and promotional expenses which become necessary as a result of an insured loss.
 - v) Commission Expense
 - vi) Insurance Premium
 - vii) Project Administration Expense
- b) This company shall pay soft costs incurred from the date that the building, structure or improvement would have been completed had no physical damage occurred until such time that it is completed. As soon as practicable after any loss, the Insured shall utilize every available means to reduce the amount of loss including but not limited to:
- i) partial or complete resumption of construction, business or operations;
 - ii) making use of materials, equipment, supplies, or other property at the Insured's premises or elsewhere; or
 - iii) making use of substitute facilities or services where practical;

such reduction will be taken into account in arriving at the amount of such loss.

W. "Special Flood Hazard Area" or "SFHA"

Locations within areas of 100-year flooding as defined by the Federal Emergency Management Agency (FEMA).

X. Specified Perils

Direct Physical loss or damage caused by or resulting from fire, lightning, aircraft, explosion, riot, civil commotion, smoke, vehicles, wind or hail, malicious mischief, leakage or accidental discharge from automatic fire protection systems, and collapse.

Y. Tier 1 Counties are defined as:

Alabama	Baldwin, Mobile;
Florida:	Entire State
Georgia:	Bryan, Camden, Chatham, Glynn, Liberty, McIntosh
Hawaii	Entire State
Louisiana:	Cameron, Iberia, Jefferson, Lafourche, Orleans, Plaquemines, St. Mary, St. Bernard, St. Tammany, Terrebonne, Vermilion
Mississippi	Hancock, Harrison, Jackson;
North Carolina	Beaufort, Brunswick, Carteret, Craven, Dare, Hyde, New Hanover, Onslow, Pamlico, Pender
South Carolina	Beaufort, Berkley, Charleston, Colleton, Georgetown, Horry, Jasper

Texas:	Aransas, Brazoria, Calhoun, Cameron, Chambers, Galveston, Harris, Jackson, Jefferson, Kenedy, Kleberg, Matagorda, Nueces, Orange, Refugio, San Patricio, Victoria, Willacy
Virginia:	Accomack, Chesapeake, Gloucester, Hampton City, Lancaster, Mathews, Middlesex, Newport News, Norfolk City, Northampton, Northumberland, Poquoson City, Portsmouth City, Suffolk City, Virginia Beach City, York

Z. Transit

Shipments within and between the territorial limits of this policy, including the coastal waters thereof, by any means of conveyance, from the time the property is moved for purpose of loading and continuously thereafter while awaiting and during loading and unloading and in temporary storage including temporary storage on any conveyance intended for use for any outbound or used for inbound shipment, including during deviation and delay, until safely delivered and accepted at place of final destination.

AA. Underlying Policy

An insurance policy issued to the Insured which is similar as respects the terms and conditions of this policy and issued for limits below the attachment point or deductible of this policy.

BB. Valuable Papers and Records

Written, printed or otherwise inscribed documents, and records including but not limited to books, maps, films, drawings, abstracts, deeds, mortgages, mortgage files, manuscripts and micro or electronically/magnetically inscribed documents, but not including the monetary value of monies and/or securities.

CC. Insurer

As stated in the Security Details of the Market Reform Contract.

Authorized Signature/Insurer

Endorsement #1

Mold and Fungus Exclusion

In consideration of the premium charged, it is hereby understood and agreed that this policy is amended as follows.

The Company shall not be liable for any loss or damage in the form of, caused by, arising out of, contributing to, or resulting from fungus, mold(s), mildew or yeast; or any spores or toxins created or produced by or emanating from such fungus, mold(s), mildew or yeast;

- a. fungus includes, but is not limited to, any of the plants or organisms belonging to the major group fungi, lacking chlorophyll, and including mold(s), rusts, mildews, smuts and mushrooms;
- b. mold(s) includes, but is not limited to, any superficial growth produced on damp or decaying organic matter or on living organisms, and fungi that produce mold(s);
- c. spores means any dormant or reproductive body produced by or arising or emanating out of any fungus, mold(s), mildew, plants, organisms or microorganisms,

regardless of any other cause or event that contributes concurrently or in any sequence to such loss.

This exclusion shall not apply to any loss or damage in the form of, caused by, contributed to or resulting from fungus, mold(s), mildew or yeast, or any spores or toxins created or produced by or emanating from such fungus, mold(s), mildew or yeast which the **Insured** establishes is a direct result of a Covered Loss not otherwise excluded by the Policy, provided that such fungus mold(s), mildew or yeast loss or damage is reported to the Company within twelve months from the expiration date of the Policy. Coverage provided by this endorsement is subject to the limit stated in Clause 3. Limits of Liability.

All other terms, conditions definitions, exclusions, limitations and provisions of the Policy remain the same.

Endorsement #2

DROP DOWN AND PRIORITY OF PAYMENTS

It is hereby agreed that the policy is amended as follows:

In determining the amount of any one loss, disaster or casualty for which this policy is excess, the total loss for all coverages caused by any combination of perils, one or more of which is insured against under the primary and any underlying policies, shall be used even though all such perils and/or property and/or coverages are not insured against under this excess policy.

1. Any recoveries made under the primary and any underlying policies shall be considered as first applying to those perils and/or property and/or coverages not insured against by this policy. Upon exhaustion of the primary and any **underlying policy** limits, this policy shall drop down and be liable for the loss in excess of the amount attributed to the primary and any underlying policies as respects those perils and/or property and coverages insured hereunder subject to the limit and attachment point of this policy.
2. In the event the Annual Aggregate limits provided for **Flood** and/or **Earthquake** in any primary or any underlying policies are diminished or exhausted in any one policy year and those perils are covered by this policy, the coverage provided under this policy shall respond as excess of the remaining limits.

In such event, the applicable amount of the deductible provision of the primary policy shall apply to the combination of all policies.

In no event shall anything in this endorsement be construed to increase the sublimits detailed in the primary or any underlying policies.

Endorsement #3

Property Cyber and Data Endorsement

- 1 Notwithstanding any provision to the contrary within this Policy or any endorsement thereto this Policy excludes any:
 - 1.1 Cyber Loss, unless subject to the provisions of paragraph 2;
 - 1.2 loss, damage, liability, claim, cost, expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any Data, including any amount pertaining to the value of such Data, unless subject to the provisions of paragraph 3;regardless of any other cause or event contributing concurrently or in any other sequence thereto.
- 2 Subject to all the terms, conditions, limitations and exclusions of this Policy or any endorsement thereto, this Policy covers physical loss or physical damage to property insured under this Policy caused by any ensuing fire or explosion which directly results from a Cyber Incident, unless that Cyber Incident is caused by, contributed to by, resulting from, arising out of or in connection with a Cyber Act including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act.
- 3 Subject to all the terms, conditions, limitations and exclusions of this Policy or any endorsement thereto, should Data Processing Media owned or operated by the Insured suffer physical loss or physical damage insured by this Policy, then this Policy will cover the cost to repair or replace the Data Processing Media itself plus the costs of copying the Data from back-up or from originals of a previous generation. These costs will not include research and engineering nor any costs of recreating, gathering or assembling the Data. If such media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank Data Processing Media. However, this Policy excludes any amount pertaining to the value of such Data, to the Insured or any other party, even if such Data cannot be recreated, gathered or assembled.
- 4 In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.
- 5 This endorsement supersedes and, if in conflict with any other wording in the Policy or any endorsement thereto having a bearing on Cyber Loss, Data or Data Processing Media, replaces that wording.

Definitions

- 6 Cyber Loss means any loss, damage, liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any Cyber Act or Cyber Incident including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act or Cyber Incident.

- 7 Cyber Act means an unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any Computer System.
- 8 Cyber Incident means:
- 8.1 any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any Computer System; or
- 8.2 any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any Computer System.
- 9 Computer System means:
- 9.1 any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility,
- owned or operated by the Insured or any other party.
- 10 Data means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a Computer System.
- 11 Data Processing Media means any property insured by this Policy on which Data can be stored but not the Data itself.

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Endorsement #4

Joint Loss Agreement

In the event that this policy is either a boiler and machinery/equipment breakdown, all risk, named peril, difference in conditions, terrorism, or an earthquake property insurance policy, which covers the same property or the same location(s), as one or more of the other policies, it is agreed that:

If there is a disagreement between the **Insurers** under this policy and such other policies either as to:

- 1) whether such damages or destruction is insured against by the boiler and machinery/equipment breakdown, all risk, named peril, difference in conditions, or an earthquake insurance policy, or
- 2) the extent of participation of this policy and such other policies in a loss which is insured against, partially or wholly, by any one of all of said policies;

this **Insurer** shall, upon written request of the **Insured**, pay to the **Insured** its proportional share of the loss which is in disagreement, but in no event more than this Insurer would have paid if the other said policies had not been in effect, subject to the following conditions:

- 1) the amount of the loss which is in disagreement, after making provisions for any undisputed claims payable under the said policies and after the amount of the loss is agreed upon by the **Insured** and the **Insurers**, is limited to the minimum amount remaining payable under this policy and such other policy(ies);
- 2) the **Insurers** underwriting each policy in disagreement shall simultaneously pay to the **Insured** their proportional share of said amount which is in disagreement;
- 3) the payments by the **Insurers** hereunder and acceptance of the same by the **Insured** signify the agreement of the **Insurers** to submit to and proceed with arbitration within ninety days of such payments.

One arbitrator shall be appointed by each **Insurer**, and one additional arbitrator shall be appointed by consent of the others. The decision by the arbitrators shall be binding on the **Insurers** and that judgment upon such award may be entered in any court of competent jurisdiction;

- 4) the **Insured** agrees to cooperate in connection with such arbitration, but not to intervene therein;
- 5) these provisions shall not apply unless each of the said policies in disagreement are similarly endorsed;

acceptance by the **Insured** of sums paid pursuant to these provisions, including an arbitration award, shall not operate to alter, waive, surrender or in any way affect the rights of the **Insured** against any of the **Insurer Endorsement #5**

Endorsement #5

Cancellation Endorsement

It is hereby agreed that if the Insurer's rating from Standard and Poor's and/or A.M. Best is downgraded below the rating on the date this policy incepts, any minimum premium requirement or short rate cancellation penalty is waived.

Endorsement #6

Quarterly Adjustment Endorsement

It is hereby agreed that changes in values will be submitted quarterly. Additional or return premiums will be calculated annually using rates to be agreed upon, subject to a total change in values of more than 5% of the Total Insurable Values on file with **Insurer** at time of policy inception. If total values do not increase or decrease more than 5%, due solely to the addition or deletion of locations, there will be no additional or return premium due.

Endorsement #7

Third Party Deductible Requirements

1. In cases where the Named Insured is required by a written contract with a third party to have in effect property insurance subject to a lesser deductible than the applicable deductible as set forth in the Policy, upon the request of Named Insured, the Company will permit the Named Insured's representative, i.e., the Broker that placed this Policy with the Company on behalf of the Named Insured (the "Broker") to issue a Certificate of Insurance ("Certificate") confirming the issuance of the Policy and reflecting the deductible amount required by the written contract if lesser than the Policy Deductible, but in no event shall the deductible shown on the Certificate be lesser than USD10,000.
2. The Named Insured, for itself and all the other parties that are insured under the policy, agrees that the Company's undertaking set forth in Paragraph 1, above, is not an amendment to the Policy and, in no way changes the obligations of the parties to the Policy in any regard, including as respects the Policy Deductible(s). Accordingly, the Named Insured, regardless of the content of any Certificate, for itself and all other parties insured by the Policy, agrees that it will be responsible in the first instance to absorb or to pay (as the case may be) any and all loss amounts falling below the Policy Deductible(s) and will save the Company harmless from ever having to advance to the Named Insured or any person or entity any amounts whatsoever which are below the applicable Policy Deductible(s).
3. Further, in the event the Company is ever required to make any payment(s) to third parties for loss amounts beneath the applicable Policy Deductible(s), the Named Insured, for itself and all other parties insured by the Policy, agrees to forthwith indemnify the Company for such payments and all costs the Company incurs attendant thereto.

Endorsement #8

Upgrade to Green

This endorsement modifies insurance provided by the policy:

The coverages and valuation provisions by this endorsement only apply if direct physical loss or damage to covered real and/or personal property is caused by any of the perils covered by this policy and replacement cost valuation applies. This coverage does not apply to: (1) personal property of others in the Insured's care, custody and control, (2) leased personal property, and/or (3) finished or unfinished stock.

In no event, does this endorsement increase of change the per occurrence limit of liability shown in the declarations or the annual aggregate for specified perils;

1. Notwithstanding the Valuation Provision of this policy or limits of liability applicable to specific locations or perils, if replacement cost valuation applies to real and/or personal property, then the Company's liability for loss applicable to this endorsement shall be the cost to repair or replace the covered damaged property subject to the applicable limit of liability, plus the greater of the following amounts:
 - A. The reasonable and necessary amount to upgrade to green the covered damaged property as described in Coverage Section A – Non-LEED® Certified Coverage or as described in Coverage Section B – LEED® Certified Coverage, whichever is applicable; or
 - B. An additional 25% of the applicable limit of liability for the building and/or business personal property shown in the Statement of Values or similar schedule to upgrade to green; or
 - C. The limit stated in Clause 3. Limits of Liability

At the Insured's sole discretion, the Insured may elect not to upgrade to green any or all property for which upgrade to green coverage is provided under this endorsement. In such case, the Company will adjust the claim in accordance with the standard provisions of the policy, as modified by all other applicable endorsements.

Subject to the greater of A., B., or C. above, if business interruption coverage is provided as part of this policy, if necessary, the Period of Restoration shall be increased to allow for additional time to upgrade to green the damaged property plus an additional two week period to meet the requirements set forth in 4.B.

2. **COVERAGE SECTION A: NON-LEED CERTIFIED COVERAGE**

In the event of direct physical loss or damage by any of the perils covered by the policy to a building that is not LEED certified at the time of the loss, or to the personal property within such a building, the Company will pay to repair or replace damaged or destroyed:

- A. **Loss Settlement for Personal Property**

- (1) “Appliances” or “Office Equipment” with products of like kind and quality that have been identified as “ENERGY STAR[®]” or equivalent products of such energy efficiency. If there are no such products available at the time of the loss, this upgrade to green coverage does not apply.
- (2) “system Furniture” or “Seating”, with products of like kind and quality that are certified as GREENGUARD Indoor Air Quality Certified[®] or products with similar emissions characteristics. If there are no such products available at the time of the loss, this upgrade to green coverage does not apply.

B. Loss Settlement for Your Building

(1) Interior Finish Materials Upgrade

a. Lower Emissions Products Upgrade Coverage

“Defined Building Materials” with products of like kind and quality that have “Lower Emissions”. If there are no such products available at the time of the loss, this upgrade to green coverage does not apply.

b. Environmentally Preferable Products Upgrade Coverage

Interior wood, carpeting and flooring with products of like kind and quality that have “Lower Emissions”, are “Sustainably Produced”, are “Rapidly Renewable” or include “Recycled Content”. If there are no such products available at the time of the loss, this upgrade to green coverage does not apply.

(2) Interior Plumbing Systems Upgrade Coverage

Interior plumbing fixtures including, but not limited to, toilets, shower heads and lavatory faucets with products of like kind and quality that are more “Water Efficient”. If there are no such products available at the time of the loss, this upgrade to green coverage does not apply. For damaged or destroyed faucets, the Company will also pay to install occupant sensors to reduce the potable water demand.

(3) Lighting Systems Upgrade Coverage

Lighting systems, with products of like kind and quality that have been identified as “Energy Star” or equivalent products of such energy efficiency. If there are no such products available at the time of the loss, this upgrade to green coverage does not apply. The Company will also pay to repair or replace damaged light bulbs with light bulbs which have low mercury content.

(4) Efficient Heating and Cooling Equipment Upgrade Coverage

“Heating and cooling equipment” with products of like kind and quality

that have been identified as “ENERGY STAR” or equivalent products of such energy efficiency. If there are no such products available at the time of the loss, this upgrade to green coverage does not apply.

(5) **Building Reconstruction Following Total Loss**

a. Solely with respect to a “Total Loss” to a building, the Company will pay to replace the building on its existing foundation using the most cost effective techniques, products and materials that should satisfy the prerequisites and earn the minimum number of points required to qualify to LEED Silver certificate using the LEED New Construction (LEED NC®) Rating System.

b. **Certification Expenses**

(i) The Company will pay the reasonable and necessary registration and certification charged by the United States Green Building Council (USGBC) that the Insured incurs should the Insured decide to seek LEED Silver certification. However, the Company will not pay to modify the reconstructed structure if it is not certified.

3. **COVERAGE SECTION B: LEED CERTIFIED COVERAGE**

In addition to all Coverages provided in Coverage Section A (With the exception of 2.B.(5) Building Reconstruction Following a Total Loss) and in the event of direct physical loss or damage by any of the perils covered by the policy to a building that is LEED certified at the time of the loss, or to the personal property within such building, the Company will pay to repair or replace damaged or destroyed:

A. **Loss Settlement for Trees, Shrubs, and Vegetative Roofs**

- (1) Trees and shrubs planted specifically to secure the Heat Island Effect: Non-Roof point as described in LEED NC. For the purposes of this coverage only, notwithstanding any other provision of the policy to the contrary, trees and shrubs are Covered Property.
- (2) Vegetative roofs on LEED certified buildings. Notwithstanding any other provision of the policy to the contrary, vegetative roofs are Covered Property.

B. **Loss Settlement for Your Building**

(1) **Recertification Expenses**

a. In the event of direct physical loss or damage by any of the perils covered by the policy that necessitates recertification of the damaged building, the Company will pay the reasonable and necessary registration and certification fees charged by the USGBC that the Insured incurs as a result of the recertification process.

(2) **Building Reconstruction Following a Total Loss**

- a. Solely with respect to a "Total Loss" to a building that is LEED certified at the time of the loss, the Company will pay to replace the building on its existing foundation using the most cost effective techniques, products and materials that would satisfy the prerequisites and should earn the minimum number of points required to qualify for LEED certification at one level above the certification in effect at the time of the loss using the LEED NC Rating System.
- b. **Certification Expenses**
 - (i) The Company will pay the reasonable and necessary registration and certification fees charged by the USGBC that the Insured incurs should the Insured decide to seek LEED certification. However, the Company will not pay to modify the reconstructed structure if it is not certified.

4. **COVERAGES INCLUDED WITHIN COVERAGE SECTIONS A OR B AND APPLICABLE TO LEED® AND NON-LEED® CERTIFIED BUILDINGS**

In the event of direct physical loss or damage by any of the perils covered by the policy to a LEED and Non-LEED certified building:

A. **Recycling Expenses**

- (1) The Company will pay the Insured's expenses to clean-up, sort, segregate, and transport debris from the Insured's damaged building to recycling facilities, if such debris can be recycled.
- (2) Any income or remuneration derived from recycling shall be used to reduce the loss.

B. **Air Testing and Outdoor Air Ventilation of Reconstructed Space**

- (1) In accordance with the requirements for the Construction IAQ Management Place: Before Occupancy Credit as described in the LEED NC rating system (hereafter, "Construction IAQ"), the Company will pay to conduct air testing and a building flush-out (if required because of a failure to meet air quality standards set forth in the Construction IAQ) and follow-up air testing for a total period of time not to exceed two weeks.
- (2) After the two week period of increased outdoor air ventilation of the reconstructed space, the Company will pay to replace the filtration media with new media.

C. **Professional Services**

The Company will pay reasonable and necessary expenses to hire a LEED

Accredited architect or engineer to participate in the design and/or construction administration of the damaged portion of the building or the entire building, whichever is applicable.

D. Building Commissioning Expenses

- (1) In the event of direct physical damage to mechanical, electrical, or electronic building systems, by any of the perils covered by the policy which necessitates the commissioning or re-commissioning of these systems, the Company will pay reasonable and necessary expenses of a Professional Engineer to commission or re-commission those damaged systems in accordance with LEED protocols.

5. ADDITIONAL DEFINITIONS

- A. "Appliances" means products including, but not limited to, dishwashers, refrigerators, freezers, ovens, microwave ovens, room air conditioners, room air cleaners and water heaters.
- B. "Defined Building Materials" means (1) all carpet and floor coverings, including, adhesives to affix them to the floor, (2) all interior paints, architectural coatings, primers, undercoatings, adhesives, sealants, and (3) permanently installed composite wood fixtures, including, counters, cabinets, and partitions.
- C. "ENERGY STAR" means any product that has been identified by the United States Government Department of Energy, Environmental Protection Agency as ENERGY STAR qualified at the time of the loss.
- D. "Heating and Cooling Equipment" means products including, but not limited to, heat pumps, boilers, central air conditioning, ceiling fans, dehumidifiers, exhaust fans, furnaces thermostats, and ventilating fans.
- E. "Lower emissions" means:
 - (1) With respect to adhesive and sealant products, such as, general construction adhesives, flooring adhesives, fire-stopping sealants, caulking, duct sealants, plumbing adhesives, and cove base adhesives, products that meet the requirements of South Coast Air Quality Management District (SCAQMD) Rule # 1168; with respect to aerosol adhesives, products that meet Green Seal Standard GS-36 requirements;
 - (2) With respect to architectural paints, coatings, and primers, products that do not exceed the volatile organic compound (VOC) content limits established in Green Seal Standard GS-11, with respect to anti corrosive and anti-rust paints, products that do not exceed the VOC content limits established in the Green Seal Standard GS-03; and the respect to clear wood finishes, floor coatings, stains, and shellacs, products that do not exceed the VOC content limits established by SCAQMD Rule # 1113;

- (3) With respect to carpet and carpet cushion, products that meet the requirements of the Carpet and Rug Institute's Green Label Plus Program; and
 - (4) With respect to composite wood and agrifiber products such as particleboard, medium density fiberboard (MDF), plywood, wheatboard, strawboard, panel substrates and door cores as well as laminating adhesives used to fabricate on-site and shop-applied composite wood and agrifiber assemblies, products that contain no added urea-formaldehyde resins.
- F. "Office Equipment" means electronic products including, but not limited to, desktop computers, laptop computers, monitors, printers, fax machines, scanners, copiers, and telephones.
 - G. "Recycled Content" means those products that contain at least 20% post-consumer recycled content.
 - H. "Rapidly Renewable" means products that are made from plant resources that are harvested within a ten-year cycle or shorter, including, but not limited to, bamboo, eucalyptus, wheat straw, sunflower hulls, cork oak, wheatboard, linoleum, and sorghum.
 - I. "Seating" means task and guest chairs used with "System Furniture".
 - J. "Sustainably Produced" means those products certified by the Forest Stewardship Council ("FSC").
 - K. "System Furniture" means either a panel-based workstation comprised of modular interconnecting panels, hang-on components and drawer/filing components of a freestanding grouping of furniture items and their components that have been designed to work in concert.
 - L. "Total Loss" means:
 - (1) The covered building is completely destroyed regardless of whether any damage is done to the foundation or slab, or
 - (2) The covered building is in such condition after the loss that the standard method of rebuilding or repairing the covered building is to raze the structure except for the foundation or slab or including all or part of the foundation or slab and rebuild the entire structure, whether such structure is actually rebuilt or not.
 - M. "Water Efficient" means dry fixtures such as composting toilet systems and non-water using urinals, flush toilets using no more than 1.6 gallons of water per flush, and shower heads and faucets with a flow rate not more than 2.2 gallons per minute.

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

Endorsement #9

Notice of Cancellation to Third Parties

If we cancel this policy for any reason other than nonpayment of premium, a written notice of cancellation that is required by written contract, will be sent to the person(s) or organization(s) listed in the "Schedule" that you or your representative create or maintain by allowing your representative to send such notice to such person(s) or organization(s).

In no event does the notice exceed the notice to the first named insured. This advanced notification of pending cancellation of coverage is intended as a courtesy only and does not provide any legal obligation of any kind to such person(s) or organization(s). Failure to provide such advanced notification will not extend the policy cancellation date nor negate cancellation of this policy.

We will only be responsible for sending such notice to your representative, and your representative will in turn send a 30 day notice to the person(s) or organization(s) listed in the Schedule on file with your representative.

This Endorsement does not apply in the event that you cancel the Policy.

All other terms and conditions of this policy remain unchanged.

Endorsement # 10

SFHA Flood Locations

This endorsement modifies insurance provided by the policy:

It is hereby understood and agreed that the following locations are considered to be wholly or partially within Special Flood Hazard Areas (Areas of 100-year flooding as defined by the Federal Emergency Management Agency):

Loc #	Street Address	Bldg.	Flood Zone	City	State	Zip Code	County
1251	1101 Shoreway Rd.	1,2,3,4,5	AE	Belmont	CA	94002	San Mateo
14	2424 Hotel Circle N.	1,2	AE	San Diego	CA	92108	San Diego
1244	1445 Bayshore Dr.	1,2	AE	Coos Bay	OR	97420	Coos
1369	1368 N. McDowell Blvd.	1,2,3	AE	Petaluma	CA	94954	Sonoma
413	8202 South Padre Island Dr.	1	AE	Corpus Christi	TX	78412	Nueces
1370	140 Kern St.	1,2	AE	Salinas	CA	93901	Monterey
55	1801 State Road 84	1,2	AH	Ft. Lauderdale	FL	33315	Broward
1085	72562 Twentynine Palms Hwy.	1	AO	Twentynine Palms	CA	92277	San Bernardino
1113	2476 Beach Blvd.	1	AE	Biloxi	MS	39531	Harrison
343	7404 Avenue J Bldwy.	1,2,3,4	AE	Galveston	TX	77554	Galveston
364	281 US Hwy 41 Bypass N.	1	A12	Venice	FL	34292	Sarasota
1017	12266 Central Avenue	1,2,3	A	Chino	CA	91710	San Bernardino
1007	2081 N. First St.	1	AO	San Jose	CA	95131	Santa Clara
79	4951 W. Stamford St.	1,2,3,4,5	AE	Abilene	TX	79603	Taylor
395	2615 Commercial Way	1	AO	Rock Springs	WY	82901	Sweetwater
104	78100 Varner Rd.	1	AO	Palm Desert	CA	92211	Riverside
4	298 Atascadero Rd.	1,2	AE	Morro Bay	CA	93442	San Luis Obispo
25	6110 Monterey Highway	1	AH	Gilroy	CA	95020	Santa Clara
369	42899 Big Bear Boulevard	1	A	Big Bear Lake	CA	92315	San Bernardino
1114	424 West Beale Street	1, 2	AE	Kingman	AZ	86401	Mohave

Flood zone determination for any locations added after the inception of this policy will be determined at the time of loss.

All other terms and conditions remain unchanged.

Endorsement # 11

Asbestos Endorsement

- A. This Policy only insures asbestos physically incorporated in an insured building or structure, and then only that part of the asbestos which has been physically damaged during the period of insurance by one of the Listed Perils:

fire; lightning; explosion; windstorm or hail; "Named Windstorm"; smoke; direct impact of vehicle, aircraft or vessel; riot or civil commotion; vandalism or malicious mischief; leakage or accidental discharge of fire protection equipment; collapse; falling objects; weight of snow, ice or sleet; theft; water damage; Equipment Breakdown; sudden and accidental discharge, leakage, backup or overflow of liquids or molten material from confinement within piping, plumbing systems, tanks, equipment or other containment located at the insured location; Earthquake, Flood and during the course of transit.

This coverage is subject to each of the following specific limitations:

1. The said building or structure must be insured under this Policy for damage by that Listed Peril.
2. The Listed Peril must be the immediate, sole cause of the damage of the asbestos.
3. The Assured must report to Underwriters the existence and cost of the damage as soon as practicable after the Listed Peril first damaged the asbestos. However, this Policy does not insure any such damage first reported to the Underwriters more than 12 (twelve) months after the expiration, or termination, of the period of insurance.
4. Insurance under this Policy in respect of asbestos shall not include any sum relating to:
 - (i) any faults in the design, manufacture or installation of the asbestos;
 - (ii) asbestos not physically damaged by the Listed Peril including any governmental or regulatory authority direction or request of whatsoever nature relating to undamaged asbestos.

- B. Except as set forth in the foregoing Section A, this Policy does not insure asbestos or any sum relating thereto.

14/09/2005

LMA5019 (amended)

Form approved by Lloyd's Market Association

All other terms and conditions remain unchanged.

Endorsement 12

Building Owner Loss Payee and Contract of Sale Loss Payee Endorsement

This endorsement only applies as required by written contract.

A. Building Owner Loss Payee

1. This Item A applies to any Building Owner Loss Payee when named as such in a certificate of insurance on file with the Company, which was been issued in accordance with all certificate of insurance provisions contained in the policy, as respects the buildings which they own as described on such certificate of insurance in which the Insured is a tenant.
2. The Company will adjust losses to the described building with, and pay, the Building Owner Loss Payee. Any loss payment made to the Loss Payee will satisfy the Insureds claims against the Company for the owner's property.
3. The Company will adjust loss to tenant's improvements and betterments with, and pay, the Insured, unless the lease provides otherwise.

B. Contract of Sale Loss Payee (Escrow)

1. This Item B applies to any Contract of Sale Loss Payee named in this policy or when named as such (or when named just as Contract of Sale interest) in a certificate of insurance on file with the Company, which has been issued in accordance with all certificate of insurance provisions contained in the policy, as respects the property listed on such certificate for which the Insured has entered into a contract for sale with the Contract of Sale Loss Payee.
2. For property insured under this policy which both the Insured and the Contract of Sale Loss Payee have an insurable interest, the Company will:
 - a. adjust losses with the Insured; and
 - b. pay the amount of covered claim under this policy jointly to the Insured and the Contract of Sale Loss Payee, as their interests may appear.
3. This policy's Other Insurance Provisions shall be amended such that for property insured hereunder that is the subject of a contract of sale, the Insured's other insurance includes the Contract of Sale Loss Payee's other insurance on the same property. **The Insured's policy shall be primary.**

Nothing herein contained will be held to vary, alter, waive or change any of the terms, limits or conditions of the Policy, except as hereinabove set forth.

Endorsement 13

Contingent Interest Endorsement

Notwithstanding the Other Insurance clause in this policy, this coverage extension shall apply when Property Damage Insurance, or Property Damage and Rents Insurance provided by others on the scheduled property of the Insured (by *written* agreement) is determined to be inadequate or not collectible for any reason. Automatic coverage is extended to Contingent Interest Property.

- a) The Insured shall assist by requiring other coverage on the property.
- b) The Insured shall use all reasonable and necessary means to collect the full amount of any claims that may be collectible from the Property Damage insurance coverage maintained by the Lessee.
- c) This coverage extension shall not inure to the benefit of any party other than the Insured; and does not provide any rights or benefits to any other party.
- d) The Company shall be subrogated to all of the Insured's rights of recovery against any party or organization to the extent not waived. The Insured shall execute and deliver required instruments and papers, or do whatever else is necessary, to secure such rights for the Company.
- e) The Insured shall do nothing after physical loss or damage to insured property to prejudice the Company's rights of recovery against any party or organization.

In case of a claim, the Company's liability for this coverage extension shall be limited to the actual recovery that would apply under this policy had there been no other insurance less the amount recovered from such other insurance. In each case of loss or damage covered by this coverage extension, the Company shall not be liable unless the Insured sustains physical loss or damage in a single occurrence greater than the Insured's Retentions as enumerated elsewhere in this policy.

Nothing herein contained will be held to vary, alter, waive or change any of the terms, limits or conditions of the Policy, except as hereinabove set forth.

Endorsement # 14

Terrorism Exclusion Endorsement

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism.

If the Underwriters allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Assured.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

08/10/01

NMA2920

Nothing herein contained will be held to vary, alter, waive or change any of the terms, limits or conditions of the Policy, except as hereinabove set forth.

Endorsement # 15

Sanction Limitation and Exclusion Clause

No (re)insurer shall be deemed to provide cover and no (re)insurer shall 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 that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

Notwithstanding the above Sanction Limitation and Exclusion Clause, Insurers hereon will honour their obligations under the terms and conditions of this Policy when all applicable sanctions, prohibitions or restrictions under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America have been lifted as if the sanction clause had not applied. Furthermore Insurers will extend the Proof of Loss Condition for as long as the relevant sanction applies.

Nothing herein contained will be held to vary, alter, waive or change any of the terms, limits or conditions of the Policy, except as hereinabove set forth.

Endorsement # 16

Service of Suit Clause (U.S.A.)

This Service of Suit Clause will not be read to conflict with or override the obligations of the parties to arbitrate their disputes as provided for in any Arbitration provision within this Policy. This Clause is intended as an aid to compelling arbitration or enforcing such arbitration or arbitral award, not as an alternative to such Arbitration provision for resolving disputes arising out of this contract of insurance (or reinsurance).

It is agreed that in the event of the failure of the Underwriters hereon to pay any amount claimed to be due hereunder, the Underwriters hereon, at the request of the Insured (or Reinsured), will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this Clause constitutes or should be understood to constitute a waiver of Underwriters' 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

Lloyd's America, Inc.
Attention: Legal Department
280 Park Avenue, East Tower, 25th Floor
New York, NY 10017

and that in any suit instituted against any one of them upon this contract, Underwriters will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

The above-named are authorized and directed to accept service of process on behalf of Underwriters in any such suit and/or upon the request of the Insured (or Reinsured) to give a written undertaking to the Insured (or Reinsured) that they will enter a general appearance upon Underwriters' behalf in the event such a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefor, Underwriters hereon hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their 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 Reinsured) or any beneficiary hereunder arising out of this contract of insurance (or reinsurance), and hereby designate the above-named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

LMA5020(amended)

14/09/2005

Form approved by Lloyd's Market Association

Nothing herein contained will be held to vary, alter, waive or change any of the terms, limits or conditions of the Policy, except as hereinabove set forth.

Endorsement # 17

U.S. Terrorism Risk Insurance Act of 2002 as amended

Not Purchased Clause

This Clause is issued in accordance with the terms and conditions of the "U.S. Terrorism Risk Insurance Act of 2002" as amended as summarized in the disclosure notice.

It is hereby noted that the Underwriters have made available coverage for "insured losses" directly resulting from an "act of terrorism" as defined in the "U.S. Terrorism Risk Insurance Act of 2002", as amended ("TRIA") and the Insured has declined or not confirmed to purchase this coverage.

This Insurance therefore affords no coverage for losses directly resulting from any "act of terrorism" as defined in TRIA except to the extent, if any, otherwise provided by this policy.

All other terms, conditions, insured coverage and exclusions of this Insurance including applicable limits and deductibles remain unchanged and apply in full force and effect to the coverage provided by this Insurance.

LMA5219

12 January 2015

Nothing herein contained will be held to vary, alter, waive or change any of the terms, limits or conditions of the Policy, except as hereinabove set forth.

APL
1969
28/1/20

EXHIBIT C

Lloyd's Berkley Policy

**Policy Number**

PRPNA2003219

Assured / account

G6 Hospitality, LLC

Unique market reference number

B0713PRPNA2003219

RISK DETAILS**UNIQUE MARKET
REFERENCE:**

B0713PRPNA2003219

TYPE:

ALL RISKS OF DIRECT PHYSICAL LOSS OR DAMAGE,
Including Flood, Earthquake / Earthquake Sprinkler Leakage, as more
fully defined in the Co-Insuring Policy Wording.

INSURED:

G6 Hospitality, LLC and any subsidiary, affiliated, associated, or
allied company, corporation, firm, organization, and the Insured's
interest in partnerships and/or joint ventures, and/or any owned
(wholly or partially) or controlled company(ies) where the Insured
maintains an interest, as now or hereafter constituted or acquired; and
any other party or interest that is required by contract or agreement as
defined in the Co-Insuring Policy Wording.

ADDRESS:

4001 International Parkway, Carrollton, TX, 75007, U.S.A.

PERIOD:

From 1st January 2020 to 1st January 2021 both days at 12.01 a.m.
Standard Time at the location of the property (re)insured (or date
and/or period to be agreed by the Slip Leader only).

INTEREST:

REAL AND PERSONAL PROPERTY and TIME ELEMENT, as
more fully defined in the Policy Wording and as per schedule
initialled by underwriters.

SUM INSURED:

USD 10,000,000 per occurrence and in the annual aggregate separately
in respect of the perils of Flood and Earthquake.

EXCESS OF

Various deductible amounts as set forth in the attached Schedule of
Primary Policy Deductibles.

Subject to the Schedule of Program Sublimits attached, and as more
fully defined in the Co-Insuring Policy Wording.

Checked

**Policy Number**

PRPNA2003219

Assured / account

G6 Hospitality, LLC

Unique market reference number

B0713PRPNA2003219

SITUATION:

This policy insures within and between the 50 states comprising the United States of America, the District of Columbia, Puerto Rico, and including any other territories and possessions of the foregoing. The territory includes coastal and inland waterways between points and places therein.

As respects coverage for interdependency provided under Clause 7.B. and coverage provided under Clause 8.A.1. of the Co-Insuring Policy Wording, the territory shall be worldwide.

CONDITIONS:

This policy co-insures with Policy Number: PRPNA2000673 issued by Lloyd's Syndicate No.1969 (APL) or renewal or replacement thereof.

This Policy is subject to the same Terms, Clauses, Conditions and Interests as the Co-Insuring Policy (numbered above) excluding Limit of Liability and Annual Premium or as detailed herein.

War Exclusion Clause as per Co-Insuring Policy Wording.

NMA2920 Terrorism Exclusion Endorsement.

Radioactive Contamination Exclusion as per Co-Insuring Policy Wording.

Fraudulent or dishonest act or acts as per Co-Insuring Policy Wording.
LMA5219 U.S. Terrorism Risk Insurance Act of 2002 as amended Not Purchased Clause to apply if no formal confirmation received from the Insured prior to inception.

Third Party Deductible Requirements Clause, as per Co-Insuring Policy Wording.

Notice of Cancellation to Third Parties Clause, as per Co-Insuring Policy Wording.

Quarterly Adjustment Endorsement, as attached.

Contagious Disease Clause, as attached.

Loss Payees and/or Mortgagees and/or Additional Named Insured's automatically agreed hereon as and where applicable without advice.

Agree, if required, to allow agent to issue Certificates and/or Verifications and/or Evidence of Insurance without advice.

Final going in values and premium to be agreed by the Slip Leader only.

Underwriters hereon agree to maintain written dollar lines part of a reduced Sum Insured at terms agreed Slip Leader only.

The assigned adjuster for all losses will be Mike Beach at McLarens, 1200 Roosevelt Road, Suite 206, Glen Ellyn, Illinois 60137, or as may be mutually agreed between the Insured and the Slip Leader only.

Checked

**Policy Number**

PRPNA2003219

Assured / account

G6 Hospitality, LLC

Unique market reference number

B0713PRPNA2003219

**CONDITIONS
(CONTINUED):****Notification of Claims:**

Lockton Companies, 2100 Ross Ave., Suite 1400, Dallas, TX
75201, U.S.A.

Global Risks Claims, Lockton Companies LLP, The St Botolph
Building, 138 Houndsditch, London, EC3A 7AG.

LMA5400 Property Cyber and Data Endorsement.

LMA3100 (Amended) Sanction Limitation and Exclusion Clause.

NOTICES:

LMA9080B Texas Complaints Notice.

LMA9079 Texas Surplus Lines Notice.

**CHOICE OF LAW &
JURISDICTION:**

This Policy shall be subject to the applicable state law to be
determined by the court of competent jurisdiction as determined by
the provisions of the Service of Suit clause within this Policy.

Service of Suit: LMA5020 Service of Suit (U.S.A.) naming:
Lloyd's America, Inc.
Attention: Legal Department
280 Park Avenue, East Tower, 25th Floor
New York, NY 10017.

PREMIUM:

USD 4,000,000 (100%) annual.

Reporting and payment of US Federal Excise Tax in relation to this
(re)insurance is the responsibility of each individual (re)insurer where
FET is due for their share.

PAYMENT TERMS:

PPC4 (TOR) 4/86 (Direct) 713NHG00424 (60 days) as attached.

Any extensions to the Premium Payment Condition to be agreed by
the Slip Leader only.

**TAXES PAYABLE BY
THE INSURED AND
ADMINISTERED BY
INSURERS:**

None Applicable

Checked

**Policy Number**

PRPNA2003219

Assured / account

G6 Hospitality, LLC

Unique market reference number

B0713PRPNA2003219

**RECORDING,
TRANSMITTING &
STORING
INFORMATION:**

Where Lockton Companies LLP maintains risk and claim data / information / documents Lockton Companies LLP may hold and transmit data / information / documents electronically.

**INSURER
CONTRACT
DOCUMENTATION:**

This document details the contract terms entered into by the (re)insurer(s) and constitutes the contract document.

Any further documentation changing this contract, agreed in accordance with the contract change provisions set out in this contract, shall form the evidence of such change.

This contract is subject to US state surplus lines requirements. It is the responsibility of the surplus lines broker to affix a surplus lines notice to the contract document before it is provided to the insured. In the event that the surplus lines notice is not affixed to the contract document the insured should contact the surplus lines broker.

**NOTICE OF
CANCELLATION
PROVISIONS:**

Where (re)insurers have the right to give notice of cancellation, in accordance with the provisions of the contract, then to the extent provided by the contract any (re)insurer may issue such notice in respect of its own participation.

Checked

**Policy Number**

PRPNA2003219

Assured / account

G6 Hospitality, LLC

Unique market reference number

B0713PRPNA2003219

SCHEDULE OF PRIMARY POLICY DEDUCTIBLES (FOR 100%)

(To apply Per Occurrence Unless Otherwise Stated)

- A. All loss or damage arising out of any one **occurrence** shall be adjusted as one loss and the amount of such adjusted loss shall be deducted from an annual aggregate deductible of USD 2,500,000. When the aggregate is exhausted, a USD 100,000 per occurrence deductible will apply. Only the portion of loss or damage exceeding USD 100,000 will apply to the aggregate. Losses relating to **Flood, Earthquake, and Named Windstorm in Tier 1 Counties** do not apply to the aggregate.

Named Windstorm:

The sum of USD 100,000 shall be deducted from any adjusted loss due to the peril of Named Windstorm, except;

As respects the peril of **Named Windstorm in Tier 1 Counties**, the sum of 5% of the total values declared by insured, as per Statement of Values on file with Insurer at the time of loss, at each location submitting a claim, to be calculated separately for each unit of insurance which sustains loss or damage, subject to a minimum of USD 500,000 per location with a maximum of USD 2,500,000 per occurrence.

Flood:

With respect to buildings and structures located wholly or partially within **Special Flood Hazard Areas (SFHA)** as outlined in Endorsement #10:

- a) If insurance is maintained through the National Flood Insurance Program (NFIP) or any other primary or underlying policy or program covering property damaged by flood, with limits equal to the full replacement cost of the building and contents, or the maximum NFIP limit available per building and contents, then the deductible shall be the amount payable from NFIP or other primary or underlying insurance for such damage plus USD 50,000 per occurrence (not per building) for any Business Interruption or rental value loss.
- b) If insurance is not maintained through NFIP or any other primary or underlying policy or program covering property damaged by flood, the deductible shall be the maximum amount available under NFIP.

Checked

**Policy Number**

PRPNA2003219

Assured / account

G6 Hospitality, LLC

Unique market reference number

B0713PRPNA2003219

SCHEDULE OF PRIMARY POLICY DEDUCTIBLES (FOR 100%) continued

(To apply Per Occurrence Unless Otherwise Stated)

In the event that underlying insurance is maintained through NFIP or any other primary or underlying policy or program, it is agreed that this policy shall be excess over the amount payable under such National Flood Insurance Policy(ies). Insurance maintained through NFIP shall be considered Underlying Insurance.

With respect to any other **Flood** loss, the sum of 5% of the total values declared by insured, as per Statement of Values on file with Insurer at the time of loss, at each location submitting a claim, to be calculated separately for each unit of insurance which sustains loss or damage, subject to a minimum of USD 25,000 with a maximum of USD 100,000 per occurrence.

Earthquake:

The sum of USD 100,000 shall be deducted from any adjusted loss due to the peril of Earthquake, except;

As respects the peril of **Earthquake** in the States of California and Alaska, the sum of 5% of the total values declared by insured, as per Statement of Values on file with Insurer at the time of loss, at each location submitting a claim, to be calculated separately for each unit of insurance which sustains loss or damage, subject to a minimum of USD 250,000 per occurrence.

As respects the peril of **Earthquake** in Hawaii, **New Madrid** and **Pacific Northwest** Territories, the sum of 2% of the total values declared by insured, as per Statement of Values on file with Insurer at the time of loss, at each location submitting a claim, to be calculated separately for each unit of insurance which sustains loss or damage, subject to a minimum of USD 100,000 per occurrence.

- B. In the event of loss or damage involving more than one deductible, the Insured can either elect to have the deductibles apply separately or have the single largest deductible apply.
- C. The deductible amount specified in Clause A. above shall not apply to General Average contributions and/or salvage charges.

Checked



Policy Number

PRPNA2003219

Assured / account

G6 Hospitality, LLC

Unique market reference number

B0713PRPNA2003219

SCHEDULE OF PRIMARY POLICY DEDUCTIBLES (FOR 100%) continued
(To apply Per Occurrence Unless Otherwise Stated)

- D. If other insurance applies to the same property as insured hereunder, and to the extent recovery is made from such other insurance, the deductible under this policy shall be reduced by such recovery, but in no event shall the deductible under this policy be less than shown in the policy. If recovery from such other insurance is greater than the deductible in this policy, then the deductible under this policy shall not apply.
- E. In any **occurrence** where loss or damage is caused by more than one cause of loss or damage (peril) insured against under this policy or occurs at more than one location or building, the Insured shall have the right to separate the loss amount by peril or location or building for the purposes of application of the deductible(s) specified in this section, notwithstanding the above reference to two or more deductibles and the policy limits.
- F. Unit of Insurance: The following shall be considered a separate unit of insurance: (1) each separate building or structure; (2) the contents of each separate building or structure; (3) property in each yard; (4) business interruption for the twelve month period immediately following the loss.

As more fully defined in the Co-Insuring Policy Wording.

Checked

A handwritten signature, possibly "S", is enclosed in a rectangular box.

**Policy Number**

PRPNA2003219

Assured / account

G6 Hospitality, LLC

Unique market reference number

B0713PRPNA2003219

SCHEDULE OF PROGRAM SUBLIMITS (FOR 100%)

(To apply Per Occurrence Unless Otherwise Stated and Excess of the Primary Policy Deductibles)

In the event of loss or damage insured under this policy, this **Insurer** shall be liable for its proportional share of USD100,000,000 per **occurrence** except as respects the following, excess of the policy deductibles:

USD100,000,000	Flood per occurrence and annual aggregate, except;
USD50,000,000	Flood per occurrence and annual aggregate for buildings and structures located wholly or partially within Special Flood Hazard Areas as outlined in Endorsement #10 of the Policy Wording.
USD100,000,000	Earthquake per occurrence and annual aggregate, except;
USD40,000,000	Earthquake per occurrence and annual aggregate within the States of California, Alaska and Hawaii and Puerto Rico
USD100,000,000	Earthquake per occurrence and annual aggregate within the Pacific Northwest and New Madrid Territories
USD100,000,000	Named Windstorm
USD25,000,000	Accounts Receivable
USD10,000,000	Civil or Military Authority
USD1,500,000	Contagious Diseases per occurrence and annual aggregate
USD1,000,000	Contingent Business Interruption and Contingent Extra Expense including Attraction Properties
USD1,000,000	Defense Costs
Included	Electronic Data Processing Equipment
USD10,000,000	Electronic Data and Media
USD10,000,000	Errors and Omissions
365 days	Extended Period of Indemnity
USD2,500,000	Expediting Expense
USD5,000,000	Historic Properties
USD10,000,000	Ingress/Egress
USD1,000,000	Loss Adjustment Expense
USD15,000,000	Miscellaneous Unnamed Locations, per Location
USD2,500,000	Mold Coverage per occurrence and annual aggregate provided for in Endorsement #1 of the Policy Wording.
USD50,000,000	Newly Acquired Locations – 120 days reporting – Miscellaneous Unnamed Locations sublimit applies after 120 days
USD2,500,000	Offsite Storage Locations
60 Days	Ordinary Payroll
USD1,000,000	Outdoor Property: Trees, Shrubs, Plants and Landscaping

Checked

**Policy Number**

PRPNA2003219

Assured / account

G6 Hospitality, LLC

Unique market reference number

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SCHEDULE OF PROGRAM SUBLIMITS (FOR 100%) continued

(To apply Per Occurrence Unless Otherwise Stated and Excess of the Primary Policy Deductibles)

USD500,000	Pollutant Clean Up of Land and Water per occurrence and annual aggregate
USD10,000,000	Property in the Course of Construction, Erection, Installation or Assembly
USD500,000	Property of Officers, Employees, Hotel Guests or Tenants
60 days	Service Interruption – Business Interruption and Extra Expense
USD1,000,000	Soft Costs
USD1,000,000	Tenant/Hotel Guest Emergency Evacuation – per occurrence and annual aggregate
USD1,000,000	Tenant and Hotel Guest Relocation Expense – per occurrence and annual aggregate
USD250,000	Transit per conveyance per occurrence
USD5,000,000	Upgrade to Green provided for in Endorsement #8 of the Policy Wording.

Waiting Periods:

24 hour waiting period shall apply to loss due to Service Interruption.

Waiting period application: The insurer will not be liable for any Loss or Damage unless the period of interruption exceeds the specified waiting period. Once the period of liability exceeds 24 hours, coverage then applies to the entire period of interruption subject to the Policy Deductible.

APPLICATION OF LIMITS OF LIABILITY - This Policy may contain sublimits applicable to specific locations or specific coverage's or specific causes of loss. Such limits shall be the total payable as a result of a single occurrence (or an annual aggregate of certain occurrences where so specified) and neither the policy limit nor any sublimit shall be increased by the application of one or more sublimits.

As more fully defined in the Co-Insuring Policy Wording.

Checked

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**Policy Number**

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Assured / account

G6 Hospitality, LLC

Unique market reference number

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INFORMATION

As per Lockton Companies LLP Underwriting Submission dated November 2019, which seen, noted, understood and agreed by Underwriters hereon and uploaded to PPL.

Values:

Building:	USD 1,248,161,010
Contents:	USD 274,940,511
<u>Business Interruption:</u>	<u>USD 455,166,295</u>
Total Insurable Values:	USD 1,978,267,816

Business Description:

G6 Hospitality owns, operates and franchises 1,300 economy lodging locations under the iconic Motel 6 brand and the Studio 6 Extended Stay brand

Checked



Policy Number

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G6 Hospitality, LLC

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TERRORISM EXCLUSION ENDORSEMENT

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism.

If the Underwriters allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Assured.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

08/10/01
NMA2920

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Policy Number

PRPNA2003219

Assured / account

G6 Hospitality, LLC

Unique market reference number

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QUARTERLY ADJUSTMENT ENDORSEMENT

It is hereby agreed that changes in values will be submitted quarterly. Additional or return premiums will be calculated annually using rates to be agreed upon, subject to a total change in values of more than 5% of the Total Insurable Values on file with **Insurer** at time of policy inception. If total values do not increase or decrease more than 5%, due solely to the addition or deletion of locations, there will be no additional or return premium due.

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Policy Number

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G6 Hospitality, LLC

Unique market reference number

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**U.S. TERRORISM RISK INSURANCE ACT OF 2002 AS AMENDED
NOT PURCHASED CLAUSE**

This Clause is issued in accordance with the terms and conditions of the "U.S. Terrorism Risk Insurance Act of 2002" as amended as summarized in the disclosure notice.

It is hereby noted that the Underwriters have made available coverage for "insured losses" directly resulting from an "act of terrorism" as defined in the "U.S. Terrorism Risk Insurance Act of 2002", as amended ("TRIA") and the Insured has declined or not confirmed to purchase this coverage.

This Insurance therefore affords no coverage for losses directly resulting from any "act of terrorism" as defined in TRIA except to the extent, if any, otherwise provided by this policy.

All other terms, conditions, insured coverage and exclusions of this Insurance including applicable limits and deductibles remain unchanged and apply in full force and effect to the coverage provided by this Insurance.

LMA5219
12 January 2015

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Policy Number

PRPNA2003219

Assured / account

G6 Hospitality, LLC

Unique market reference number

B0713PRPNA2003219

CONTAGIOUS DISEASE

This policy is extended to insure loss as insured hereunder when there is an interruption or interference with the business of the Insured as a consequence of:

infectious or contagious disease manifested by any person while on the premises of the Insured;

Closing of the whole or part of the premises of the Insured by order of a competent public authority consequent upon the existence or threat of hazardous conditions either actual or suspected at the premises of the Insured.

All other terms, clauses and conditions remain unaltered.

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**Policy Number**

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Assured / account

G6 Hospitality, LLC

Unique market reference number

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PROPERTY CYBER AND DATA ENDORSEMENT

- 1 Notwithstanding any provision to the contrary within this Policy or any endorsement thereto this Policy excludes any:
 - 1.1 Cyber Loss, unless subject to the provisions of paragraph 2;
 - 1.2 loss, damage, liability, claim, cost, expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any Data, including any amount pertaining to the value of such Data, unless subject to the provisions of paragraph 3;regardless of any other cause or event contributing concurrently or in any other sequence thereto.
- 2 Subject to all the terms, conditions, limitations and exclusions of this Policy or any endorsement thereto, this Policy covers physical loss or physical damage to property insured under this Policy caused by any ensuing fire or explosion which directly results from a Cyber Incident, unless that Cyber Incident is caused by, contributed to by, resulting from, arising out of or in connection with a Cyber Act including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act.
- 3 Subject to all the terms, conditions, limitations and exclusions of this Policy or any endorsement thereto, should Data Processing Media owned or operated by the Insured suffer physical loss or physical damage insured by this Policy, then this Policy will cover the cost to repair or replace the Data Processing Media itself plus the costs of copying the Data from back-up or from originals of a previous generation. These costs will not include research and engineering nor any costs of recreating, gathering or assembling the Data. If such media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank Data Processing Media. However, this Policy excludes any amount pertaining to the value of such Data, to the Insured or any other party, even if such Data cannot be recreated, gathered or assembled.
- 4 In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.
- 5 This endorsement supersedes and, if in conflict with any other wording in the Policy or any endorsement thereto having a bearing on Cyber Loss, Data or Data Processing Media, replaces that wording.

Definitions

- 6 Cyber Loss means any loss, damage, liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any Cyber Act or Cyber Incident including, but not limited to, any action

Checked

9

**Policy Number**

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taken in controlling, preventing, suppressing or remediating any Cyber Act or Cyber Incident.

- 7 Cyber Act means an unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any Computer System.
- 8 Cyber Incident means:
- 8.1 any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any Computer System; or
- 8.2 any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any Computer System.
- 9 Computer System means:
- 9.1 any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility, owned or operated by the Insured or any other party.
- 10 Data means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a Computer System.
- 11 Data Processing Media means any property insured by this Policy on which Data can be stored but not the Data itself.

LMA5400

11 November 2019

Checked

**Policy Number**

PRPNA2003219

Assured / account

G6 Hospitality, LLC

Unique market reference number

B0713PRPNA2003219

SANCTION LIMITATION AND EXCLUSION CLAUSE

No (re)insurer shall be deemed to provide cover and no (re)insurer shall 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 that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

Notwithstanding the above Sanction Limitation and Exclusion Clause (re)insurers hereon will honour their obligations under the terms and conditions of this Policy when all applicable sanctions, prohibitions or restrictions under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America have been lifted as if the sanction clause had not applied. Furthermore (re)insurers will extend the Proof of Loss Condition for as long as the relevant sanction applies.

15/09/10

LMA3100 (Amended)

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**Policy Number**

PRPNA2003219

Assured / account

G6 Hospitality, LLC

Unique market reference number

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TEXAS COMPLAINTS NOTICE

IMPORTANT NOTICE	AVISO IMPORTANTE
<p>To obtain information or make a complaint:</p> <p>You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights or complaints at:</p> <p style="text-align: center;">1-800-252-3439</p> <p>You may write the Texas Department of Insurance:</p> <p>P. O. Box 149104 Austin, TX 78714-9104 Fax: (512) 490-1007 Web: www.tdi.texas.gov E-mail: ConsumerProtection@tdi.texas.gov</p> <p>PREMIUM OR CLAIM DISPUTES:</p> <p>Should you have a dispute concerning your premium or about a claim you should contact the agent first. If the dispute is not resolved, you may contact the Texas Department of Insurance.</p> <p>ATTACH THIS NOTICE TO YOUR POLICY:</p> <p>This notice is for information only and does not become a part or condition of the attached document.</p>	<p>Para obtener información o para presentar una queja:</p> <p>Usted puede comunicarse con el Departamento de Seguros de Texas para obtener información sobre compañías, coberturas, derechos, o quejas al:</p> <p style="text-align: center;">1-800-252-3439</p> <p>Usted puede escribir al Departamento de Seguros de Texas a:</p> <p>P. O. Box 149104 Austin, TX 78714-9104 Fax: (512) 490-1007 Web: www.tdi.texas.gov E-mail: ConsumerProtection@tdi.texas.gov</p> <p>DISPUTAS POR PRIMAS DE SEGUROS O RECLAMACIONES: Si tiene una disputa relacionada con su prima de seguro o con una reclamación, usted debe comunicarse con el agente primero. Si la disputa no es resuelta, usted puede comunicarse con el Departamento de Seguros de Texas.</p> <p>ADJUNTE ESTE AVISO A SU PÓLIZA: Este aviso es solamente para propósitos informativos y no se convierte en parte o en condición del documento adjunto.</p>

19 October 2015

LMA9080B

TEXAS SURPLUS LINES CLAUSE

This insurance contract is with an insurer not licensed to transact insurance in this state and is issued and delivered as surplus line coverage under the Texas insurance statutes. The Texas Department of Insurance does not audit the finances or review the solvency of the surplus lines insurer providing this coverage, and the insurer is not a member of the property and casualty insurance guaranty association created under Chapter 462, Insurance Code. Chapter 225, Insurance Code, requires payment of a (4.85) percent tax on gross premium.

01/09/13

LMA9079

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**Policy Number**

PRPNA2003219

Assured / account

G6 Hospitality, LLC

Unique market reference number

B0713PRPNA2003219

SERVICE OF SUIT CLAUSE (U.S.A.)

This Service of Suit Clause will not be read to conflict with or override the obligations of the parties to arbitrate their disputes as provided for in any Arbitration provision within this Policy. This Clause is intended as an aid to compelling arbitration or enforcing such arbitration or arbitral award, not as an alternative to such Arbitration provision for resolving disputes arising out of this contract of insurance (or reinsurance).

It is agreed that in the event of the failure of the Underwriters hereon to pay any amount claimed to be due hereunder, the Underwriters hereon, at the request of the Insured (or Reinsured), will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this Clause constitutes or should be understood to constitute a waiver of Underwriters' 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 Lloyd's America, Inc.

Attention: Legal Department
280 Park Avenue, East Tower, 25th Floor
New York, NY 10017

and that in any suit instituted against any one of them upon this contract, Underwriters will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

The above-named are authorized and directed to accept service of process on behalf of Underwriters in any such suit and/or upon the request of the Insured (or Reinsured) to give a written undertaking to the Insured (or Reinsured) that they will enter a general appearance upon Underwriters' behalf in the event such a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefor, Underwriters hereon hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their 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 Reinsured) or any beneficiary hereunder arising out of this contract of insurance (or reinsurance), and hereby designate the above-named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

14/09/2005

LMA5020

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Policy Number

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Assured / account

G6 Hospitality, LLC

Unique market reference number

B0713PRPNA2003219

PPC4 (TOR) 4/86 (DIRECT)

It is a condition of this contract of insurance that the premium due at inception must be paid to and received by insurers on or before midnight on 1st March 2020.

If this condition is not complied with then this contract of insurance shall terminate on the above date with the insured hereby agreeing to pay premium calculated at not less than pro-rata temporis

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**Policy Number**

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Assured / account

G6 Hospitality, LLC

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SUBSCRIPTION AGREEMENT**SLIP LEADER:**

Lloyd's Syndicate No.1967 (WRB).

**BASIS OF
AGREEMENT TO
CONTRACT
CHANGES:**

All changes to be managed and agreed in accordance with the General Underwriters Agreement (version 2.0) February 2014 and the GUA Non-Marine Schedule (October 2001). Non bureaux markets to follow the agreement of the slip leader unless otherwise stated.

As regards Contract Change Endorsements where full market approval is deemed not necessary within the provisions of the GUA then, when required Lockton Companies LLP may be permitted to utilise email facilities to supply the 'follow' Underwriters with scanned copies of such Contract Change Endorsements for their records.

It is agreed that any increase/decrease in the total insured values by up to 10% may be agreed by the Slip Leader only.

One month automatic extension of period at pro rata premium to be agreed Slip Leader only.

Wherever practicable, between the broker and each (re)insurer which have at any time the ability to send and receive ACORD messages:

1. the broker agrees that any proposed contract change will be requested via an 'ACORD message' or using an ACORD enabled electronic trading platform;
2. whilst the parties may negotiate and agree any contract change in any legally effective manner, each relevant (re)insurer agrees to respond via an appropriate 'ACORD message' or using an ACORD enabled electronic trading platform;
3. where a (re)insurer has requested to receive notification of any contract change the broker agrees to send the notification via an 'ACORD message' or using an ACORD enabled electronic trading platform.

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**OTHER
AGREEMENT
PARTIES FOR
CONTRACT
CHANGES, FOR
PART 2 GUA
CHANGES ONLY:**

Slip Leader only to agree part two changes

**AGREEMENT
PARTIES FOR
CONTRACT
CHANGES, FOR
THEIR
PROPORTION
ONLY:**

None

**BASIS OF CLAIMS
AGREEMENT:**

As specified under the CLAIMS AGREEMENT PARTIES and to be managed in accordance with:

- i) The SINGLE CLAIMS AGREEMENT PARTY ARRANGEMENTS - LMA9150 for claims or circumstances assigned as Single Claims Agreement Party Claims (SCAP Claims) or, where it is not applicable, then the following shall apply as appropriate:
- ii) The Lloyd's Claims Scheme (Combined), or as amended or any successor thereto.
- iii) IUA claims agreement practices.
- iv) The practices of any company(ies) electing to agree claims in respect of their own participation.

The applicable arrangements (scheme, agreement or practices) will be determined by the rules and scope of said arrangements and should be referred to as appropriate.

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**CLAIMS
AGREEMENT
PARTIES:**

- A. Claims falling within the scope of the LMA9150 to be agreed by Slip Leader only on behalf of all (re)insurers subscribing (1) to this Contract on the same contractual terms (other than premium and brokerage) and (2) to these Arrangements.

For the purposes of calculating the Threshold Amount, the sterling rate on the date that a financial value of the claim is first established by the Slip Leader shall be used and the rate of exchange shall be the Bank of England spot rate for the purchase of sterling at the time of the deemed conversion.

B. For all other claims:

- i) For Lloyd's syndicates:
The leading Lloyd's syndicate and, where required by the applicable Lloyd's Claims Scheme, the second Lloyd's syndicate.
The second Lloyd's Syndicate is _____
- ii) Those companies acting in accordance with the IUA claims agreement practices, excepting those that may have opted out via iii below
- iii) Those companies that have specifically elected to agree claims in respect of their own participation: Not Applicable
- iv) All other subscribing insurers that are not party to the Lloyd's/IUA claims agreement practices, each in respect of their own participation.

CLAIMS**ADMINISTRATION:**

Where appropriate, Lockton Companies LLP and insurers agree that any claims hereunder (including any claims related costs/fees) will be notified and administered via ECF with any payment(s) processed via CLASS, unless both parties agree to do otherwise.

Where claims or circumstances are not administered via ECF, notification, administration and payment(s) will be electronic.

Where a Lloyd's syndicate or IUA company is not an agreement party to the claim or circumstance (per CLAIMS AGREEMENT PARTIES A. above), they agree to accept correct ECF sequences for administrative purposes to ensure information is circulated to all subscribing parties.

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**RULES AND
EXTENT
OF ANY OTHER
DELEGATED
CLAIMS
AUTHORITY:**

None required.

**EXPERT(S) FEES
COLLECTION:**In respect of Claims related experts Fees:

Xchanging 'Experts Fees Service' or similar third party collection agency to be used as service provider for all slip security, including overseas insurers.

In the event the broker collects any expert fees the following would apply:

The following terms covering treatment of money shall NOT apply to any Lloyd's Managing Agent who have all agreed specific Terms of Business with Lockton Companies LLP ("LCLLP"). These terms shall ONLY apply to Insurance Companies or Underwriting Agents ('underwriter') who do NOT have a current Terms of Business or letter agreement in place with LCLLP, as follows:

Where LCLLP holds claims adjustment, legal, survey or other experts fee monies that it receives from Insurers for onward payment, the Broker will hold such fee monies on behalf of Underwriters and not the client. It is a requirement of English law (as specified in the FCA Client Assets Sourcebook 'CASS') that Risk Transfer shall apply and that Underwriters shall hereby agree and consent to "the Broker co-mingling such experts fee monies in its client non-statutory trust account and that Underwriters rights to such monies shall be subordinated to those of the Brokers other clients".

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**SETTLEMENT
DUE DATE:**1st March 2020

In the absence of an insurer specified Settlement Due Date shown herein or within any contract endorsement attaching hereto, the Settlement Due Date will be calculated by applying the terms of trade for the original premium to whichever is the later of either:

1. the latest effective date of the subject matter of the contract endorsement; or
2. the date on which the final insurer agreement is obtained.

**BUREAUX
ARRANGEMENTS:**

Delinked accounts to be presented by Lockton Companies LLP to LPSO/XIS (Ins-sure).

Premium payment requirements deemed met if accounts are correctly released for settlement to LPSO/XIS (Ins-sure) in line with bureaux procedures on or before the settlement due date.

Insurers(s) agree to accept/settle accounts at rate of exchange declared by Lockton Companies LLP

Insurer(s) to sign any deferred premium instalments as Additional Premium(s); however, any annual instalments to be allocated to respective year of account.

Insurer(s) hereby agree to permit Xchanging Ins-sure Services to take down For Declaration Only (FDO) signing for the purpose of issuing the policy, prior to the SDD.

Where settlement due date, Premium Payment Condition (PPC) or Premium Warranty (PPW) due date falls on a weekend or bank holiday, presentation to LPSO/XIS (Ins-Sure) or Insurer(s) hereon as applicable on next working day will be deemed compliant with PPC or PPW. Where the PPC/PPW is later than the SDD the SDD is automatically deemed updated to be the same as the PPC/PPW.

Closings and/or PANS may be issued on a net equivalent downwards basis if required by Lockton Companies LLP

IUA companies not domiciled in London agree authorise XIS slip endorsements without sight of Insurers agreement. Lockton Companies LLP to note on endorsement date of Insurers written agreement.

In the event of formal policy being required a J (NMA2420) or Ja (NMA2421) is to apply.

Where an insurer(s) has not applied a separate reference a risk code applicable hereon, then the first reference for the insurer(s) is deemed to apply

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**Policy Number**

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G6 Hospitality, LLC

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Insurers agree that the broker may release delinked premiums for this contract into settlement at different times.

Where the territorial limit states Worldwide, this is deemed to exclude the sanctioned countries of Cuba, Iran, Crimea, Sudan, Syria and The Democratic People's Republic of Korea.

**NON-BUREAUX
ARRANGEMENTS:**

Insurer(s) agree to accept/settle accounts at rate of exchange declared by Lockton Companies LLP.

Where settlement due date, Premium Payment Condition (PPC) or Premium Warranty (PPW) due date falls on a weekend or bank holiday, payment to Insurer(s) hereon as applicable on next working day will be deemed compliant with PPC or PPW.

Closings may be issued on a net equivalent downwards basis if required by Lockton Companies LLP.

**NOTICE OF
CANCELLATION
PROVISIONS:**

The content and format of any such notice should be in accordance with the 'Notice of Cancellation' standard, as published by the London Market Group (LMG), or their successor body, on behalf of London Market Associations and participants. However failure to comply with this standard will not affect the validity of the notice given.

Further to any provision which may be contained within the policy wording all notices of cancellation shall be provided to the broker by email in addition to any other provision within the policy wording.

Failure to comply with this delivery requirement will make the notice null and void. Satisfactory delivery of the notice will cause it to be effective irrespective of whether the broker has acknowledged receipt.

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**Policy Number**

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G6 Hospitality, LLC

Unique market reference number

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FISCAL AND REGULATORY**TAX PAYABLE BY
INSURER(S):**

None

**COUNTRY OF
ORIGIN:**

United States of America.

OVERSEAS BROKER:Lockton Companies, 2100 Ross Ave., Suite 1400, Dallas, TX 75201,
U.S.A.**SURPLUS LINES
BROKER:**Lockton Companies LLC, 444 W. 47th Street, Kansas City, MO
64112.**STATE OF FILING:****Home State:**

Texas

License Agent/Name:

Lockton Companies, LLC

License Number:

1375931

**US
CLASSIFICATION:**

US Surplus Lines

**ALLOCATION OF
PREMIUM TO
CODING:**

100% P2

**REGULATORY
CLIENT
CLASSIFICATION:**

Large Risk

Checked



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BROKER REMUNERATION & DEDUCTIONS

**FEE PAYABLE BY
CLIENT:**

No

**TOTAL
BROKERAGE:**

20% of gross premium.

**OTHER
DEDUCTIONS
FROM PREMIUM:**

None

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Unique market reference number

B0713PRPNA2003219

SECURITY DETAILS**INSURER'S
LIABILITY:****(RE)INSURERS LIABILITY CLAUSE****(Re)insurer's liability several not joint**

The liability of a (re)insurer under this contract is several and not joint with other (re)insurers party to this contract. A (re)insurer is liable only for the proportion of liability it has underwritten. A (re)insurer is not jointly liable for the proportion of liability underwritten by any other (re)insurer. Nor is a (re)insurer otherwise responsible for any liability of any other (re)insurer that may underwrite this contract.

The proportion of liability under this contract underwritten by a (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp. This is subject always to the provision concerning "signing" below.

In the case of a Lloyd's syndicate, each member of the syndicate (rather than the syndicate itself) is a (re)insurer. Each member has underwritten a proportion of the total shown for the syndicate (that total itself being the total of the proportions underwritten by all the members of the syndicate taken together). The liability of each member of the syndicate is several and not joint with other members. A member is liable only for that member's proportion. A member is not jointly liable for any other member's proportion. Nor is any member otherwise responsible for any liability of any other (re)insurer that may underwrite this contract. The business address of each member is Lloyd's, One Lime Street, London EC3M 7HA. The identity of each member of a Lloyd's syndicate and their respective proportion may be obtained by writing to Market Services, Lloyd's, at the above address.

Proportion of liability

Unless there is "signing" (see below), the proportion of liability under this contract underwritten by each (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp and is referred to as its "written line".

Checked

**Policy Number**

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Assured / account

G6 Hospitality, LLC

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Where this contract permits, written lines, or certain written lines, may be adjusted ("signed"). In that case a schedule is to be appended to this contract to show the definitive proportion of liability under this contract underwritten by each (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together). A definitive proportion (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of a Lloyd's syndicate taken together) is referred to as a "signed line". The signed lines shown in the schedule will prevail over the written lines unless a proven error in calculation has occurred.

Although reference is made at various points in this clause to "this contract" in the singular, where the circumstances so require this should be read as a reference to contracts in the plural.

LMA3333

21 June 2007

ORDER HEREON: As per total signed lines as detailed in Security Details herein.

**BASIS OF WRITTEN
LINES:**

Percentage of Whole
NMA2419 Lines Clause.

**SIGNING
PROVISIONS:**

In the event that the written lines hereon exceed 100% of the order, any lines written "to stand" will be allocated in full and all other lines will be signed down in equal proportions so that the aggregate signed lines are equal to 100% of the order without further agreement of any of the (re)insurers.

However:

- a) in the event that the placement of the order is not completed by the commencement date of the period of insurance then all lines written by that date will be signed in full;
- b) the insured may elect for the disproportionate signing of insurers' lines, without further specific agreement of insurers, providing that any such variation is made prior to the commencement date of the period of insurance, and that lines written "to stand" may not be varied without the documented agreement of those insurers;

Checked

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- c) the signed lines resulting from the application of the above provisions can be varied, before or after the commencement date of the period of insurance, by the documented agreement of the insured and all insurers whose lines are to be varied. The variation to the contracts will take effect only when all such insurers have agreed, with the resulting variation in signed lines commencing from the date set out in that agreement.

LINE**CONDITIONS:**

None

Checked

A handwritten signature, possibly "es", is enclosed in a rectangular box.

SECURITY DETAILS

REFERENCES

UMR (Unique Market Reference): B0713PRPNA2003219

Date contract printed to PDF: 08:25 02 January 2020

SIGNED UNDERWRITERS

W. R. Berkley Syndicate Limited

Simon Anthony

Written Line	7.5%	Signed Line	7.5%
Agreed on	09:49 31 December 2019		

For and on behalf of:

Lloyd's Underwriter Syndicate No. 1967 WRB,
London, England

Written Line

7.5%

Signed Line

7.5%

Bound as Slip Leader, Lloyd's Leader

<i>Lloyd's Stamp:</i>	1967
<i>LORS Code:</i>	L1967
<i>Reference:</i>	P05050Y19SJA
<i>Description:</i>	
<i>Risk Code(s):</i>	P2

Sompo International

Ed Martin-Prud'homme

Written Line	7.5%	Signed Line	7.5%
Agreed on	10:16 31 December 2019		

For and on behalf of:

Endurance Worldwide Insurance Ltd, LIRMA
E9105, London, England

Written Line

7.5%

Signed Line

7.5%

Bound as XIS Leader

<i>XIS Code:</i>	E9105
<i>LORS Code:</i>	N1610
<i>Reference:</i>	LPR105988205
<i>Description:</i>	EWIL P10m

SETTLEMENT INFORMATION

Allocation of Premium to Coding

P2 at 100.00%

Allocation of Premium to Year of Account

2020

Terms of Settlement

Settlement Due Date: 01 March 2020

Instalment Premium Period of Credit: 0 day(s)

Adjustment Premium Period of Credit: 0 day(s)

Endurance Worldwide Insurance Ltd, LIRMA E9105, London, England

Leading XIS Company

Ed Martin-Prud'homme

Lloyd's Underwriter Syndicate No. 1967 WRB, London, England

Bureau Leader and Lloyd's Leader

Simon Anthony

EXHIBIT D

Lloyd's Ascot Policy

**Policy Number**

PRPNA2003221

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RISK DETAILS**UNIQUE MARKET
REFERENCE:**

B0713PRPNA2003221

TYPE:

ALL RISKS OF DIRECT PHYSICAL LOSS OR DAMAGE,
Including Flood, Earthquake / Earthquake Sprinkler Leakage, as more
fully defined in the Co-Insuring Policy Wording.

INSURED:

G6 Hospitality, LLC and any subsidiary, affiliated, associated, or
allied company, corporation, firm, organization, and the Insured's
interest in partnerships and/or joint ventures, and/or any owned
(wholly or partially) or controlled company(ies) where the Insured
maintains an interest, as now or hereafter constituted or acquired; and
any other party or interest that is required by contract or agreement as
defined in the Co-Insuring Policy Wording.

ADDRESS:

4001 International Parkway, Carrollton, TX, 75007, U.S.A.

PERIOD:

From 1st January 2020 to 1st January 2021 both days at 12.01 a.m.
Standard Time at the location of the property (re)insured (or date
and/or period to be agreed by the Slip Leader only).

INTEREST:

REAL AND PERSONAL PROPERTY and TIME ELEMENT, as
more fully defined in the Policy Wording and as per schedule
initialled by underwriters.

SUM INSURED:

USD 10,000,000 per occurrence and in the annual aggregate separately
in respect of the perils of Flood and Earthquake.

EXCESS OF

Various deductible amounts as set forth in the attached Schedule of
Primary Policy Deductibles.

Subject to the Schedule of Program Sublimits attached, and as more
fully defined in the Co-Insuring Policy Wording.

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30/12/19

**Policy Number**

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SITUATION:

This policy insures within and between the 50 states comprising the United States of America, the District of Columbia, Puerto Rico, and including any other territories and possessions of the foregoing. The territory includes coastal and inland waterways between points and places therein.

As respects coverage for interdependency provided under Clause 7.B. and coverage provided under Clause 8.A.1. of the Co-Insuring Policy Wording, the territory shall be worldwide.

CONDITIONS:

This policy co-insures with Policy Number: PRPNA2000673 issued by Lloyd's Syndicate No.1969 (APL) or renewal or replacement thereof.

This Policy is subject to the same Terms, Clauses, Conditions and Interests as the Co-Insuring Policy (numbered above) excluding Limit of Liability and Annual Premium or as detailed herein.

War Exclusion Clause as per Co-Insuring Policy Wording.

NMA2920 Terrorism Exclusion Endorsement.

Radioactive Contamination Exclusion as per Co-Insuring Policy Wording.

Fraudulent or dishonest act or acts as per Co-Insuring Policy Wording. LMA5219 U.S. Terrorism Risk Insurance Act of 2002 as amended Not Purchased Clause to apply if no formal confirmation received from the Insured prior to inception.

Third Party Deductible Requirements Clause, as per Co-Insuring Policy Wording.

Notice of Cancellation to Third Parties Clause, as per Co-Insuring Policy Wording.

Quarterly Adjustment Endorsement, as attached.

Contagious Disease Clause, as attached.

Loss Payees and/or Mortgagees and/or Additional Named Insured's automatically agreed hereon as and where applicable without advice.

Agree, if required, to allow agent to issue Certificates and/or Verifications and/or Evidence of Insurance without advice.

Final going in values and premium to be agreed by the Slip Leader only.

Underwriters hereon agree to maintain written dollar lines part of a reduced Sum Insured at terms agreed Slip Leader only.

The assigned adjuster for all losses will be Mike Beach at McLarens, 1200 Roosevelt Road, Suite 206, Glen Ellyn, Illinois 60137, or as may be mutually agreed between the Insured and the Slip Leader only.

Checked

**Policy Number**

PRPNA2003221

Assured / account

G6 Hospitality, LLC

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**CONDITIONS
(CONTINUED):****Notification of Claims:**

Lockton Companies, 2100 Ross Ave., Suite 1400, Dallas, TX
75201, U.S.A.

Global Risks Claims, Lockton Companies LLP, The St Botolph
Building, 138 Houndsditch, London, EC3A 7AG.

LMA5400 Property Cyber and Data Endorsement.

LMA3100 (Amended) Sanction Limitation and Exclusion Clause.

NOTICES:

LMA9080B Texas Complaints Notice.

LMA9079 Texas Surplus Lines Notice.

**CHOICE OF LAW &
JURISDICTION:**

This Policy shall be subject to the applicable state law to be
determined by the court of competent jurisdiction as determined by
the provisions of the Service of Suit clause within this Policy.

Service of Suit: LMA5020 Service of Suit (U.S.A.) naming:
Lloyd's America, Inc.
Attention: Legal Department
280 Park Avenue, East Tower, 25th Floor
New York, NY 10017.

PREMIUM:

USD 4,500,000 (100%) annual.

Reporting and payment of US Federal Excise Tax in relation to this
(re)insurance is the responsibility of each individual (re)insurer where
FET is due for their share.

PAYMENT TERMS:

PPC4 (TOR) 4/86 (Direct) 713NHG00424 (60 days) as attached.

Any extensions to the Premium Payment Condition to be agreed by
the Slip Leader only.

**TAXES PAYABLE BY
THE INSURED AND
ADMINISTERED BY
INSURERS:**

None Applicable

Checked

**Policy Number**

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**RECORDING,
TRANSMITTING &
STORING
INFORMATION:**

Where Lockton Companies LLP maintains risk and claim data / information / documents Lockton Companies LLP may hold and transmit data / information / documents electronically.

**INSURER
CONTRACT
DOCUMENTATION:**

This document details the contract terms entered into by the (re)insurer(s) and constitutes the contract document.

Any further documentation changing this contract, agreed in accordance with the contract change provisions set out in this contract, shall form the evidence of such change.

This contract is subject to US state surplus lines requirements. It is the responsibility of the surplus lines broker to affix a surplus lines notice to the contract document before it is provided to the insured. In the event that the surplus lines notice is not affixed to the contract document the insured should contact the surplus lines broker.

**NOTICE OF
CANCELLATION
PROVISIONS:**

Where (re)insurers have the right to give notice of cancellation, in accordance with the provisions of the contract, then to the extent provided by the contract any (re)insurer may issue such notice in respect of its own participation.

Checked

**Policy Number**

PRPNA2003221

Assured / account

G6 Hospitality, LLC

Unique market reference number

B0713PRPNA2003221

SCHEDULE OF PRIMARY POLICY DEDUCTIBLES (FOR 100%)

(To apply Per Occurrence Unless Otherwise Stated)

- A. All loss or damage arising out of any one **occurrence** shall be adjusted as one loss and the amount of such adjusted loss shall be deducted from an annual aggregate deductible of USD 2,500,000. When the aggregate is exhausted, a USD 100,000 per occurrence deductible will apply. Only the portion of loss or damage exceeding USD 100,000 will apply to the aggregate. Losses relating to **Flood, Earthquake, and Named Windstorm in Tier 1 Counties** do not apply to the aggregate.

Named Windstorm:

The sum of USD 100,000 shall be deducted from any adjusted loss due to the peril of Named Windstorm, except;

As respects the peril of **Named Windstorm in Tier 1 Counties**, the sum of 5% of the total values declared by insured, as per Statement of Values on file with Insurer at the time of loss, at each location submitting a claim, to be calculated separately for each unit of insurance which sustains loss or damage, subject to a minimum of USD 500,000 per location with a maximum of USD 2,500,000 per occurrence.

Flood:

With respect to buildings and structures located wholly or partially within **Special Flood Hazard Areas (SFHA)** as outlined in Endorsement #10:

- a) If insurance is maintained through the National Flood Insurance Program (NFIP) or any other primary or underlying policy or program covering property damaged by flood, with limits equal to the full replacement cost of the building and contents, or the maximum NFIP limit available per building and contents, then the deductible shall be the amount payable from NFIP or other primary or underlying insurance for such damage plus USD 50,000 per occurrence (not per building) for any Business Interruption or rental value loss.
- b) If insurance is not maintained through NFIP or any other primary or underlying policy or program covering property damaged by flood, the deductible shall be the maximum amount available under NFIP.

Checked

**Policy Number**

PRPNA2003221

Assured / account

G6 Hospitality, LLC

Unique market reference number

B0713PRPNA2003221

SCHEDULE OF PRIMARY POLICY DEDUCTIBLES (FOR 100%) continued
(To apply Per Occurrence Unless Otherwise Stated)

In the event that underlying insurance is maintained through NFIP or any other primary or underlying policy or program, it is agreed that this policy shall be excess over the amount payable under such National Flood Insurance Policy(ies). Insurance maintained through NFIP shall be considered Underlying Insurance.

With respect to any other **Flood** loss, the sum of 5% of the total values declared by insured, as per Statement of Values on file with Insurer at the time of loss, at each location submitting a claim, to be calculated separately for each unit of insurance which sustains loss or damage, subject to a minimum of USD 25,000 with a maximum of USD 100,000 per occurrence.

Earthquake:

The sum of USD 100,000 shall be deducted from any adjusted loss due to the peril of Earthquake, except;

As respects the peril of **Earthquake** in the States of California and Alaska, the sum of 5% of the total values declared by insured, as per Statement of Values on file with Insurer at the time of loss, at each location submitting a claim, to be calculated separately for each unit of insurance which sustains loss or damage, subject to a minimum of USD 250,000 per occurrence.

As respects the peril of **Earthquake** in Hawaii, **New Madrid** and **Pacific Northwest** Territories, the sum of 2% of the total values declared by insured, as per Statement of Values on file with Insurer at the time of loss, at each location submitting a claim, to be calculated separately for each unit of insurance which sustains loss or damage, subject to a minimum of USD 100,000 per occurrence.

- B. In the event of loss or damage involving more than one deductible, the Insured can either elect to have the deductibles apply separately or have the single largest deductible apply.
- C. The deductible amount specified in Clause A. above shall not apply to General Average contributions and/or salvage charges.

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SCHEDULE OF PRIMARY POLICY DEDUCTIBLES (FOR 100%) continued

(To apply Per Occurrence Unless Otherwise Stated)

- D. If other insurance applies to the same property as insured hereunder, and to the extent recovery is made from such other insurance, the deductible under this policy shall be reduced by such recovery, but in no event shall the deductible under this policy be less than shown in the policy. If recovery from such other insurance is greater than the deductible in this policy, then the deductible under this policy shall not apply.
- E. In any **occurrence** where loss or damage is caused by more than one cause of loss or damage (peril) insured against under this policy or occurs at more than one location or building, the Insured shall have the right to separate the loss amount by peril or location or building for the purposes of application of the deductible(s) specified in this section, notwithstanding the above reference to two or more deductibles and the policy limits.
- F. Unit of Insurance: The following shall be considered a separate unit of insurance: (1) each separate building or structure; (2) the contents of each separate building or structure; (3) property in each yard; (4) business interruption for the twelve month period immediately following the loss.

As more fully defined in the Co-Insuring Policy Wording.

Checked

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**Policy Number**

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G6 Hospitality, LLC

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SCHEDULE OF PROGRAM SUBLIMITS (FOR 100%)

(To apply Per Occurrence Unless Otherwise Stated and Excess of the Primary Policy Deductibles)

In the event of loss or damage insured under this policy, this **Insurer** shall be liable for its proportional share of USD100,000,000 per **occurrence** except as respects the following, excess of the policy deductibles:

USD100,000,000	Flood per occurrence and annual aggregate, except;
USD50,000,000	Flood per occurrence and annual aggregate for buildings and structures located wholly or partially within Special Flood Hazard Areas as outlined in Endorsement #10 of the Policy Wording.
USD100,000,000	Earthquake per occurrence and annual aggregate, except;
USD40,000,000	Earthquake per occurrence and annual aggregate within the States of California, Alaska and Hawaii and Puerto Rico
USD100,000,000	Earthquake per occurrence and annual aggregate within the Pacific Northwest and New Madrid Territories
USD100,000,000	Named Windstorm
USD25,000,000	Accounts Receivable
USD10,000,000	Civil or Military Authority
USD1,500,000	Contagious Diseases per occurrence and annual aggregate
USD1,000,000	Contingent Business Interruption and Contingent Extra Expense including Attraction Properties
USD1,000,000	Defense Costs
Included	Electronic Data Processing Equipment
USD10,000,000	Electronic Data and Media
USD10,000,000	Errors and Omissions
365 days	Extended Period of Indemnity
USD2,500,000	Expediting Expense
USD5,000,000	Historic Properties
USD10,000,000	Ingress/Egress
USD1,000,000	Loss Adjustment Expense
USD15,000,000	Miscellaneous Unnamed Locations, per Location
USD2,500,000	Mold Coverage per occurrence and annual aggregate provided for in Endorsement #1 of the Policy Wording.
USD50,000,000	Newly Acquired Locations – 120 days reporting – Miscellaneous Unnamed Locations sublimit applies after 120 days
USD2,500,000	Offsite Storage Locations
60 Days	Ordinary Payroll
USD1,000,000	Outdoor Property: Trees, Shrubs, Plants and Landscaping

Checked

**Policy Number**

PRPNA2003221

Assured / account

G6 Hospitality, LLC

Unique market reference number

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SCHEDULE OF PROGRAM SUBLIMITS (FOR 100%) continued

(To apply Per Occurrence Unless Otherwise Stated and Excess of the Primary Policy Deductibles)

USD500,000	Pollutant Clean Up of Land and Water per occurrence and annual aggregate
USD10,000,000	Property in the Course of Construction, Erection, Installation or Assembly
USD500,000	Property of Officers, Employees, Hotel Guests or Tenants
60 days	Service Interruption – Business Interruption and Extra Expense
USD1,000,000	Soft Costs
USD1,000,000	Tenant/Hotel Guest Emergency Evacuation – per occurrence and annual aggregate
USD1,000,000	Tenant and Hotel Guest Relocation Expense – per occurrence and annual aggregate
USD250,000	Transit per conveyance per occurrence
USD5,000,000	Upgrade to Green provided for in Endorsement #8 of the Policy Wording.

Waiting Periods:

24 hour waiting period shall apply to loss due to Service Interruption.

Waiting period application: The insurer will not be liable for any Loss or Damage unless the period of interruption exceeds the specified waiting period. Once the period of liability exceeds 24 hours, coverage then applies to the entire period of interruption subject to the Policy Deductible.

APPLICATION OF LIMITS OF LIABILITY - This Policy may contain sublimits applicable to specific locations or specific coverage's or specific causes of loss. Such limits shall be the total payable as a result of a single occurrence (or an annual aggregate of certain occurrences where so specified) and neither the policy limit nor any sublimit shall be increased by the application of one or more sublimits.

As more fully defined in the Co-Insuring Policy Wording.

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G6 Hospitality, LLC

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INFORMATION

As per Lockton Companies LLP Underwriting Submission dated November 2019, which seen, noted, understood and agreed by Underwriters hereon and uploaded to PPL.

Values:

Building:	USD 1,248,161,010
Contents:	USD 274,940,511
<u>Business Interruption:</u>	<u>USD 455,166,295</u>
Total Insurable Values:	USD 1,978,267,816

Business Description:

G6 Hospitality owns, operates and franchises 1,300 economy lodging locations under the iconic Motel 6 brand and the Studio 6 Extended Stay brand

Checked

30/12/19.

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TERRORISM EXCLUSION ENDORSEMENT

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism.

If the Underwriters allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Assured.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

08/10/01
NMA2920

Checked

30/12/09



Policy Number

PRPNA2003221

Assured / account

G6 Hospitality, LLC

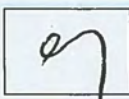
Unique market reference number

B0713PRPNA2003221

QUARTERLY ADJUSTMENT ENDORSEMENT

It is hereby agreed that changes in values will be submitted quarterly. Additional or return premiums will be calculated annually using rates to be agreed upon, subject to a total change in values of more than 5% of the Total Insurable Values on file with **Insurer** at time of policy inception. If total values do not increase or decrease more than 5%, due solely to the addition or deletion of locations, there will be no additional or return premium due.

Checked



Handwritten signature and date: 30/12/12

**Policy Number**

PRPNA2003221

Assured / account

G6 Hospitality, LLC

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**U.S. TERRORISM RISK INSURANCE ACT OF 2002 AS AMENDED
NOT PURCHASED CLAUSE**

This Clause is issued in accordance with the terms and conditions of the "U.S. Terrorism Risk Insurance Act of 2002" as amended as summarized in the disclosure notice.

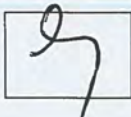
It is hereby noted that the Underwriters have made available coverage for "insured losses" directly resulting from an "act of terrorism" as defined in the "U.S. Terrorism Risk Insurance Act of 2002", as amended ("TRIA") and the Insured has declined or not confirmed to purchase this coverage.

This Insurance therefore affords no coverage for losses directly resulting from any "act of terrorism" as defined in TRIA except to the extent, if any, otherwise provided by this policy.

All other terms, conditions, insured coverage and exclusions of this Insurance including applicable limits and deductibles remain unchanged and apply in full force and effect to the coverage provided by this Insurance.

LMA5219
12 January 2015

Checked



30/12/17

**Policy Number**

PRPNA2003221

Assured / account

G6 Hospitality, LLC

Unique market reference number

B0713PRPNA2003221

CONTAGIOUS DISEASE

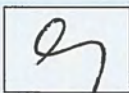
This policy is extended to insure loss as insured hereunder when there is an interruption or interference with the business of the Insured as a consequence of:

infectious or contagious disease manifested by any person while on the premises of the Insured;

Closing of the whole or part of the premises of the Insured by order of a competent public authority consequent upon the existence or threat of hazardous conditions either actual or suspected at the premises of the Insured.

All other terms, clauses and conditions remain unaltered.

Checked



**Policy Number**

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Assured / account

G6 Hospitality, LLC

Unique market reference number

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PROPERTY CYBER AND DATA ENDORSEMENT

- 1 Notwithstanding any provision to the contrary within this Policy or any endorsement thereto this Policy excludes any:
 - 1.1 Cyber Loss, unless subject to the provisions of paragraph 2;
 - 1.2 loss, damage, liability, claim, cost, expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any Data, including any amount pertaining to the value of such Data, unless subject to the provisions of paragraph 3;regardless of any other cause or event contributing concurrently or in any other sequence thereto.
- 2 Subject to all the terms, conditions, limitations and exclusions of this Policy or any endorsement thereto, this Policy covers physical loss or physical damage to property insured under this Policy caused by any ensuing fire or explosion which directly results from a Cyber Incident, unless that Cyber Incident is caused by, contributed to by, resulting from, arising out of or in connection with a Cyber Act including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act.
- 3 Subject to all the terms, conditions, limitations and exclusions of this Policy or any endorsement thereto, should Data Processing Media owned or operated by the Insured suffer physical loss or physical damage insured by this Policy, then this Policy will cover the cost to repair or replace the Data Processing Media itself plus the costs of copying the Data from back-up or from originals of a previous generation. These costs will not include research and engineering nor any costs of recreating, gathering or assembling the Data. If such media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank Data Processing Media. However, this Policy excludes any amount pertaining to the value of such Data, to the Insured or any other party, even if such Data cannot be recreated, gathered or assembled.
- 4 In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.
- 5 This endorsement supersedes and, if in conflict with any other wording in the Policy or any endorsement thereto having a bearing on Cyber Loss, Data or Data Processing Media, replaces that wording.

Definitions

- 6 Cyber Loss means any loss, damage, liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any Cyber Act or Cyber Incident including, but not limited to, any action

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**Policy Number**

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taken in controlling, preventing, suppressing or remediating any Cyber Act or Cyber Incident.

- 7 Cyber Act means an unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any Computer System.
- 8 Cyber Incident means:
- 8.1 any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any Computer System; or
- 8.2 any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any Computer System.
- 9 Computer System means:
- 9.1 any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility, owned or operated by the Insured or any other party.
- 10 Data means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a Computer System.
- 11 Data Processing Media means any property insured by this Policy on which Data can be stored but not the Data itself.

LMA5400

11 November 2019

Checked

**Policy Number**

PRPNA2003221

Assured / account

G6 Hospitality, LLC

Unique market reference number

B0713PRPNA2003221

SANCTION LIMITATION AND EXCLUSION CLAUSE

No (re)insurer shall be deemed to provide cover and no (re)insurer shall 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 that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

Notwithstanding the above Sanction Limitation and Exclusion Clause (re)insurers hereon will honour their obligations under the terms and conditions of this Policy when all applicable sanctions, prohibitions or restrictions under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America have been lifted as if the sanction clause had not applied. Furthermore (re)insurers will extend the Proof of Loss Condition for as long as the relevant sanction applies.

15/09/10

LMA3100 (Amended)

Checked

30/12/19

**Policy Number**

PRPNA2003221

Assured / account

G6 Hospitality, LLC

Unique market reference number

B0713PRPNA2003221

TEXAS COMPLAINTS NOTICE

IMPORTANT NOTICE	AVISO IMPORTANTE
<p>To obtain information or make a complaint:</p> <p>You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights or complaints at:</p> <p style="text-align: center;">1-800-252-3439</p> <p>You may write the Texas Department of Insurance:</p> <p>P. O. Box 149104 Austin, TX 78714-9104 Fax: (512) 490-1007 Web: www.tdi.texas.gov E-mail: ConsumerProtection@tdi.texas.gov</p> <p>PREMIUM OR CLAIM DISPUTES:</p> <p>Should you have a dispute concerning your premium or about a claim you should contact the agent first. If the dispute is not resolved, you may contact the Texas Department of Insurance.</p> <p>ATTACH THIS NOTICE TO YOUR POLICY:</p> <p>This notice is for information only and does not become a part or condition of the attached document.</p>	<p>Para obtener información o para presentar una queja:</p> <p>Usted puede comunicarse con el Departamento de Seguros de Texas para obtener información sobre compañías, coberturas, derechos, o quejas al:</p> <p style="text-align: center;">1-800-252-3439</p> <p>Usted puede escribir al Departamento de Seguros de Texas a:</p> <p>P. O. Box 149104 Austin, TX 78714-9104 Fax: (512) 490-1007 Web: www.tdi.texas.gov E-mail: ConsumerProtection@tdi.texas.gov</p> <p>DISPUTAS POR PRIMAS DE SEGUROS O RECLAMACIONES: Si tiene una disputa relacionada con su prima de seguro o con una reclamación, usted debe comunicarse con el agente primero. Si la disputa no es resuelta, usted puede comunicarse con el Departamento de Seguros de Texas.</p> <p>ADJUNTE ESTE AVISO A SU PÓLIZA: Este aviso es solamente para propósitos informativos y no se convierte en parte o en condición del documento adjunto.</p>

19 October 2015
LMA9080B

TEXAS SURPLUS LINES CLAUSE

This insurance contract is with an insurer not licensed to transact insurance in this state and is issued and delivered as surplus line coverage under the Texas insurance statutes. The Texas Department of Insurance does not audit the finances or review the solvency of the surplus lines insurer providing this coverage, and the insurer is not a member of the property and casualty insurance guaranty association created under Chapter 462, Insurance Code. Chapter 225, Insurance Code, requires payment of a (4.85) percent tax on gross premium.

01/09/13
LMA9079

Checked

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30/12/13

**Policy Number**

PRPNA2003221

Assured / account

G6 Hospitality, LLC

Unique market reference number

B0713PRPNA2003221

SERVICE OF SUIT CLAUSE (U.S.A.)

This Service of Suit Clause will not be read to conflict with or override the obligations of the parties to arbitrate their disputes as provided for in any Arbitration provision within this Policy. This Clause is intended as an aid to compelling arbitration or enforcing such arbitration or arbitral award, not as an alternative to such Arbitration provision for resolving disputes arising out of this contract of insurance (or reinsurance).

It is agreed that in the event of the failure of the Underwriters hereon to pay any amount claimed to be due hereunder, the Underwriters hereon, at the request of the Insured (or Reinsured), will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this Clause constitutes or should be understood to constitute a waiver of Underwriters' 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 Lloyd's America, Inc.

Attention: Legal Department
280 Park Avenue, East Tower, 25th Floor
New York, NY 10017

and that in any suit instituted against any one of them upon this contract, Underwriters will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

The above-named are authorized and directed to accept service of process on behalf of Underwriters in any such suit and/or upon the request of the Insured (or Reinsured) to give a written undertaking to the Insured (or Reinsured) that they will enter a general appearance upon Underwriters' behalf in the event such a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefor, Underwriters hereon hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their 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 Reinsured) or any beneficiary hereunder arising out of this contract of insurance (or reinsurance), and hereby designate the above-named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

14/09/2005
LMA5020

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Policy Number

PRPNA2003221

Assured / account

G6 Hospitality, LLC

Unique market reference number

B0713PRPNA2003221

PPC4 (TOR) 4/86 (DIRECT)

It is a condition of this contract of insurance that the premium due at inception must be paid to and received by insurers on or before midnight on 1st March 2020.

If this condition is not complied with then this contract of insurance shall terminate on the above date with the insured hereby agreeing to pay premium calculated at not less than pro-rata temporis

713NHG00424

Checked

97

**Policy Number**

PRPNA2003221

Assured / account

G6 Hospitality, LLC

Unique market reference number

B0713PRPNA2003221

SUBSCRIPTION AGREEMENT**SLIP LEADER:**

Lloyd's Syndicate No.1414 (ASC).

**BASIS OF
AGREEMENT TO
CONTRACT
CHANGES:**

All changes to be managed and agreed in accordance with the General Underwriters Agreement (version 2.0) February 2014 and the GUA Non-Marine Schedule (October 2001). Non bureaux markets to follow the agreement of the slip leader unless otherwise stated.

As regards Contract Change Endorsements where full market approval is deemed not necessary within the provisions of the GUA then, when required Lockton Companies LLP may be permitted to utilise email facilities to supply the 'follow' Underwriters with scanned copies of such Contract Change Endorsements for their records.

It is agreed that any increase/decrease in the total insured values by up to 10% may be agreed by the Slip Leader only.

One month automatic extension of period at pro rata premium to be agreed Slip Leader only.

Wherever practicable, between the broker and each (re)insurer which have at any time the ability to send and receive ACORD messages:

1. the broker agrees that any proposed contract change will be requested via an 'ACORD message' or using an ACORD enabled electronic trading platform;
2. whilst the parties may negotiate and agree any contract change in any legally effective manner, each relevant (re)insurer agrees to respond via an appropriate 'ACORD message' or using an ACORD enabled electronic trading platform;
3. where a (re)insurer has requested to receive notification of any contract change the broker agrees to send the notification via an 'ACORD message' or using an ACORD enabled electronic trading platform.

Checked

**Policy Number**

PRPNA2003221

Assured / account

G6 Hospitality, LLC

Unique market reference number

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**OTHER
AGREEMENT
PARTIES FOR
CONTRACT
CHANGES, FOR
PART 2 GUA
CHANGES ONLY:**

Slip Leader only to agree part two changes

**AGREEMENT
PARTIES FOR
CONTRACT
CHANGES, FOR
THEIR
PROPORTION
ONLY:**

None

**BASIS OF CLAIMS
AGREEMENT:**

As specified under the CLAIMS AGREEMENT PARTIES and to be managed in accordance with:

- i) The SINGLE CLAIMS AGREEMENT PARTY ARRANGEMENTS - LMA9150 for claims or circumstances assigned as Single Claims Agreement Party Claims (SCAP Claims) or, where it is not applicable, then the following shall apply as appropriate:
- ii) The Lloyd's Claims Scheme (Combined), or as amended or any successor thereto.
- iii) IUA claims agreement practices.
- iv) The practices of any company(ies) electing to agree claims in respect of their own participation.

The applicable arrangements (scheme, agreement or practices) will be determined by the rules and scope of said arrangements and should be referred to as appropriate.

Checked

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30/12/19

**Policy Number**

PRPNA2003221

Assured / account

G6 Hospitality, LLC

Unique market reference number

B0713PRPNA2003221

**CLAIMS
AGREEMENT
PARTIES:**

- A. Claims falling within the scope of the LMA9150 to be agreed by Slip Leader only on behalf of all (re)insurers subscribing (1) to this Contract on the same contractual terms (other than premium and brokerage) and (2) to these Arrangements.

For the purposes of calculating the Threshold Amount, the sterling rate on the date that a financial value of the claim is first established by the Slip Leader shall be used and the rate of exchange shall be the Bank of England spot rate for the purchase of sterling at the time of the deemed conversion.

B. For all other claims:

- i) For Lloyd's syndicates:
The leading Lloyd's syndicate and, where required by the applicable Lloyd's Claims Scheme, the second Lloyd's syndicate.
The second Lloyd's Syndicate is Not Applicable
- ii) Those companies acting in accordance with the IUA claims agreement practices, excepting those that may have opted out via iii below
- iii) Those companies that have specifically elected to agree claims in respect of their own participation: Not Applicable
- iv) All other subscribing insurers that are not party to the Lloyd's/IUA claims agreement practices, each in respect of their own participation.

**CLAIMS
ADMINISTRATION:**

Where appropriate, Lockton Companies LLP and insurers agree that any claims hereunder (including any claims related costs/fees) will be notified and administered via ECF with any payment(s) processed via CLASS, unless both parties agree to do otherwise.

Where claims or circumstances are not administered via ECF, notification, administration and payment(s) will be electronic.

Where a Lloyd's syndicate or IUA company is not an agreement party to the claim or circumstance (per CLAIMS AGREEMENT PARTIES A. above), they agree to accept correct ECF sequences for administrative purposes to ensure information is circulated to all subscribing parties.

Checked

**Policy Number**

PRPNA2003221

Assured / account

G6 Hospitality, LLC

Unique market reference number

B0713PRPNA2003221

**RULES AND
EXTENT
OF ANY OTHER
DELEGATED
CLAIMS
AUTHORITY:**

None required.

**EXPERT(S) FEES
COLLECTION:**In respect of Claims related experts Fees:

Xchanging 'Experts Fees Service' or similar third party collection agency to be used as service provider for all slip security, including overseas insurers.

In the event the broker collects any expert fees the following would apply:

The following terms covering treatment of money shall NOT apply to any Lloyd's Managing Agent who have all agreed specific Terms of Business with Lockton Companies LLP ("LCLLP"). These terms shall ONLY apply to Insurance Companies or Underwriting Agents ('underwriter') who do NOT have a current Terms of Business or letter agreement in place with LCLLP, as follows:

Where LCLLP holds claims adjustment, legal, survey or other experts fee monies that it receives from Insurers for onward payment, the Broker will hold such fee monies on behalf of Underwriters and not the client. It is a requirement of English law (as specified in the FCA Client Assets Sourcebook 'CASS') that Risk Transfer shall apply and that Underwriters shall hereby agree and consent to "the Broker co-mingling such experts fee monies in its client non-statutory trust account and that Underwriters rights to such monies shall be subordinated to those of the Brokers other clients".

Checked

30/12/19

**Policy Number**

PRPNA2003221

Assured / account

G6 Hospitality, LLC

Unique market reference number

B0713PRPNA2003221

**SETTLEMENT
DUE DATE:**1st March 2020

In the absence of an insurer specified Settlement Due Date shown herein or within any contract endorsement attaching hereto, the Settlement Due Date will be calculated by applying the terms of trade for the original premium to whichever is the later of either:

1. the latest effective date of the subject matter of the contract endorsement; or
2. the date on which the final insurer agreement is obtained.

**BUREAUX
ARRANGEMENTS:**

Delinked accounts to be presented by Lockton Companies LLP to LPSO/XIS (Ins-sure).

Premium payment requirements deemed met if accounts are correctly released for settlement to LPSO/XIS (Ins-sure) in line with bureaux procedures on or before the settlement due date.

Insurers(s) agree to accept/settle accounts at rate of exchange declared by Lockton Companies LLP

Insurer(s) to sign any deferred premium instalments as Additional Premium(s); however, any annual instalments to be allocated to respective year of account.

Insurer(s) hereby agree to permit Xchanging Ins-sure Services to take down For Declaration Only (FDO) signing for the purpose of issuing the policy, prior to the SDD.

Where settlement due date, Premium Payment Condition (PPC) or Premium Warranty (PPW) due date falls on a weekend or bank holiday, presentation to LPSO/XIS (Ins-Sure) or Insurer(s) hereon as applicable on next working day will be deemed compliant with PPC or PPW. Where the PPC/PPW is later than the SDD the SDD is automatically deemed updated to be the same as the PPC/PPW.

Closings and/or PANS may be issued on a net equivalent downwards basis if required by Lockton Companies LLP

IUA companies not domiciled in London agree authorise XIS slip endorsements without sight of Insurers agreement. Lockton Companies LLP to note on endorsement date of Insurers written agreement.

In the event of formal policy being required a J (NMA2420) or Ja (NMA2421) is to apply.

Where an insurer(s) has not applied a separate reference a risk code applicable hereon, then the first reference for the insurer(s) is deemed to apply

Checked

30/12/19

**Policy Number**

PRPNA2003221

Assured / account

G6 Hospitality, LLC

Unique market reference number

B0713PRPNA2003221

Insurers agree that the broker may release delinked premiums for this contract into settlement at different times.

Where the territorial limit states Worldwide, this is deemed to exclude the sanctioned countries of Cuba, Iran, Crimea, Sudan, Syria and The Democratic People's Republic of Korea.

**NON-BUREAUX
ARRANGEMENTS:**

Insurer(s) agree to accept/settle accounts at rate of exchange declared by Lockton Companies LLP.

Where settlement due date, Premium Payment Condition (PPC) or Premium Warranty (PPW) due date falls on a weekend or bank holiday, payment to Insurer(s) hereon as applicable on next working day will be deemed compliant with PPC or PPW.

Closings may be issued on a net equivalent downwards basis if required by Lockton Companies LLP.

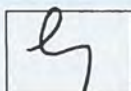
**NOTICE OF
CANCELLATION
PROVISIONS:**

The content and format of any such notice should be in accordance with the 'Notice of Cancellation' standard, as published by the London Market Group (LMG), or their successor body, on behalf of London Market Associations and participants. However failure to comply with this standard will not affect the validity of the notice given.

Further to any provision which may be contained within the policy wording all notices of cancellation shall be provided to the broker by email in addition to any other provision within the policy wording.

Failure to comply with this delivery requirement will make the notice null and void. Satisfactory delivery of the notice will cause it to be effective irrespective of whether the broker has acknowledged receipt.

Checked



30/12/19

**Policy Number**

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Assured / account

G6 Hospitality, LLC

Unique market reference number

B0713PRPNA2003221

FISCAL AND REGULATORY**TAX PAYABLE BY
INSURER(S):**

None

**COUNTRY OF
ORIGIN:**

United States of America.

OVERSEAS BROKER:Lockton Companies, 2100 Ross Ave., Suite 1400, Dallas, TX 75201,
U.S.A.**SURPLUS LINES
BROKER:**Lockton Companies LLC, 444 W. 47th Street, Kansas City, MO
64112.**STATE OF FILING:****Home State:**

Texas

License Agent/Name:

Lockton Companies, LLC

License Number:

1375931

US**CLASSIFICATION:**

US Surplus Lines

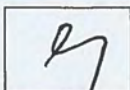
**ALLOCATION OF
PREMIUM TO
CODING:**

100% P2

**REGULATORY
CLIENT****CLASSIFICATION:**

Large Risk

Checked





Policy Number

PRPNA2003221

Assured / account

G6 Hospitality, LLC

Unique market reference number

B0713PRPNA2003221

BROKER REMUNERATION & DEDUCTIONS

**FEE PAYABLE BY
CLIENT:**

No

**TOTAL
BROKERAGE:**

20% of gross premium.

**OTHER
DEDUCTIONS
FROM PREMIUM:**

None

Checked

30/12/19

**Policy Number**

PRPNA2003221

Assured / account

G6 Hospitality, LLC

Unique market reference number

B0713PRPNA2003221

SECURITY DETAILS**INSURER'S
LIABILITY:****(RE)INSURERS LIABILITY CLAUSE****(Re)insurer's liability several not joint**

The liability of a (re)insurer under this contract is several and not joint with other (re)insurers party to this contract. A (re)insurer is liable only for the proportion of liability it has underwritten. A (re)insurer is not jointly liable for the proportion of liability underwritten by any other (re)insurer. Nor is a (re)insurer otherwise responsible for any liability of any other (re)insurer that may underwrite this contract.

The proportion of liability under this contract underwritten by a (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp. This is subject always to the provision concerning "signing" below.

In the case of a Lloyd's syndicate, each member of the syndicate (rather than the syndicate itself) is a (re)insurer. Each member has underwritten a proportion of the total shown for the syndicate (that total itself being the total of the proportions underwritten by all the members of the syndicate taken together). The liability of each member of the syndicate is several and not joint with other members. A member is liable only for that member's proportion. A member is not jointly liable for any other member's proportion. Nor is any member otherwise responsible for any liability of any other (re)insurer that may underwrite this contract. The business address of each member is Lloyd's, One Lime Street, London EC3M 7HA. The identity of each member of a Lloyd's syndicate and their respective proportion may be obtained by writing to Market Services, Lloyd's, at the above address.

Proportion of liability

Unless there is "signing" (see below), the proportion of liability under this contract underwritten by each (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp and is referred to as its "written line".

Checked

**Policy Number**

PRPNA2003221

Assured / account

G6 Hospitality, LLC

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B0713PRPNA2003221

Where this contract permits, written lines, or certain written lines, may be adjusted ("signed"). In that case a schedule is to be appended to this contract to show the definitive proportion of liability under this contract underwritten by each (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together). A definitive proportion (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of a Lloyd's syndicate taken together) is referred to as a "signed line". The signed lines shown in the schedule will prevail over the written lines unless a proven error in calculation has occurred.

Although reference is made at various points in this clause to "this contract" in the singular, where the circumstances so require this should be read as a reference to contracts in the plural.

LMA3333

21 June 2007

ORDER HEREON: As per total signed lines as detailed in Security Details herein.

**BASIS OF WRITTEN
LINES:**

Percentage of Whole
NMA2419 Lines Clause.

**SIGNING
PROVISIONS:**

In the event that the written lines hereon exceed 100% of the order, any lines written "to stand" will be allocated in full and all other lines will be signed down in equal proportions so that the aggregate signed lines are equal to 100% of the order without further agreement of any of the (re)insurers.

However:

- a) in the event that the placement of the order is not completed by the commencement date of the period of insurance then all lines written by that date will be signed in full;
- b) the insured may elect for the disproportionate signing of insurers' lines, without further specific agreement of insurers, providing that any such variation is made prior to the commencement date of the period of insurance, and that lines written "to stand" may not be varied without the documented agreement of those insurers;

Checked

**Policy Number**

PRPNA2003221

Assured / account

G6 Hospitality, LLC

Unique market reference number

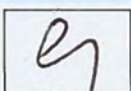
B0713PRPNA2003221

- c) the signed lines resulting from the application of the above provisions can be varied, before or after the commencement date of the period of insurance, by the documented agreement of the insured and all insurers whose lines are to be varied. The variation to the contracts will take effect only when all such insurers have agreed, with the resulting variation in signed lines commencing from the date set out in that agreement.

**LINE
CONDITIONS:**

None

Checked



Handwritten signature and date: 6/2/19

SECURITY DETAILS

REFERENCES

UMR (Unique Market Reference): B0713PRPNA2003221

Date contract printed to PDF: 08:48 02 January 2020

SIGNED UNDERWRITERS

Ascot Syndicate

Rebecca Lott

Written Line

7.5%

Signed Line

7.5%

Agreed on

09:01 31 December 2019

For and on behalf of:

Lloyd's Underwriter Syndicate No. 1414 ASC,
London, England

Written Line

7.5%

Signed Line

7.5%

Bound as Slip Leader, Lloyd's Leader

Lloyd's Stamp:

1414

LORS Code:

L1414

Reference:

PP20EJ414YAX

Description:

\$10m Prm

Risk Code(s):

P2

SETTLEMENT INFORMATION

Allocation of Premium to Coding

P2 at 100.00%

Allocation of Premium to Year of Account

2020

Terms of Settlement

Settlement Due Date: 01 March 2020

Instalment Premium Period of Credit: 0 day(s)

Adjustment Premium Period of Credit: 0 day(s)

Lloyd's Underwriter Syndicate No. 1414 ASC, London, England

Bureau Leader and Lloyd's Leader

Rebecca Lott

EXHIBIT E

Lloyd's Beazley Policy

SURPLUS LINES BROKER DATA

THIS FORM IS REQUIRED FOR:

- (1) **ALL MULTI-STATE POLICIES;**
(2) **SINGLE STATE POLICIES WHERE THE RISK IS NOT WITHIN YOUR OFFICE'S STATE OF DOMICILE.**

Agent Name: **CRC Insurance Services**
Agent Address: **32 OLD SLIP, 4TH FLOOR**
NEW YORK, NY 10005

Insured: **G6 Hospitality LLC**
Address: **4001 International Parkway**
Carrollton, TX 75007

Policy Term: **1/1/2020 to 1/1/2021**

Designated Home State

(For tax purposes only - the state to which taxes will be paid)

This policy is written on a Surplus Lines basis and premium will be allocated to the following jurisdictions:

State	% of Premium
TX	100%

"Home State is the state to which surplus lines tax is paid, based on the Non-admitted and Reinsurance Reform Act (NRRA). Please consult the applicable Departments of Insurance with questions relating to the determination of surplus lines taxes.

Surplus Lines Broker Information

(The surplus lines broker license through which the tax will be remitted)

License: CRC Insurance Services Inc.
One Metroplex Drive
Suite 400
Birmingham, AL 35209

License # 18530
Expiration Date: 12/29/2021

TEXAS SURPLUS LINES NOTICE

This insurance contract is with an insurer not licensed to transact insurance in this state and is issued and delivered as surplus line coverage under the Texas insurance statutes. The Texas Department of Insurance does not audit the finances or review the solvency of the surplus lines insurer providing this coverage, and the insurer is not a member of the property and casualty insurance guaranty association created under Chapter 462, Insurance Code. Chapter 225, Insurance Code, requires payment of a (insert appropriate tax rate) percent tax on gross premium.

LMA9079

01 September 2013



Lloyd's Certificate

This Insurance is effected with certain Underwriters at Lloyd's, London.

This Certificate is issued in accordance with the limited authorization granted to the Correspondent by certain Underwriters at Lloyd's, London whose syndicate numbers and the proportions underwritten by them can be ascertained from the office of the said Correspondent (such Underwriters being hereinafter called "Underwriters") and in consideration of the premium specified herein, Underwriters hereby bind themselves severally or jointly, each for his own part and not one for another, their Executors and Administrators.

The Assured is requested to read this Certificate, and if it is not correct, return it immediately to the Correspondent for appropriate alteration. All inquiries regarding this Certificate should be addressed to the following Correspondent:

Beazley USA Services, Inc.
141 Tremont Street Suite 1200
Boston, MA 02111
U.S.A.

CERTIFICATE PROVISIONS

1. **Signature Required.** This Certificate shall not be valid unless signed by the Correspondent on the attached Declaration Page.
2. **Correspondent Not Insurer.** The Correspondent is not an Insurer hereunder and neither is nor shall be liable for any loss or claim whatsoever. The Insurers hereunder are those Underwriters at Lloyd's, London whose syndicate numbers can be ascertained as hereinbefore set forth. As used in this Certificate "Underwriters" shall be deemed to include incorporated as well as unincorporated persons or entities that are Underwriters at Lloyd's, London.
3. **Cancellation.** If this Certificate provides for cancellation and this Certificate is cancelled after the inception date, earned premium must be paid for the time the insurance has been in force.
4. **Service of Suit.** It is agreed that in the event of the failure of Underwriters to pay any amount claimed to be due hereunder, Underwriters, at the request of the Assured, will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this Clause constitutes or should be understood to constitute a waiver of Underwriters' 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 Lloyd's America, Inc. Attention: Legal Department, 280 Park Avenue, East Tower, 25th Floor, New York, NY 10017 and that in any suit instituted against any one of them upon this contract, Underwriters will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

The above-named are authorized and directed to accept service of process on behalf of Underwriters in any such suit and/or upon request of the Assured to give a written undertaking to the Assured that they will enter a general appearance upon Underwriters' behalf in the event such a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefor, Underwriters hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their 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 Assured or any beneficiary hereunder arising out of this contract of insurance, and hereby designate the above-mentioned as the person to whom the said officer is authorized to mail such process or a true copy thereof.

5. **Assignment.** This Certificate shall not be assigned either in whole or in part without the written consent of the Correspondent endorsed hereon.
6. **Attached Conditions Incorporated.** This Certificate is made and accepted subject to all the provisions, conditions and warranties set forth herein, attached or endorsed, all of which are to be considered as incorporated herein.
7. **It is noted** and agreed that wherever the word "Policy" appears herein it shall be deemed to read "Certificate"
8. **Short Rate Cancellation.** If the attached provisions provide for cancellation, the table below will be used to calculate the short rate proportion of the premium when applicable under the terms of cancellation.

Short rate Cancellation Table for Term of One Year

Days Insurance in Force	Per Cent of one year Premium	Days Insurance in Force	Per Cent of one year Premium	Days Insurance in Force	Per Cent of one year Premium	Days Insurance in Force	Per Cent of one year Premium
1	5%	66 - 69	29%	154 - 156	53%	256 - 260	77%
2	6	70 - 73	30	157 - 160	54	261 - 264	78
3 - 4	7	74 - 76	31	161 - 164	55	265 - 269	79
5 - 6	8	77 - 80	32	165 - 167	56	270 - 273 (9 mos)	80
7 - 8	9	81 - 83	33	168 - 171	57	274 - 278	81
9 - 10	10	84 - 87	34	172 - 175	58	279 - 282	82
11 - 12	11	88 - 91 (3 mos)	35	176 - 178	59	283 - 287	83
13 - 14	12	92 - 94	36	179 - 182 (6 mos)	60	288 - 291	84
15 - 16	13	95 - 98	37	183 - 187	61	292 - 296	85
17 - 18	14	99 - 102	38	188 - 191	62	297 - 301	86
19 - 20	15	103 - 105	39	192 - 196	63	302 - 305 (10 mos)	87
21 - 22	16	106 - 109	40	197 - 200	64	306 - 310	88
23 - 25	17	110 - 113	41	201 - 205	65	311 - 314	89
26 - 29	18	114 - 116	42	206 - 209	66	315 - 319	90
30 - 32 (1 mos)	19	117 - 120	43	210 - 214 (7 mos)	67	320 - 323	91
33 - 36	20	121 - 124 (4 mos)	44	215 - 218	68	324 - 328	92
37 - 40	21	125 - 127	45	219 - 223	69	329 - 332	93
41 - 43	22	128 - 131	46	224 - 228	70	333 - 337 (11 mos)	94
44 - 47	23	132 - 135	47	229 - 232	71	338 - 342	95
48 - 51	24	136 - 138	48	233 - 237	72	343 - 346	96
52 - 54	25	139 - 142	49	238 - 241	73	347 - 351	97
55 - 58	26	143 - 146	50	242 - 246 (8 mos)	74	352 - 355	98
59 - 62 (2 mos)	27	147 - 149	51	247 - 250	75	356 - 360	99
63 - 65	28	150 - 153 (5 mos)	52	251 - 255	76	361 - 365 (12 mos)	100

Rules applicable to insurance with terms less than or more than one year:

- A. If insurance has been in force for one year or less, apply the short rate table for annual insurance to the full annual premium determined as for insurance written for a term of one year.
- B. If insurance has been in force for more than one year:
 1. Determine full annual premium as for insurance written for a term of one year.
 2. Deduct such premium from the full insurance premium, and on the remainder calculate the pro rata earned premium on the basis of the ratio of the length of time beyond one year the insurance has been in force to the length of time beyond one year for which the policy was originally written.
 3. Add premium produced in accordance with items (1) and (2) to obtain earned premium during full period insurance has been in force.

9. **Cancellation.** Notwithstanding any cancellation provisions within this Certificate it is hereby noted and agreed that should a minimum earned premium percentage be shown in the declarations of this Certificate, then the Underwriters shall retain as a minimum such percentage of premium stated.
10. **Complaints Procedure.** If you have a complaint with any aspect of your policy with Lloyd's Underwriters: You may contact the broker/agent who arranged your policy for you. Should you be dissatisfied with the outcome of your broker's resolution, please submit your written complaint to US.Complaints@beazley.com or:

Beazley USA Services Inc.
30 Batterson Park Road
Farmington
CT 06032
USA

11. **Fraudulent Claims.** If you make any claim knowing the same to be false or fraudulent, as regards amount or otherwise, this contract shall be void and of no effect.
12. **Law and Jurisdiction.** This Insurance shall be subject to the applicable state law to be determined by the court of competent jurisdiction as determined by the provisions of the Service of Suit clause contained herein.
13. **Conformity to statute.** Any terms of this Certificate which may conflict with applicable statutes (or statutes deemed applicable by a court of competent jurisdiction) are amended to conform to the minimum requirements of such statutes.
14. **Conformity.** It is hereby noted and agreed that wherever the words "Assured" and "Insured" appear in this Certificate they shall be deemed to be synonymous.

It is hereby noted and agreed that wherever the words "Underwriters", "Insurers," "Company" appear in this Certificate they shall be deemed to be synonymous

It is hereby noted and agreed that wherever the term "we", "us" and "our" appears herein, same shall be deemed to read "Insurers"

It is hereby noted and agreed that wherever the term "you" or "your" appears herein, same shall be deemed to read "the Insured"

15. **Insurance** is effective with certain **UNDERWRITERS AT LLOYDS, LONDON**
Percentage 100%

LLOYD'S SECURITY SCHEDULE

Syndicate 2623	82%
Syndicate 623	18%



One Lime Street London EC3M 7HA



GENERAL COVER DECLARATIONS PAGE

THE COVERHOLDER	THE PRODUCER
Beazley USA Services, Inc 141 Tremont Street Suite 1200 Boston, MA 02111	CRC Insurance Services 32 Old Slip, 4th Floor New York, NY 10005
<i>Please send correspondence to the above address.</i>	
Beazley Lloyd's Syndicate 2623-82% Beazley Lloyd's Syndicate 623-18% Unique Market Reference: B6012BUSALCP19	

POLICY NUMBER: W29DE3200101	POLICY PERIOD
New	From: 01-Jan-2020 To: 01-Jan-2021 at 12:01 a.m., Standard Time, at the address of the Insured

INSURED'S NAME AND ADDRESS
G6 Hospitality, LLC 4001 International Parkway Carrollton, TX 75007

PERILS INSURED AGAINST:
All Risk of Direct Physical Loss or Damage, except as herein after excluded within this Policy, Per Schedule of Locations and Values on File with Underwriter received on 11-Nov-2019

PREMIUM:
\$ 261,250 Policy Premium (35% Minimum Earned Premium)
\$ Declined Certified Acts of Terrorism
\$ Excluded Equipment Breakdown
\$ 0 Inspection Fee
\$ 261,250 Total Premium for above stated Policy Period

CLAIMS:
In case of loss, please refer notice immediately to:

Claims Manager
Beazley USA Services Inc.
141 Tremont Street, Suite 1200
Boston, MA 02111
Telephone: 617-239-2600
Fax: 617-239-2659
Email: LCPClaims@beazley.com

Terms and Conditions Applicable: See FS C 424 Schedule of All Forms and Endorsements as attached.

This contract is subject to US state surplus lines requirements. It is the responsibility of the surplus lines broker to affix a surplus lines notice to the contract document before it is provided to the insured. In the event that the surplus lines notice is not affixed to the contract document the insured should contact the surplus lines broker.

This Declaration, together with Policy jacket, the above policy wording and endorsements, issued to form a part thereof, completes the above numbered policy.



Signed: _____

Date Issued: 29-Jan-2020

SUPPLEMENTAL DECLARATION PAGE

Coverage	Limit of Insurance
Real Property, Personal Property, Business Interruption and Extra Expense	\$550,000 (5.5%) part of \$10,000,000 each occurrence and in the annual aggregate (applying separately) in respect of Flood and Earthquake. As per schedule of locations and values on file with Underwriter received 11-Nov-2019

Programme Sub-Limit(s) of Insurance (All sub limit(s) are part of and not in addition to the total Limit of Insurance provided by this Policy)

As per schedule of Programme Sub-limits attached to this Policy

The Limit of Insurance in any one occurrence Coverages combined for this Policy: \$550,000

Territorial Scope: This policy insures within and between the 50 states comprising the United States of America, the District of Columbia, Puerto Rico, and including any other territories and possessions of the foregoing. The territory includes coastal and inland waterways between points and places therein.

WAITING PERIOD(S)	PERILS/COVERAGES
24 Hours	Time Element Service Interruption

TIME LIMIT(S)	PERILS/COVERAGES
120 Days	Newly Acquired Locations
60 Days	Ordinary Payroll
365 Days	Extended Period of Liability
60 Days	Service Interruption – Business Interruption and Extra Expense

DEDUCTIBLE

A. All loss or damage arising out of anyone **occurrence** shall be adjusted as one loss and the amount of such adjusted loss shall be deducted from an annual aggregate deductible of \$2,500,000. When the aggregate is exhausted, a \$100,000 per occurrence deductible will apply. Only the portion of loss or damage exceeding \$100,000 will erode the aggregate. Losses relating to **Flood, Earthquake, and Named Windstorm** in **Tier 1 Counties** do not erode the aggregate.

Named Windstorm:

The sum of \$100,000 shall be deducted from any adjusted loss due to the peril of Named Windstorm, except;

As respects the peril of **Named Windstorm** in Tier 1 Counties, the sum of 5% of the total values declared by insured, as per Statement of Values on file with Insurer at the time of loss, at each location submitting a claim, to be calculated separately for each unit of insurance which sustains loss or damage, subject to a minimum of \$500,000 per location **with a maximum of \$2,500,000 per occurrence.**

Flood:

With respect to buildings and structures located wholly or partially within **Special Flood Hazard Areas (SFHA)** **as outlined in Endorsement #10:**

- a) If insurance is maintained through the National Flood Insurance Program (NFIP) or any other primary or underlying policy or program covering property damaged by flood, with limits equal to the full replacement cost of the building and contents, or the maximum NFIP limit available per building and contents, then the deductible shall be the amount payable from NFIP or other primary or underlying insurance for such damage plus \$50,000 per occurrence (not per building) for any Business Interruption or rental value loss.
- b) If insurance is not maintained through NFIP or any other primary or underlying policy or program covering property damaged by flood, the deductible shall be the maximum amount available under NFIP **plus \$50,000 per occurrence (not per building) for any Business Interruption or rental value loss.**

In the event that underlying insurance is maintained through NFIP or any other primary or underlying policy or program, it is agreed that this policy shall be excess over the amount payable under such National Flood Insurance Policy(ies). Insurance maintained through NFIP shall be considered Underlying Insurance.

With respect to any other **Flood** loss, the sum of 5% of the total values declared by insured, as per Statement of Values on file with Insurer at the time of loss, at each location submitting a claim, to be calculated separately for each unit of insurance which sustains loss or damage, subject to a minimum of \$25,000 with a maximum of \$100,000 per occurrence.

Earthquake:

The sum of \$100,000 shall be deducted from any adjusted loss due to the peril of Earthquake, except;

As respects the peril of **Earthquake** in the States of California and Alaska, the sum of 5% of the total values declared by insured, as per Statement of Values on file with Insurer at the time of loss, at each location submitting a claim, to be calculated separately for each unit of insurance which sustains loss or damage, subject to a minimum of \$250,000 per occurrence.

As respects the peril of **Earthquake** in Hawaii, **New Madrid** and **Pacific Northwest** Territories, the sum of 2% of the total values declared by insured, as per Statement of Values on file with Insurer at

the time of loss, at each location submitting a claim, to be calculated separately for each unit of insurance which sustains loss or damage, subject to a minimum of \$100,000 per occurrence.

B. In the event of loss or damage involving more than one deductible, the Insured can either elect to have the deductibles apply separately or have the single largest deductible apply.

C. The deductible amount specified in Clause A. above shall not apply to General Average contributions and/or salvage charges.

D. If other insurance applies to the same property as insured hereunder, and to the extent recovery is made from such other insurance, the deductible under this policy shall be reduced by such recovery, but in no event shall the deductible under this policy be less than shown in the policy. If recovery from such other insurance is greater than the deductible in this policy, then the deductible under this policy shall not apply.

E. In any **occurrence** where loss or damage is caused by more than one cause of loss or damage (peril) insured against under this policy or occurs at more than one location or building, the Insured shall have the right to separate the loss amount by peril or location or building for the purposes of application of the deductible(s) specified in this section, notwithstanding the above reference to two or more deductibles and the policy limits.

F. Unit of Insurance: The following shall be considered a separate unit of insurance: (1) each separate building or structure; (2) the contents of each separate building or structure; (3) property in each yard; (4) business interruption for the twelve-month period immediately following the loss.

INSURED LOCATION

As Per Schedule of Locations and Values on file with Underwriter

FORMS APPLICABLE

See FS C 424 Schedule of Forms attached to this Policy

This endorsement is subject to its stated terms and conditions and the terms and conditions of the Policy to which it attaches

SCHEDULE OF PROGRAM SUB-LIMITS

\$	100,000,000	Flood per occurrence and annual aggregate, except;
\$	50,000,000	Flood per occurrence and annual aggregate for buildings and structures located wholly or partially within Special Flood Hazard Area as outlined in Endorsement #10
\$	100,000,000	Earthquake per occurrence and annual aggregate, except;
\$	40,000,000	Earthquake per occurrence and annual aggregate within the States of California, Alaska and Hawaii and Puerto Rico
\$	100,000,000	Earthquake per occurrence and annual aggregate within the Pacific Northwest and New Madrid Territories
\$	100,000,000	Named Windstorm
\$	25,000,000	Accounts Receivable
\$	10,000,000	Civil or Military Authority
\$	1,500,000	Contagious Diseases per occurrence and annual aggregate
\$	1,000,000	Contingent Business Interruption and Contingent Extra Expense including Attraction Properties
\$	1,000,000	Defense Costs
	Included	Electronic Data Processing Equipment
\$	10,000,000	Electronic Data and Media
	Excluded	Equipment Breakdown
\$	10,000,000	Errors and Omissions
	365 days	Extended Period of Indemnity
\$	2,500,000	Expediting Expense
\$	5,000,000	Historic Properties
\$	10,000,000	Ingress/Egress
\$	1,000,000	Loss Adjustment Expense
\$	15,000,000	Miscellaneous Unnamed Locations, per Location
\$	2,500,000	Mold Coverage per occurrence and annual aggregate provided for in Endorsement #1
\$	50,000,000	Newly Acquired Locations – 120 days reporting - Miscellaneous Unnamed Locations sublimit applies after 120 days
\$	2,500,000	Offsite Storage Locations
	60 Days	Ordinary Payroll
\$	1,000,000	Outdoor Property: Trees, Shrubs, Plants and Landscaping
\$	500,000	Pollutant Clean Up of Land and Water per occurrence and annual aggregate
\$	10,000,000	Property in the Course of Construction, Erection, Installation or Assembly
\$	500,000	Property of Officers, Employees, Hotel Guests or Tenants
	60 days	Service Interruption – Business Interruption and Extra Expense
\$	1,000,000	Soft Costs
\$	1,000,000	Tenant/Hotel Guest Emergency Evacuation – per occurrence and annual

\$	1,000,000	aggregate Tenant and Hotel Guest Relocation Expense – per occurrence and annual aggregate
\$	250,000	Transit per conveyance per occurrence
\$	5,000,000	Upgrade to Green provided for in Endorsement #8

All program sub limit(s) are part of and not in addition to the total Limit of Insurance.

This Insurer's limit of liability under this Policy for any one Occurrence shall not exceed 5.5% or USD \$550,000 part of \$10,000,000. The Total Limit of Insurance is inclusive of all coverages and sublimit(s) provided by the Coverage detailed above or anywhere else in this Policy.

USLCP0617-005

Schedule of All Forms and Endorsements

Named Insured: G6 Hospitality, LLC
Policy Number: W29DE3200101
Effective Date: 01-Jan-2020

<u>Number</u>	<u>Name</u>
LMA9080B	Texas Complaints Notice
LMA9079	Texas Surplus Lines Notice
NMA2868(amended)	Lloyd's Certificate
FS C 422 01 13	General Cover Declarations Page
USLCP0517-004	Supplemental Declaration Page
USLCP0617-005	Schedule of Program Sub-Limits
FS C 424	Schedule of Forms and Endorsements
Manuscript	Property Manuscript Form
USLCP0819-051	Beazley Amendatory Endorsement
USLCP0217-001	Third Party Deductible Endorsement
FS C 440 07 09	Participation Clause
USLCP1117-009	Prior Loss Clause
LMA5019	Asbestos Endorsement
NMA2962	Biological or Chemical Materials Exclusion
LMA5401	Property Cyber and Data Exclusion
NMA2415	Additional Limitations and Conditions Endorsement <ul style="list-style-type: none"> • Land, Water and Air Exclusion • Debris Removal Clause • Seepage and/or Pollution and/or Contamination Exclusion
LSW1001	Several Liability Notice
NMA1191	Radioactive Contamination Exclusion Clause
LMA5130	Application of Sublimits Endorsement
LMA3100	Sanction Limitation and Exclusion Clause
NMA2918	War and Terrorism Exclusion Endorsement
LMA5219	TRIA Not Purchased Clause

G6 Hospitality, LLC

Master Policy

Policy Number:

(Excluding Equipment Breakdown)

G6 Hospitality, LLC and any subsidiary, affiliated, associated, or allied company, corporation, firm, organization, and the Insured's interest in partnerships and/or joint ventures, and/or any owned (wholly or partially) or controlled company(ies) where the Insured maintains an interest, as now or hereafter constituted or acquired; and any other party or interest that is required by contract or agreement;

all hereafter referred to as the "Insured."

1. Policy Term and Participation

In consideration of the annual premium, this policy attaches and insures from January 1, 2020 to January 1, 2021 beginning and ending at 12:01 A.M. at the location of the property involved.

In the event of loss or damage insured by this policy, this **Insurer** shall be liable for 5.5% or \$550,000 part of the Primary \$10,000,000 of the Limits of Liability set forth in Clause No. 3.

2. Territory

This policy insures within and between the 50 states comprising the United States of America, the District of Columbia, Puerto Rico, and including any other territories and possessions of the foregoing. The territory includes coastal and inland waterways between points and places therein.

As respects coverage for interdependency provided under Clause 7.B. and coverage provided under Clause 8.A.1., the territory shall be worldwide.

3. Limits of Liability

In the event of loss or damage insured under this policy, this **Insurer** shall be liable for its proportional share of \$100,000,000 per **occurrence** except as respects the following, excess of the policy deductibles:

\$	100,000,000	Flood per occurrence and annual aggregate, except;
\$	50,000,000	Flood per occurrence and annual aggregate for buildings and structures located wholly or partially within Special Flood Hazard Area as outlined in Endorsement #10
\$	100,000,000	Earthquake per occurrence and annual aggregate, except;
\$	40,000,000	Earthquake per occurrence and annual aggregate within the States of California, Alaska and Hawaii and Puerto Rico
\$	100,000,000	Earthquake per occurrence and annual aggregate within the Pacific Northwest and New Madrid Territories
\$	100,000,000	Named Windstorm
\$	25,000,000	Accounts Receivable
\$	10,000,000	Civil or Military Authority
\$	1,500,000	Contagious Diseases per occurrence and annual aggregate
\$	1,000,000	Contingent Business Interruption and Contingent Extra Expense including Attraction Properties
\$	1,000,000	Defense Costs
	Included	Electronic Data Processing Equipment

\$	10,000,000	Electronic Data and Media
	Excluded	Equipment Breakdown
\$	10,000,000	Errors and Omissions
	365 days	Extended Period of Indemnity
\$	2,500,000	Expediting Expense
\$	5,000,000	Historic Properties
\$	10,000,000	Ingress/Egress
\$	1,000,000	Loss Adjustment Expense
\$	15,000,000	Miscellaneous Unnamed Locations, per Location
\$	2,500,000	Mold Coverage per occurrence and annual aggregate provided for in Endorsement #1
\$	50,000,000	Newly Acquired Locations – 120 days reporting - Miscellaneous Unnamed Locations sublimit applies after 120 days
\$	2,500,000	Offsite Storage Locations
	60 Days	Ordinary Payroll
\$	1,000,000	Outdoor Property: Trees, Shrubs, Plants and Landscaping
\$	500,000	Pollutant Clean Up of Land and Water per occurrence and annual aggregate
\$	10,000,000	Property in the Course of Construction, Erection, Installation or Assembly
\$	500,000	Property of Officers, Employees, Hotel Guests or Tenants
	60 days	Service Interruption – Business Interruption and Extra Expense
\$	1,000,000	Soft Costs
\$	1,000,000	Tenant/Hotel Guest Emergency Evacuation – per occurrence and annual aggregate
\$	1,000,000	Tenant and Hotel Guest Relocation Expense – per occurrence and annual aggregate
\$	250,000	Transit per conveyance per occurrence
\$	5,000,000	Upgrade to Green provided for in Endorsement #8

Waiting Periods:

24 hour waiting period shall apply to loss due to Service Interruption.

Waiting period application: The insurer will not be liable for any Loss or Damage unless the period of interruption exceeds the specified waiting period. Once the period of liability exceeds 24 hours, coverage then applies to the entire period of interruption subject to the Policy Deductible.

APPLICATION OF LIMITS OF LIABILITY - This Policy may contain sublimits applicable to specific locations or specific coverage's or specific causes of loss. Such limits shall be the total payable as a result of a single occurrence (or an annual aggregate of certain occurrences where so specified) and neither the policy limit nor any sublimit shall be increased by the application of one or more sublimits.

4. Deductible

- A. All loss or damage arising out of any one **occurrence** shall be adjusted as one loss and the amount of such adjusted loss shall be deducted from an annual aggregate

deductible of \$\$2,500,000. When the aggregate is exhausted, a \$100,000 per occurrence deductible will apply. Only the portion of loss or damage exceeding \$100,000 will erode the aggregate. Losses relating to **Flood, Earthquake, and Named Windstorm in Tier 1 Counties** do not erode the aggregate.

Named Windstorm:

The sum of \$100,000 shall be deducted from any adjusted loss due to the peril of Named Windstorm, except;

As respects the peril of **Named Windstorm** in Tier 1 Counties, the sum of 5% of the total values declared by insured, as per Statement of Values on file with Insurer at the time of loss, at each location submitting a claim, to be calculated separately for each unit of insurance which sustains loss or damage, subject to a minimum of \$500,000 per location with a maximum of \$2,500,000 per occurrence.

Flood:

With respect to buildings and structures located wholly or partially within **Special Flood Hazard Areas (SFHA)** as outlined in Endorsement #10:

- a) If insurance is maintained through the National Flood Insurance Program (NFIP) or any other primary or underlying policy or program covering property damaged by flood, with limits equal to the full replacement cost of the building and contents, or the maximum NFIP limit available per building and contents, then the deductible shall be the amount payable from NFIP or other primary or underlying insurance for such damage plus \$50,000 per occurrence (not per building) for any Business Interruption or rental value loss.
- b) If insurance is not maintained through NFIP or any other primary or underlying policy or program covering property damaged by flood, the deductible shall be the maximum amount available under NFIP.

In the event that underlying insurance is maintained through NFIP or any other primary or underlying policy or program, it is agreed that this policy shall be excess over the amount payable under such National Flood Insurance Policy(ies). Insurance maintained through NFIP shall be considered Underlying Insurance.

With respect to any other **Flood** loss, the sum of 5% of the total values declared by insured, as per Statement of Values on file with Insurer at the time of loss, at each location submitting a claim, to be calculated separately for each unit of insurance which sustains loss or damage, subject to a minimum of \$25,000 with a maximum of \$100,000 per occurrence.

Earthquake:

The sum of \$100,000 shall be deducted from any adjusted loss due to the peril of Earthquake, except;

As respects the peril of **Earthquake** in the States of California and Alaska, the sum of 5% of the total values declared by insured, as per Statement of Values on file with Insurer at the time of loss, at each location submitting a claim, to be calculated separately for each unit of insurance which sustains loss or damage, subject to a minimum of \$250,000 per occurrence.

As respects the peril of **Earthquake** in Hawaii, **New Madrid** and **Pacific Northwest** Territories, the sum of 2% of the total values declared by insured, as per Statement of Values on file with Insurer at the time of loss, at each location submitting a claim, to be calculated separately for each unit of insurance which sustains loss or damage, subject to a minimum of \$100,000 per occurrence.

- B. In the event of loss or damage involving more than one deductible, the Insured can either elect to have the deductibles apply separately or have the single largest deductible apply.
- C. The deductible amount specified in Clause A. above shall not apply to General Average contributions and/or salvage charges.
- D. If other insurance applies to the same property as insured hereunder, and to the extent recovery is made from such other insurance, the deductible under this policy shall be reduced by such recovery, but in no event shall the deductible under this policy be less than shown in the policy. If recovery from such other insurance is greater than the deductible in this policy, then the deductible under this policy shall not apply.
- E. In any **occurrence** where loss or damage is caused by more than one cause of loss or damage (peril) insured against under this policy or occurs at more than one location or building, the Insured shall have the right to separate the loss amount by peril or location or building for the purposes of application of the deductible(s) specified in this section, notwithstanding the above reference to two or more deductibles and the policy limits.
- F. Unit of Insurance: The following shall be considered a separate unit of insurance: (1) each separate building or structure; (2) the contents of each separate building or structure; (3) property in each yard; (4) business interruption for the twelve-month period immediately following the loss.

5. **Loss or Damage Insured**

This policy insures against all risk of direct physical loss or damage to property including General Average, salvage, and all other charges on shipments insured hereunder except as hereinafter excluded.

6. **Loss or Damage Excluded**

This policy does not insure the following:

- A.
1. Loss or damage caused by hostile or warlike action in time of peace or war, including action in hindering, combating, or defending against an actual, impending, or expected attack:
 - (a) by any government or sovereign power (de jure or de facto) or by any authority maintaining or using military, naval, or air forces;
 - (b) or by military, naval, or air forces;
 - (c) or by an agent of such government, power, authority, or forces;
 2. Loss or damage caused by any weapon employing atomic fission or fusion;
 3. Loss or damage caused by rebellion, revolution, civil war, usurped power; or action taken by governmental authority in hindering, combating, or defending against such **occurrence**;
 4. Loss or damage caused by seizure or destruction by order of public authority, except destruction by order of public authority to prevent spread of, or to otherwise contain, control or minimize loss, damage, or destruction which occurs due to loss or damage insured under this policy;
 5. Risks of contraband or illegal trade.

Notwithstanding the above provisions 6.A. 1, 3, 4, and 5, this insurance shall insure loss or damage caused by acts of an agent of any government, party, or faction engaged in war, hostilities, or warlike operations, provided such agent or faction or government is acting secretly and not in connection with any overt operation of armed forces (whether military, naval, or air forces) in the country where the property is situated. Nothing in the foregoing shall be construed to include any loss or damage caused by or resulting from any loss or damage referenced in 6.A. 1.-5. above, excepting only the acts of certain agents expressly insured herein, but in no event shall this insurance include any loss or damage caused by or resulting from any weapon of war employing atomic fission or fusion whether in time of peace or war.

- B. Loss or damage caused by nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, and whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, attributed to, or aggravated by loss or damage insured herein except:
1. The **Insurer** shall be liable for loss or damage caused by sudden or accidental radioactive contamination, including resultant radiation damage for each **occurrence** from material used or stored or from processes conducted on insured premises, provided at the time of loss there is neither a nuclear reactor capable of sustaining nuclear fission in a self-supporting chain reaction nor any new or used nuclear fuel on the insured premises;
 2. If an insured loss ensues, liability is specifically assumed by the **Insurer** for such ensuing direct loss or damage insured hereunder but not including any loss due to nuclear reaction, nuclear radiation or radioactive contamination.

- C. Loss or damage caused by **fraudulent or dishonest act or acts** committed by the Insured or any of the Insured's employees.

This exclusion does not apply to loss or damage resulting from the Insured voluntarily parting with title or possession of any property if induced to do so by any fraudulent scheme, trick, device or false pretense, nor shall this exclusion apply to willful acts of destruction committed by the Insured's employees.

- D. Ordinary wear and tear, or gradual deterioration, unless loss or damage not excluded in this policy ensues, and then this policy shall insure only the ensuing loss or damage.

Except, if an **occurrence** to an **object** ensues, then this policy shall also insure the ordinary wear and tear, or gradual deterioration that initiated the damage to the object causing the **occurrence**.

- E. The cost of making good or rectifying faulty or defective workmanship, material, construction or design, but this exclusion shall not apply to damage resulting from such faulty or defective workmanship.

This exclusion shall not apply to faulty material that results in an **occurrence to an object**.

- F. Asbestos material removal except as provided in Endorsement 11.

- G. Loss or damage caused by, resulting from, contributed to or made worse by the actual, alleged or threatened release, discharge, escape or dispersal of **Pollutants or Contaminants**, all whether direct or indirect, proximate or remote or in whole or in part caused by, contributed to or aggravated by any Covered Cause of Loss under this Policy, except as provided in Clause #15.

This exclusion shall not apply to direct physical loss or damage to Insured Property arising out of seepage, contamination, or pollution caused by **Specified Perils**.

- H. Deterioration, depletion, rust, corrosion, erosion, wet or dry rot, decay, evaporation, leakage, wear and tear, animal, insect or vermin damage, inherent vice or latent defect, shrinkage or change in color, flavor, texture or finish, extremes or changes of temperature damage or changes in relative humidity damage, all whether atmospheric or not, except, if loss or damage not excluded in this policy ensues, then this policy shall insure such ensuing loss or damage.

- I. Normal settling, shrinkage, or expansion in foundations, walls, floors or ceilings unless such damage results directly from a peril insured by this Policy, or unless direct physical loss, damage or destruction by a peril insured by this Policy results, and this Policy shall insure against that resulting direct physical loss, damage or destruction.

- J. Mysterious disappearance or loss or shortage disclosed on taking inventory or any unexplained loss, except, if loss or damage not excluded in this policy ensues, then this policy shall insure such ensuing loss or damage.

- K. Electrical injury or disturbance to electrical appliances, devices, fixtures, wiring or other electrical or electronic equipment caused by electrical currents artificially generated; except this Company(ies) shall be liable for ensuing physical loss or damage resulting from an Insured cause of loss not otherwise excluded.
- L. Mechanical breakdown unless physical loss or damage resulting from an Insured cause of loss, not otherwise excluded ensues, and then this Company(ies) shall be liable for only such ensuing loss or damage. This exclusion does not apply to loss or damage to property in transit caused by mechanical breakdown or refrigeration equipment.
- M. Explosion, rupture, or bursting of steam boilers, steam pipes, steam turbines or steam engines owned or operated by the Insured unless physical loss or damage resulting from an Insured cause of loss, not otherwise excluded ensues, and then this Company(ies) shall be liable for only such ensuing loss or damage. However, it is agreed that direct loss resulting from the explosion of accumulated gases or unconsumed fuel within the firebox (or combustion chamber) of any fired vessel or within the flues or passages which conduct the gases or combustion therefrom shall be covered hereunder.

(Note: Exclusions K., L., and M. above shall also be referred to as an **Accidental Occurrence to an Object.**)

7. Coverage

This policy insures the interest of the Insured in the following:

A. Real and Personal Property

All real and personal property while such property is located anywhere within the territorial limits of this policy, including while in due course of **transit** which is owned, used, or intended for use by the Insured, or acquired by the Insured, and property of others in the Insured's care, custody or control including the Insured's liability for such property and including the costs to defend any allegations of liability for loss or damage to such property; including but not limited to the following:

1. Improvements and betterments. The **Insurer** agrees to accept and consider the Insured as sole and unconditional owner of the improvements and betterments, notwithstanding any contract or lease to the contrary.
2. At the option of the Insured, personal property of the Insured's officials and employees and hotel guests, while in the Insured's care, custody or control, or while on the Insured's premises.
3. Contractor's and/or subcontractor's (of any tier) and vendor's interests in property insured to the extent of the Insured's liability imposed by law or assumed by contract, whether written or oral.

4. At the option of the Insured, the interest of the Insured's customers in property sold by the Insured under conditional sale, trust agreement, installment plan or other deferred payment plan including property which is leased to customers under a lease/purchase agreement.
5. Property of others that the Insured has agreed to insure prior to loss or damage including property not in the Insured's care, custody or control and at the Insured's option the interest of the owner of such property.
6. Property while in the course of construction and/or during erection, assembly and/or installation.
7. **Architect Fees and Engineering Fees**

B. Business Interruption – Gross Earnings

1. Loss due to the necessary interruption of business conducted by the Insured, including all interdependencies between or among companies owned or operated by the Insured resulting from loss or damage insured herein and occurring during the term of this policy to real and/or personal property described in Clause 7.A.
2. Such loss shall be adjusted on the basis of the actual loss sustained by the Insured, consisting of the net profit which is prevented from being earned including **ordinary payroll** and payroll;

and

all charges and other expenses (including **soft costs**) to the extent that these must necessarily continue during the interruption of business, but only to the extent to which such charges and expenses would have been incurred had no loss occurred.

3. In determining the amount of net profit, charges, and expenses insured hereunder for the purposes of ascertaining the amount of the actual loss sustained, due consideration shall be given to the experience of the business before the date of the loss or damage and to the probable experience thereafter had no loss occurred.
4. In the event of insured loss or damage to property as described in Clause 7.A. which results in an interruption of research and development activities, which in themselves would not have produced income during the recovery period, this policy shall insure the actual loss sustained of the continuing charges and expenses, including **ordinary payroll** and payroll, directly attributable to such research and development activities.
5. As respects coverage provided under Clause 7.B., the **Insurer** shall not be liable for any loss resulting from loss or damage to **finished stock or stock in process** nor for the time required to reproduce said **finished stock or stock in process**.

C. Business Interruption - Loss of Profits

1. Loss of gross profit as hereinafter defined, resulting from interruption of or interference with the business, and caused by loss or damage to real or personal property as described in Clause 7. A. of this policy during the term of the policy.
2. Indemnity: The amount of loss of gross profit shall be based on REDUCTION IN TURNOVER and on INCREASE IN COST OF WORKING, and the amount payable as indemnity thereunder shall be:
 - (a) In respect to REDUCTION IN TURNOVER: The sum produced by applying the rate of gross profit to the amount by which the turnover during the indemnity period shall, in consequence of the damage, fall short of the standard turnover;
 - (b) In respect to INCREASE IN COST OF WORKING: The additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in turnover which but for that expenditure would have taken place during the indemnity period in consequence of the damage, but not exceeding the sum produced by applying the rate of gross profit to the amount of the reduction thereby avoided;
 - (c) In respect to auditors' fees, the reasonable charges payable by the Insured to their auditors for producing and certifying any particulars or details in the Insured's books of account or other books or documents or such other profits, information or evidence as may be required by the **Insurer**;

less any sum saved during the indemnity period in respect of such of the standing charges of the business payable out of gross profit as may cease or be reduced in consequence of the damage.
3. Definitions:
 - a) Gross Profit: The sum produced by adding to the net profit the amount of all the standing charges of the business, including **soft costs** or if there be no net profit the amount of said standing charges less the amount of any net trading loss. Standing charges shall include, but not be limited to, wages and depreciation on property.
 - b) Net Profit: The net trading profit (exclusive of all capital receipts and accretions and all outlay properly chargeable to capital) resulting from the business of the Insured after due provision has been made for all standing and other charges including depreciation but before the deduction of any taxation chargeable on profits.
 - c) Wages: The remuneration (including where applicable: bonuses, overtime, living allowance (if any), national insurance contribution,

holiday pay or other payments pertaining to wages) of all employees other than those whose remuneration is treated as salaries in the Insured's books of account.

- d) Turnover: The money (less discounts allowed) paid or payable to the Insured for goods sold and delivered and for services rendered in course of the business.
- e) Rate of Gross Profit: The rate of gross profit earned on the turnover during the financial year immediately before the date of the damage.
- f) Annual Turnover: The turnover during that period in the 12 months immediately before the date of the damage.
- g) Standard Turnover: The turnover during that period in the 12 months immediately before the date of the damage which corresponds with the indemnity period.

With respect to subparagraphs e-Rate of Gross Profit, f- Annual Turnover and h- Standard Turnover as described above, such adjustments shall be made as may be necessary to provide for the trend of the business and for variations in or special circumstances affecting the business either before or after the damage or which would have affected the business had the damage not occurred, so that the figures thus adjusted shall represent as nearly as any be reasonably practicable the results which but for the damage would have been obtained during the relative period after the damage.

4. Memoranda:

MEMO 1: This policy will allow the insured to have the option to make claim based on either the:

- 1. Business Interruption Gross Earnings as stated under Clause 7B
- 2. Business Interruption Gross Profit as stated under Clause 7C

If such claim involves more than one location, including interdependency at one or more locations, all such claim will be adjusted by using the single coverage option chosen above. This option may be exercised at any time.

D. Extra Expense

- 1. Extra Expense incurred by the Insured in order to continue as nearly as practicable the normal operation of the Insured's business following loss or damage insured herein and occurring during the term of this policy to real and/or personal property as described in Clause 7.A.
- 2. The term Extra Expense, as used herein, is defined as the excess (if any) of the total cost chargeable to the operation of the Insured's business, over and above the total cost that would normally have been incurred to conduct the business had no loss or damage occurred, including **soft costs**.

E. Accounts Receivable

In the event of loss or damage to records or accounts receivable from customers caused by loss or damage insured herein, this **Insurer** will indemnify the Insured as follows:

1. All sums due the Insured (from customers), provided the Insured is unable to effect collection thereof as a result of loss or damage to records of accounts receivable by loss or damage insured by this policy.
2. All sums due the Insured from factoring transactions, when the property of the debtor has been lost or damaged by loss or damage insured by this policy and the Insured has been unable to effect collection thereof.
3. Interest charges on any loan to offset impaired collections pending repayment of such sums made uncollectible by such loss or damage.
4. Collection expenses in excess of normal collection cost and made necessary because of such loss or damage.
5. Other expenses, when reasonably incurred by the Insured in reestablishing records of accounts receivable following such loss or damage.

For purpose of this insurance, charges under a credit card company and maintained on **EDP Media** shall be deemed to represent sums due the Insured from customers.

When there is proof that a loss of records of accounts receivable has occurred by the Insured and the Insured cannot more accurately establish the total amount of accounts receivable outstanding as of the date of such loss, such amount shall be computed as follows:

1. The monthly average of accounts receivable during the last available twelve (12) months shall be adjusted in accordance with the percentage increased or decreased in the twelve (12) months average of monthly gross revenues, which may have occurred in the interim;
2. The monthly amount of accounts receivable thus established shall be further adjusted in accordance with any demonstrable variance from the average for the particular month in which the loss occurred, due consideration also being given to the normal fluctuations in the amount of accounts receivable within the fiscal month involved.

There shall be deducted from the total amount of accounts receivable, however established, the amount of such accounts evidenced by records, not lost or damaged, or otherwise established or collected by the Insured and an amount to allow for probable bad debts which would normally have been uncollectible by the Insured.

F. Leasehold Interest

This policy provides coverage for leasehold interest when property is rendered wholly or partially untenable by any insured loss during the term of this policy and a lease is canceled by a party not insured by this policy in accordance with the conditions of the lease or by statutory requirements of the appropriate jurisdiction in which the damaged property is located.

1. Coverage under this clause includes the:
 - (a) Pro-rata portion from the date of loss to the expiration date of the lease (to be paid without discount) on the Insured's interest in:
 - (i) the amount of bonus paid by the Insured for the acquisition of the lease not recoverable under the terms of the lease;
 - (ii) improvements and betterments to real property which are not insured under any other section of this policy;
 - (iii) the amount of advance rental paid by the Insured and not recoverable under the terms of the lease;
2. This **Insurer** shall indemnify the Insured for its **Lease Interest** for the first three months following the loss or damage and for its **Net Lease Interest** for the remaining unexpired term of the lease, provided that the **Insurer** shall not be liable for any increase in the amount recoverable hereunder resulting from the suspension, lapse or cancellation of any license, or from the Insured exercising an option to cancel the lease; or from any act or omission of the Insured which constitutes a default under the lease; and provided further that the Insured shall use any suitable property or service owned or controlled by the Insured or obtainable from another source to reduce the loss hereunder.

G. Rental Value and Rental Income

1. Loss of Rental Income and/or Loss of Rental Value of the Insured caused by loss or damage insured herein occurring during the term of this policy to property and/or premises rented, leased or occupied by the Insured and/or rented or leased by the Insured to others.
2. Rental Income shall include the following:
 - (a) The total anticipated gross rental income from tenant(s) of the Insured's building(s) and structure(s), and
 - (b) The amount of all charges assumed by tenant(s) except those charges which do not continue, which would otherwise be obligations of the Insured, and
 - (c) The fair rental reasonably expected from unrented portions of such property and the fair rental for that portion occupied by the Insured.

3. Rental Value shall include the following:

Rental Income Insurance in those situations where the Insured is required under a lease or rental agreement to maintain such insurance on behalf of any landlord.

Rental expenses incurred by the Insured in excess of the expenses which would have been incurred had a leased or rented premises not been damaged or destroyed by loss or damage insured herein. Such coverage will apply for all additional expenses incurred during the period of untenability or if the lease cannot be terminated, until its expiration.

H. Royalties

1. Loss of Royalties, Fees and Commissions which would have been earned under Royalties, Fees or Commission Agreements between the Insured and any concern(s), as a result of loss or damage to the property of such concern(s) caused by loss or damage insured herein occurring during the term of this policy.
2. Such loss shall be adjusted on the basis of actual loss sustained of such income referred to in paragraph 7.G.1., which would have been earned had no loss occurred.

I. Transit

This insurance is extended to insure loss or damage to insured property in **transit** including resulting loss as afforded under clauses 7.B., 7.C., 7.F. and 7.G.

1. This insurance is also extended to insure loss or damage to property:
 - (a) sold and shipped by the Insured under terms of F.O.B. point of origin or other terms usually regarded as terminating the shipper's responsibility short of points of delivery;
 - (b) at the Insured's option, which is incoming to the Insured.
2. This policy also insures loss or damage:
 - (a) arising out of any unauthorized person(s) representing themselves to be the proper party(ies) to receive goods for shipment or to accept goods for delivery;
 - (b) occasioned by the acceptance by the Insured, by its agents, or by its customers of fraudulent bills of lading, shipping and delivery orders, or similar documents;

8. Extensions of Coverage

THIS CLAUSE EXTENDS THE COVERAGES DESCRIBED IN CLAUSES 7.B., 7.C., 7.D., 7.E., 7.F., 7.G. and 7.H.

A. This policy insures loss resulting from or caused by loss or damage insured herein to the following:

1. **Contingent Business Interruption/Contingent Extra Expense:** Property, including **Attraction Properties**, that directly or indirectly prevents a supplier (including suppliers of any tier) of goods and/or services to the Insured from rendering their goods and/or services, or property that prevents customers (including customers of any tier) of goods and/or services from the Insured from accepting the Insured's goods and/or services.

There is no liability in this section for loss or damage insured under Clause 8.A.2.

2. **Service Interruption/Off Premises Power:** Any service provider's property including, but not limited to, electrical equipment and systems, fuel, water, gas, feedstock, pulp, liquid gases, sewage, telephone, fiber optic cable, telecommunications, heating, refrigeration and/or air conditioning systems, or their respective transmission and distribution lines (within 1,000 feet) or utility plants which directly or indirectly provide incoming or outgoing services to the Insured, situated on or outside of the Insured's premises.

This coverage is extended to include loss or damage resulting from any **accidental occurrence** to property referenced in this clause.

There is no liability in this section for loss or damage insured under Clause 8.A.1.

3. **Impounded Water:** Dams, reservoirs or equipment connected therewith when water used as a raw material or used for power or for other manufacturing purpose stored behind such dams or reservoirs is released from storage and causes an interruption of business as a result of lack of adequate water supply from such sources.

B. **Interruption by Civil or Military Authority**

This policy is extended to insure loss sustained during the period of time when, as a result of loss, damage or an event not excluded in Clause 6, access to property is impaired by order or action of civil or military authority.

C. **Ingress/Egress**

This policy is extended to insure loss sustained during the period of time when, as a result of loss, damage or an event not excluded in Clause 6, ingress to or egress from real or personal property is impaired.

D. **Contagious Diseases**

This policy is extended to insure Business Interruption, Extra Expense, Rental Value and Rental Income loss as insured hereunder as a consequence of the closing of all or part of the premises of the Insured by order of a competent public authority consequent upon:

1. The existence or threat of an actual or suspected infectious or contagious disease manifested by any person while at the premises of the **Insured**;
2. Murder, suicide or other crime occurring at the premises of the **Insured**;
3. Injury or illness sustained by any person arising from or traceable to foreign or injurious matter in food or drink provided at the premises of the **Insured** or the threat thereof;
4. The existence or threat of actual or suspected hazardous sanitary conditions at the premises of the Insured.

The most we will pay for loss under this provision during each separate 12-month period is the limit for Contagious Disease – Annual Aggregate shown under Limits of Liability above regardless of the number of **occurrences** or locations.

E. Defense Costs

This policy, subject to all of its provisions, also insures the costs and fees to defend any claim or suit against the **Insured** and/or its directors, officers, and/or employees alleging physical loss or damage as insured against to property of others is the care, custody, or control of the **Insured** to the extent of the **Insured's** liability therefore, even if such claim or suit is groundless, false or fraudulent; but the **Insurer** may without prejudice make such investigation, negotiation or settlement of any such claim or suit as it deems expedient.

F. Tenant/Hotel Guest Relocation Expense:

1. We will pay you the actual expenses you incur as a result of reimbursing the expenses of a hotel guest for whom prearranged hotel accommodations cannot be honored because of loss or damage resulting from a covered loss.
2. We will pay you for the reasonable expenses your hotel guest has incurred:
 - a. To secure and use other comparable hotel accommodations as close as possible to your covered location;
 - b. While traveling to and from your covered location to the location where the comparable hotel accommodations are secured; and
 - c. For prepaid amounts spent for activities away from the covered location which are lost because other comparable accommodations within a reasonable distance from your covered location are unavailable.
3. We will pay you for the reimbursed expenses of the hotel guest for the time:

- a. Beginning on the date the hotel guests prearranged accommodations at the covered location are:

- i. Scheduled to begin; or
- ii. Interrupted

Whichever is later; and

- b. Ending on the earliest of the following dates:

- i. The date the hotel guests prearranged hotel accommodations at the covered location are scheduled to end;
- ii. The date the damaged property at the covered location should be repaired, rebuilt or replaced with reasonable speed or similar quality;

Or

- iii. Fourteen (14) days after the date determined in A. above.

- 4. The most we will pay to you for the reimbursed expenses of your hotel guest in excess of the deductible is subject to the limit stated in Clause 3. Limits of Liability;
- 5. For the purpose of this endorsement hotel guest(s) means a person or persons holding valid confirmed reservations or prearranged hotel accommodations at a location shown on the schedule.

G. Tenant/Hotel Guest Emergency Evacuation:

- 1. We will reimburse you for the necessary expenses you incur to evacuate a covered location because of imminent danger to life or well-being of your tenants/guests caused by an external event or condition at the covered location when a civil authority having jurisdictional authority orders you to evacuate the covered location.
- 2. We will not reimburse you for the necessary expenses arising out of any planned evacuation drill.
- 3. The most we will pay in any one (1) occurrence and in the annual aggregate for the necessary expenses is subject to the limit stated in Clause 3. Limits of Liability.

H. Increased Tax Liability

This Policy covers the loss sustained by the Insured in the event that the tax treatment of loss recoveries under any provision of this Policy differs from the tax

treatment that would have been experienced by the Insured had no direct physical loss, damage or destruction by a peril insured by this Policy occurred.

I. Incentives

This Policy insures renewable energy credits which would have otherwise been due to the Insured or any other similar credits or incentives lost or reduced because of an **Occurrence** to which no exclusion in this Policy applies.

9. Loss Provisions Applicable to Clauses 7.B., 7.C., 7.F., 7.G., 7.H. and 8.

A. Period of Recovery

The length of time for which loss may be claimed is referred to as the period of recovery and:

1. shall commence with the date of such loss or damage and shall not be limited by the date of expiration of this policy;
2. shall not exceed such length of time as would be required with the exercise of due diligence and dispatch to rebuild, repair, or replace the property that has been destroyed or damaged;

and

3. such additional length of time to restore the Insured's business to the condition that would have existed had no loss occurred, commencing with the later of the following dates:
 - (a) the date on which the liability of the **Insurer** for loss or damage would otherwise terminate; or
 - (b) the date on which repair, replacement or rebuilding of the property that has been damaged is actually completed and the Insured has resumed normal operations.

but in no event for more than three hundred and sixty-five (365) consecutive days thereafter from said later commencement date;

4. with respect to alterations, additions, or property while in the course of construction, erection, installation, or assembly, due consideration shall be given to the level of production or level of business operations that would reasonably have been achieved after construction and start up would have been completed had no loss or damage occurred.

B. If the Insured can reduce the loss resulting from the interruption of business:

1. by a complete or partial resumption of operations of the property insured, whether damaged or not; or

2. by making use of stock, merchandise, or other property insured herein;

Such reduction shall be taken into account in arriving at the amount of loss hereunder.

C. Expense to Reduce Loss:

This policy also insures such expenses as are necessarily incurred for the purpose of reducing any loss under this policy, even though such expenses may exceed the amount by which the loss under this policy is thereby reduced.

D. Experience of the Business:

In determining the amount of loss insured hereunder due consideration shall be given to the experience of the business before the date of loss or damage and to the probable experience thereafter had no loss or damage occurred.

10. Property Excluded

This policy does not insure loss or damage to:

- A. Watercraft over forty (40) feet only while waterborne, aircraft and motor vehicles licensed for highway use when not on the Insured's premises, except this exclusion shall not apply to contractor's equipment, nor to such property which constitutes stock or which is on exhibit or being repaired.
- B. Land, except as insured under Clause 15, Decontamination and Clean Up Expense. This exclusion shall not apply to the cost of reclaiming, restoring or repairing land improvements. Land improvements as described hereunder include, but are not limited to, any alteration to the natural condition of the land by grading, excavating, landscaping, earthen dikes or dams, as well as additions to land such as pavements, roadways, ponds, golf courses, or similar works;
- C. Currency, money, gold bullion, evidence of debt, except accounts receivable as defined in the policy, notes or securities except as otherwise defined in this policy.
- D. Growing crops, standing timber to be used for industrial processes, and live animals not used for research.
- E. Water, except as insured under Clause 8.A.3. Impounded Water, Clause 15. Decontamination and Clean Up Expense, or when contained in any form of piping system, processing system or holding tank or used in the manufacturing process.
- F. Export and import shipments after loading on board the oceangoing watercraft and during ocean **transit**, but coverage will attach after unloading at the destination port.
- G. Waterborne shipments via the Panama Canal.
- H. Waterborne shipments to and from Alaska, to and from Hawaii, and to and from Puerto Rico, Guam and the Virgin Islands.

- I. Bridges, tunnels, sea walls, docks, piers, wharves; precious metals; and air supported structures.
- J. Underground mines, any property therein, and mining property located below the surface of the ground.
- K. Offshore oil rigs, platforms and property contained thereon.
- L. Satellites and spacecraft while on launch pad or after time of launch.
- M. Dams or dikes.

11. Valuation

At time of loss, the basis of adjustment shall be as follows:

- A. On buildings and structures, at the replacement cost new; if not replaced, then at the actual cash value.
- B. On machinery, equipment, furniture, fixtures and improvements and betterments at the replacement cost new; if not replaced, then at the actual cash value.
- C. **Valuable Papers and Records** and **EDP Media** at the value blank plus the cost of labor, service and/or supplies for actually reconstructing, researching, gathering information, reproducing, recreating, transcribing or copying such papers, records and **EDP Media**.
- D. **Fine Arts** owned by the Insured at the cost of reasonably restoring the property to its condition immediately prior to the loss, or in the event that the property cannot be restored at the appraised value prior to the loss. In absence of such appraisal, at the market value at the time of loss, plus the Insured's costs.

Fine Arts, which is the property of others, at the Insured's option, either at the cost of reasonably restoring the property to its condition immediately prior to loss, or the Insured's contractual or legal liability.
- E. **Finished Stock** and other merchandise for sale, at the Insured's selling price less discounts to which the goods would have been subject had no loss occurred.
- F. Property of others and property leased by the Insured, or for which the Insured has agreed to insure, at the Insured's option either:
 - 1. the replacement cost new, or;
 - 2. the amount stipulated in the lease agreement, or;
 - 3. Insured's contractual or legal liability.
- G. Stock in process (raw stock which has undergone any aging, seasoning, or other processing by the Insured, but which has not become **finished stock**) shall be valued at the Insured's selling price of **finished stock** at the time of loss, less any

manufacturing expense not incurred by the Insured and less any discounts, rebates, and unincurred expenses to which the sales price would have been subject.

H. On property designated as being historic properties:

1. if buildings or structures sustain loss, damage or destruction, this Policy will pay the cost to replace, repair or restore them using the same materials, workmanship and architectural features and details that existed before such loss, damage or destruction, provided they are available and including the use of skilled labor. However, if any materials or workmanship needed to replace, repair or restore a building or structure are not available, this Policy will pay the cost to use materials and/or workmanship that will permit the replacement, repair or restoration of the building or structure to a condition that most closely resembles the condition which existed immediately before the loss, damage or destruction occurred.
2. if there is an ordinance or law in effect at the time of loss that regulates zoning, land use or construction of a building or structure, such as a Historic Preservation Act or other landmark regulation, and if that ordinance or law affects the repair or rebuilding of the loss or damaged building or structure and if the Insured:
 - a. repairs or rebuilds the building or structure as soon as reasonably possible, this Policy will pay the replacement value of the damaged and undamaged portions of the building, the cost to demolish and clear the site of the undamaged portion of the building, and the increased cost to repair or rebuild the building to the same general size in accordance with the minimum standards of such ordinance or law;
 - b. does not repair, rebuild or replace the building or structure, this Policy will pay the actual cash value of the damaged and undamaged portions of the building; and the cost to demolish and clear the site of the undamaged portion of the building.

Coverage afforded by item 2. does not apply to the costs associated with the enforcement of any ordinance or law that requires any Insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize or in any way respond to or assess the effects of pollutants or contaminants. In addition, nothing in this clause L shall increase the limit of liability of this Policy.

With respect to properties that qualify for "Historical Landmark Status," the Insured shall have the sole discretion as to the means by which said property shall be repaired, rebuilt or replaced, but not to exceed the actual costs which would have been incurred in order to comply with "Historical Landmark Status" requirements.

I. All other property, not otherwise mentioned above, at the replacement cost new; if not replaced, then at the actual cash value.

It is understood and agreed that as respects replacement cost new, the Insured shall have the option of replacing with equipment having technological advantages and/or representing an improvement in function and/or forming part of a program of system enhancement provided that such replacement can be accomplished without increasing the **Insurer's** liability.

The Insured, using reasonable discretion, shall be the sole judge as to whether electrical and mechanical equipment are damaged and unusable. This **Insurer** shall be allowed to dispose of, as salvage, any non-proprietary property deemed unusable by the Insured.

As respects 11.A., 11.B. and 11.H., the Insured may elect not to replace the real and/or personal property lost, damaged, or destroyed and obtain loss settlement on a replacement cost basis if the proceeds of such loss settlement are expended in any other expenditures related to the Insured's operations.

As respects 11.A., 11.B. 11.H and 11.I., the Insured may elect not to replace the real and/or personal property lost, damaged, or destroyed and obtain loss settlement on a replacement cost basis if the proceeds of such loss settlement are expended in any other expenditures related to the Insured's operations.

Permission is granted for the Insured to replace the property with similar property at the same or another site within the territorial limits of the policy, but recovery is limited to what it would cost to replace on same site.

12. Demolition and Increased Cost of Construction

In the event of loss or damage insured under this policy that causes the enforcement of any law, ordinance or governmental directive regulating the construction, repair or use of the property, the **Insurer** shall be liable for:

- A. The cost of demolishing the undamaged property including the cost of clearing the site;
- B. The proportion that the value of the undamaged part of the property bore to the value of the entire property prior to loss;
- C. The increased cost of repair or reconstruction of the damaged and undamaged property on the same or another site and limited to the costs that would have been incurred in order to comply with the minimum requirements of such law, ordinance or governmental directive regulating the repair or reconstruction or use of the damaged property on the same site or another site. However, the **Insurer** shall not be liable for any increased cost of construction loss unless the damaged property is actually rebuilt or replaced;
- D. The increase in loss, including, but not limited to, Business Interruption, Extra Expense, Rental Value, Leasehold Interest or Royalties or extensions thereof arising out of the additional time required to comply with said law, ordinance or governmental directive.
- E. In the event of loss or damage to insured property caused by a peril insured against, the Insurers shall be liable for loss as described below due to the enforcement of any law, ordinance or other governmental restrictions in effect prior to the insured loss or damage, which limits the Insured's ability to rebuild the damaged property to like kind and quality, density, use, size or number of floors in existence immediately prior to such loss or damage.

The **Insurers** limit of liability shall be limited to the sum of the replacement value of the real property which must be demolished or which is lost, damaged, destroyed or which may not be rebuilt, including loss of rents for the portions of the property which cannot be repaired or replaced due to the operation of the above described ordinances, laws, and regulations subject to the maximum amount payable under Clause 3. Limits of Liability. However, as respects loss of rents, the maximum period of indemnity is 12 (twelve) months.

13. Service Charges

This policy insures service charges and expenses of Fire Department, Police, Rescue Squad, and any government or authority charges incurred by the Insured because of an **Occurrence** of a peril insured by this Policy.

14. Debris Removal

This policy insures the necessary and reasonable expenses actually incurred by the Insured due to loss or damage as insured herein, occurring during the term of this policy, to remove, clean up and/or properly dispose of any debris remaining after any such loss or damage.

15. Decontamination and Pollutant Clean Up Expense

- a. We will pay up to the policy limits to remove pollutants or hazardous substances from covered property at a covered location if the pollution or contamination results from a covered peril, subject to the applicable limit of liability.
- b. We will pay up to the Hazardous Substance sublimit to remove pollutants or hazardous substances from covered property at a covered location, if the pollution or contamination results from an Equipment Breakdown.
- c. If pollution results from a covered peril, we will pay up to the Pollution Cleanup annual aggregate sublimit of liability:
 - i. To remove pollutants or hazardous substances from land, soil, surface or ground water upon, within, beneath or comprising a covered location; or,
 - ii. For testing performed in the course of extracting the pollutants from land, soil, surface or ground water upon, within, beneath or comprising a covered location; or,
 - iii. For emergency measures undertaken in order to mitigate any circumstances pertaining to Section i. above.

We will only pay these expenses if these expenses are reported to us in writing within three hundred sixty-five (365) days of the date of the covered loss.

The coverage extensions in this section override any endorsements attached to this policy that could potentially exclude or limit coverage as described in sections 15 a, b, and c.

16. Notice of Loss

The Insured shall report to the **Insurer** any loss or damage which may become a claim under this insurance policy as soon as may be practicable after it becomes known to the

Director of the Risk Management Department (or the individual acting in a similar capacity) of the Insured.

17. Knowledge of Occurrence

It is agreed that knowledge of an **occurrence** by an agent, servant or employee of the Insured shall not in itself constitute knowledge by the Insured. Knowledge is understood to occur only when the Director of the Risk Management Department (or the individual acting in a similar capacity) of the Insured shall have received notice from its agent, servant or employee.

18. Proof and Payment of Loss

A detailed Proof of Loss shall be filed with the **Insurer** as soon as practicable. Loss shall be adjusted with the Risk Management Department of the Insured or assigned representatives, and all adjusted claims shall be paid to the Insured or its order within Thirty (30) days after filing a Proof of Loss.

19. Non-Reduction of Limits of Liability

Any loss hereunder shall not reduce the limit(s) of liability under this policy except for aggregate limits as described in Clause 3.

20. Subrogation and Subrogation Waiver

- A. It is agreed that upon payment of any loss, this **Insurer** is subrogated to all the rights of the Insured to the extent of such payment.

Any release or waiver of liability entered into by the Insured in the course of their business prior to loss (including but not limited to bills of lading and/or receipts from carriers, bailees, warehouseman, lighterman, processors, limiting or releasing their liability) hereunder shall not prejudice the Insured's rights of recovery under this policy.

- B. The right of subrogation against the Insured's subsidiary, affiliated, or associated corporations or companies, joint ventures, partnerships or individuals, or any other party required to be insured, or any other corporations or companies associated with the Insured through ownership or management is waived, and at the option of the Insured, subrogation is waived against any tenant or landlord of the Insured.

- C. In the event of any payment under this policy, except where subrogation rights have been waived, the **Insurer** shall be subrogated to the extent of such payment to all the Insured's rights of recovery therefore. The Insured shall execute all papers required and shall take reasonable and necessary action to secure such subrogation rights. The **Insurer** will act in concert with all other interests concerned, i.e., the Insured and any other company(ies) participating in the payment of any loss as primary or excess insurers, in the exercise of such rights of recovery. If any amount is recovered, after deducting the costs of recovery, such amount shall be divided between the interests concerned in the proportion of their respective interests. If

there should be no recovery, all costs and expenses shall be borne by the party instituting the proceedings.

21. Sue and Labor

In case of actual or imminent loss or damage insured herein, it shall be lawful and necessary for the Insured, their factors, servants or assignees, to sue, labor and travel for, in and about the defense, safeguard and recovery of the property insured hereunder, or any part thereof, without prejudice of this insurance. Nor shall the acts of the Insured or these **Insurers** in recovering, saving, and preserving the property insured in case of actual or imminent loss or damage, be considered a waiver or acceptance of an abandonment. The **Insurer** will be responsible for all expenses. The deductible provision of this policy shall not apply to this clause. This provision does not increase the limit of liability of this policy.

22. Appraisal

In case the Insured and this **Insurer** shall fail to agree as to the amount of loss, then, on the written demand of either, each shall select a competent and disinterested appraiser and notify the other of the appraiser selected within Twenty (20) days of such demand. The appraisers shall select a competent and disinterested umpire; and, failing for Fifteen (15) days to agree upon such umpire, then on request of the Insured or the **Insurer**, such umpire shall be selected by a judge of a district court of a judicial district in accordance with the Jurisdiction and Suit clause of this policy. The appraisers shall then appraise the loss, separating the loss to each item; and, failing to agree, shall submit their differences only to the umpire. An award in writing, so itemized of any two when filed with the **Insurer**, shall determine the amount of loss. Each appraiser shall be paid by the party selecting each respective appraiser and the expenses of appraisal and umpire shall be paid by the parties equally. However, if the award is greater than the amount offered by the **Insurer** in payment of the loss at any time before the award is rendered, then the **Insurer** shall pay 100% of the fees and expenses for each appraiser and the umpire and for the appraisal.

23. Brands and Labels

In case of insured loss or damage to property bearing a brand or trademark or which in any way carries or implies the guarantee or the responsibility of the manufacturer or the Insured, the salvage value of such damaged property shall be determined after removal in the customary manner, at the expense of the **Insurer**, of all such brands or trademarks or other identifying characteristics.

24. Control of Damaged Merchandise

The Insured shall have full right to the possession of all merchandise manufactured, sold or distributed by the **Insured** involved in any loss under this policy and shall retain control of all damaged merchandise. The Insured, exercising reasonable discretion, shall be the sole judge as to whether the merchandise involved in any loss under this policy are fit for consumption, sale or use and any merchandise so deemed by the Insured to be unfit for consumption, sale or use shall not be sold or otherwise disposed of except by the Insured or with the Insured's consent, but the Insured shall allow this **Insurer** any salvage proceeds obtained by the Insured on any sale or other disposition of such merchandise.

25. Salvage and Recoveries

Except as described in Clause 24, after expenses incurred in salvage or recovery are deducted, any salvage or other recovery, except recovery through subrogation proceedings and/or from underlying and/or excess insurance as described herein, shall accrue entirely to the benefit of this **Insurer** until the sum paid by the **Insurer** has been recovered.

26. Expediting Expense

This policy insures the reasonable extra cost of temporary repair or replacement and of expediting the repair or replacement of damaged property insured hereunder, including overtime and express freight or other rapid means of transportation.

27. Jurisdiction and Suit

It is hereby understood and agreed that:

- A. In the event of the failure of the **Insurer** to pay an amount claimed to be due hereunder, at the direction of the Insured, the **Insurer** will submit to the jurisdiction of any court of competent jurisdiction within the United States and will comply with all requirements necessary to give such jurisdiction. All matters arising hereunder shall be determined in accordance with the law and practice of such court.
- B. In any suit instituted against it under this policy, the **Insurer** will abide by the final decision of such court or any appellate court in the event of an appeal.

28. Pair and Set/Consequential Reduction in Value

In the event of insured loss or damage to personal property, this policy shall insure the resulting reduction in value of the remaining undamaged components or parts of products customarily sold as individual units or sold as pairs, sets or lots or ranges of sizes or colors.

29. Consequential/Sequential Damage

The policy insures consequential/sequential loss or damage caused by or resulting from the change in temperature or humidity caused by, but not limited to, interruption of power, heat, light, air conditioning, refrigeration, telephone or telegraphs, supply water or telecommunications to property/equipment or plants used to provide refrigeration, cooling, humidifying, dehumidifying, air conditioning, heating, generating, converting power, or telephone or telegraphs, or telecommunications, including all connections and supply from transmission lines and pipes, power generating equipment, utility plants or sources, whether or not such equipment is on or off the premises of the Insured.

30. Permits

Permission is hereby granted for any building(s) to be and remain vacant and unoccupied without limit of time and without prejudice to the Insured's right of recovery for claim under this policy.

Any change in occupancy or use of the premises or any increase in hazard shall not prejudice the Insured's right of recovery for claim under this policy.

31. Contributing Insurance

Permission is granted for other policies written upon the same terms, conditions, and provisions irrespective of limit or attachment point as those contained in this policy. This policy shall contribute to the total of each loss otherwise payable herein to the extent of the participation of this policy in the total limit of liability stated herein.

32. Excess Insurance

Permission is granted for the Insured to have excess insurance over the limit of liability in this policy without prejudice to this policy and the existence of such insurance, if any, shall not reduce any liability under this policy.

33. Underlying Insurance

Permission is granted for the Insured to purchase insurance on all or any part of the deductible and against all or any of the coverage provided by this policy. The existence of such underlying insurance shall not prejudice or affect any recovery otherwise payable under this policy.

34. Other Insurance

Except as referred to in Clause 31, 32 and 33, if any property included in the terms of this policy shall, at the time of any loss, be more specifically insured with insurance purchased by the **Insured**, this policy shall extend to cover such property only so far as related to any excess of insured values not covered by such other insurance, and this policy shall be liable on such specifically insured property only for such loss as shall be in excess of the amount payable by or recoverable from such more specific insurance.

35. Coinsurance Waiver

This policy is not subject to Coinsurance or Average Clause.

36. Errors & Omissions

No inadvertent error, omission or failure in making reports or other data hereunder shall prejudice the Insured's right of recovery but shall be corrected when discovered. It is further understood and agreed that any error in description of locations, or values of projects insured or to be insured by this policy shall not invalidate or reduce the policy limit of liability, or otherwise prejudice any recovery under this policy.

37. Liberalization

If during the period that insurance is in force under this policy, any authorized endorsement or filed rules or regulations affecting the same are revised by statute or otherwise so as to broaden the insurance without additional premium charge, such extended or broadened insurance shall inure to the benefit of the Insured hereunder.

38. Titles of Paragraphs

The several titles of the various paragraphs of this policy (and of Endorsements and Supplemental Policies, if any, which are attached to this policy) are inserted solely for convenience or reference and shall not be deemed in any way to limit or affect the provisions to which they relate.

39. Waiver of Company Conditions

The terms and conditions of this manuscript form are substituted for those of the **Insurer's** policy jacket and other preprinted **Insurer** forms and the **Insurer's** declaration page to which it is attached, the terms and conditions of same being waived and superseded by this manuscript form.

40. Certificates of Insurance

All parties to whom a Certificate of Insurance has been issued are automatically added to this policy upon issuance of said certificates, either as Additional Insureds, Mortgagees or as Loss Payees, or any, in accordance with the terms and conditions of this policy unless otherwise agreed to by the **Insurer**. Permission is granted for Lockton Companies to issue Certificates on the **Insurer's** behalf.

41. Partial Payment of Loss

It is understood and agreed that this **Insurer** will make partial payments of claims subject to the policy provisions and the normal policy adjustment provisions.

To obtain said partial claim payment, the Insured shall submit a partial Proof of Loss with supporting documentation.

42. Loss Payee and Mortgagee Clause

- A. The Company will pay for loss to specified property insured under this Policy to each specified Loss Payee as its interest may appear, and to each specified Mortgagee as its interest may appear, under all present or future mortgages upon such property, in order of precedence of the mortgages.
- B. The interest of the Loss Payee or Mortgagee (as the case may be) in property insured under this Policy will not be invalidated by:
 - 1) any act or neglect of the debtor, mortgagor, or owner (as the case may be) of the property.
 - 2) foreclosure, notice of sale, or similar proceedings with respect to the property.
 - 3) change in the title or ownership of the property.
 - 4) change to a more hazardous occupancy.

The Loss Payee or Mortgagee will notify the Company of any known change in ownership, occupancy, or hazard and, within 10 days of written request by the Company, may pay the increased premium associated with such known change. If the Loss Payee or Mortgagee fails to pay the increased premium, all coverage under this Policy will cease.

- C. If this Policy is cancelled at the request of the Insured or its agent, the coverage for the interest of the Loss Payee or Mortgagee will terminate 10 days after the Company sends to the Loss Payee or Mortgagee written notice of cancellation, unless:
- 1) sooner terminated by authorization, consent, approval, acceptance, or ratification of the Insured's action by the Loss Payee or Mortgagee, or its agent.
 - 2) this Policy is replaced by the Insured, with a policy providing coverage for the interest of the Loss Payee or Mortgagee, in which event coverage under this Policy with respect to such interest will terminate as of the effective date of the replacement policy, notwithstanding any other provision of this Policy.
- D. The Company may cancel this Policy and/or the interest of the Loss Payee or Mortgagee under this Policy, by giving the Loss Payee or Mortgagee written notice 90 days prior to the effective date of cancellation, if cancellation is for any reason other than non-payment. If the debtor, mortgagor, or owner has failed to pay any premium due under this Policy, the Company may cancel this Policy for such non-payment, but will give the Loss Payee or Mortgagee written notice 10 days prior to the effective date of cancellation. If the Loss Payee or Mortgagee fails to pay the premium due by the specified cancellation date, all coverage under this Policy will cease.
- E. The Company has the right to invoke this Policy's SUSPENSION clause (if any). The suspension of insurance will apply to the interest of the Loss Payee or Mortgagee in any machine, vessel, or part of any machine or vessel, subject to the suspension. The Company will provide the Loss Payee or Mortgagee at the last known address a copy of the suspension notice.
- F. If the Company pays the Loss Payee or Mortgagee for any loss, and denies payment to the debtor, mortgagor or owner, the Company will, to the extent of the payment made to the Loss Payee or Mortgagee be subrogated to the rights of the Loss Payee or Mortgagee under all securities held as collateral to the debt or mortgage. No subrogation will impair the right of the Loss Payee or Mortgagee to sue or recover the full amount of its claim. At its option, the Company may pay to the Loss Payee or Mortgagee the whole principal due on the debt or mortgage plus any accrued interest. In this event, all rights and securities will be assigned and transferred from the Loss Payee or Mortgagee to the Company, and the remaining debt or mortgage will be paid to the Company.
- G. If the Insured fails to render proof of loss, the Loss Payee or Mortgagee, upon notice of the Insured's failure to do so, will render proof of loss within 60 days of notice and will be subject to the provisions of this Policy relating to APPRAISAL, SETTLEMENT OF CLAIMS, and SUIT AGAINST THE COMPANY.

- H. Other provisions relating to the interests and obligations of the Loss Payee or Mortgagee may be added to this Policy by agreement in writing.

43. Cancellation

- A. This policy may be canceled at any time at the request of the first named Insured, or it may be canceled by the **Insurer** by mailing via registered or certified mail to G6 Hospitality located at 4001 International Parkway, Carrollton, TX 75007 and with copies provided to Lockton Companies located at 2100 Ross Avenue, Suite 1400, Dallas, TX 75201, during the term of this policy, written notice stating when no less than Ninety (90) days thereafter, except Ten (10) days for nonpayment of premium, such cancellation shall be effective.

This insurance may be canceled at any time by the Insured by surrender of this policy to the **Insurer** or by mailing or delivery to the **Insurer** written notice stating when thereafter such cancellation shall take effect. Return premium shall be allowed the Insured on a pro rata basis if the **Insurer** cancels and also on a pro rata basis if the Insured cancels.

Payments or tender of any unearned premium by the **Insurer** shall not be a condition precedent to the effectiveness of cancellation, but such payment shall be made as soon as practicable.

- B. The mailing of notice as described in A. above shall be sufficient proof of notice and 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 Insured or by this **Insurer** shall be equivalent to mailing.
- C. Cancellation shall not affect coverage on any shipment in **transit** on the date of cancellation. Coverage will continue in full force until such property is safely delivered and accepted at place of final destination.

44. Inspection and Audit

This **Insurer** shall be permitted, but not obligated, to inspect the Insured's property at any reasonable time. Neither the **Insurer's** right to make inspections, nor the making thereof, nor any report thereon, shall constitute an undertaking, on behalf of or for the benefit of the Insured or others, to determine or warrant that such property is safe.

45. Loss Adjustment Expenses

This policy is extended to insure expenses incurred by the Insured, or by the Insured's representatives for assessing, for preparing and/or certifying details of a claim resulting from a loss which would be payable under this policy. However, this policy does not insure the expenses of Public Adjustors.

46. Lost Key/Alternative Key Systems

This policy is extended to cover the consequential loss to keys and locks if a master key or grand master key is lost or damaged directly resulting from an insured peril. The policy will

provide payment for the actual cost to replace keys, adjustment of locks to accept new keys, or if required, new locks including the cost of their installation. Further, the policy is extended to cover loss or damage directly resulting from an insured peril to alternative key system, such as mechanically or electronically coded key cards, including card-programmer, card-readers, computers, related alarms, transceivers, power supplies and any other electronic or mechanical apparatus needed to make the card keys operate.

47. Severability of Interest

Each of the Insureds insured by this policy will have the same protection and obligations as if the policy has been issued individually to each of them, except as respects the obligations associated with Clause 43. **Cancellation.** However, the inclusion of more than one Insured will not operate to increase the limit of liability of the **Insurer** beyond the limit of liability stated in this policy.

48. Extortion

Recovery under this Policy shall not be affected by the refusal of the Insured to comply with any extortion demand.

49. Loss Adjustors

It is hereby understood and agreed that each and every loss will be adjusted on behalf of the Insurers by Michael S. Beach of McLarens, 1200 Roosevelt Road, Glen Ellyn, IL 60137 or equivalent as otherwise agreed by the Insured and the **Insurer**. The cost of these services will be borne by the Insurer.

50. Loss Payable

Loss, if any, shall be adjusted with and payable to G6 Hospitality, LLC or order.

51. Definitions

The following terms whenever used in this policy shall mean:

A. Accidental Occurrence

A sudden and accidental **occurrence** which does not result from physical loss or damage.

However, accidental occurrence does not include, under any circumstances, coverage for hostile or warlike action, nuclear reaction or radiation or pollution and contamination as excluded in Clauses 6.A., 6.B. and 6.F.

B. Architect Fees and Engineering Fees

Any cost associated with the preparation of plans for the repair or reconstruction of the damaged property.

C. Attraction Properties

Properties, not owned or operated by the Insured, which attract potential customers to the vicinity of the Insured's location.

D. CFC Refrigerants

The Company will pay for the additional cost to repair or replace covered property that is physically damaged because of the use or presence of a refrigerant containing CFC (chlorinated fluorocarbon) substances. This means the additional expense to do the least expensive of the following:

- (1) Repair the damaged property and replace any lost CFC refrigerant;
- (2) Repair the damaged property, retrofit the system to accept a non-CFC refrigerant and charge the system with a non-CFC refrigerant;
or
- (3) Replace the system with one using a non-CFC refrigerant.

Additional costs mean those beyond what would have been required had no CFC refrigerant been involved

E. Earthquake

Quaking, vibratory or undulating movement of a portion of the earth's crust, produced by underground volcanic forces or by breaking and shifting of rock beneath the earth's crust. It is understood and agreed that, wherever used in this policy, the term "loss caused by" or "loss arising from" **Earthquake** shall be restricted exclusively to the actual, specific cracking, rupturing, shifting or toppling of property and shall not include ensuing loss or damage, if any, resulting from other loss or damage insured. Such ensuing loss shall be construed to have been of the same **occurrence**, but of a different proximate cause.

F. EDP Systems

Electronic Data Processing Systems shall include, but not be limited to, transferring equipment, computer systems, telecommunications systems or electronic control equipment and component parts.

G. EDP Media

All forms of data, converted data, electronically converted data and/or programs and/or applications and/or instructions and/or media vehicles employed.

H. Equipment Breakdown

The term "Equipment Breakdown" is defined solely for the determination of the limits of liability and/or deductible(s) and application of the sue and labor and suspension section only. The term "Equipment Breakdown" shall not limit or define the perils or coverages provided elsewhere in this policy.

A. The term " Equipment Breakdown " shall mean:

- (1) Any condition or occurrence within boilers or fired or unfired vessels owned by, operated by, or under the control of the Insured and subject to pressure or vacuum including piping or apparatus attached to and forming a part thereof, except that the words "any condition or occurrence" shall not include explosion, other than explosion of the parts of a steam boiler containing steam or water, steam piping, steam turbines, or steam engines;
- (2) Mechanical breakdown of any machine or apparatus arising out of any condition or occurrence within such machine or apparatus;
- (3) Electrical injury or disturbance to electrical appliances, devices, fixtures, wiring, or other electrical or electronic equipment caused by electrical currents artificially generated.

However, the term "Equipment Breakdown" does not include:

- (1) loss or damage from fire or from the use of water or other means to extinguish fire; and
- (2) the normal operation of any safety or protective device;

B. The term "Equipment Breakdown" shall not apply to the following property:

- (1) property in **transit**;
- (2) property while in the course of construction, erection, installation, or assembly;
- (3) electronic data processing systems used for administrative, statistical, or accounting purposes;
- (4) any sewer piping, any piping forming a part of a fire protective system, or any water piping other than the following:
 - (a) boiler feed water piping;
 - (b) boiler condensate return-piping;
 - (c) water piping used in a heat transfer system for cooling, humidifying, or space heating purposes;
- (5) any vehicle, aircraft, or self-propelled equipment or floating vessel;
- (6) any elevator, crane, ladle or bucket, hoist, power shovel, drag line, excavator, scale, or conveyor, but not excluding any pressure vessel, gears, engines or electrical equipment used with a machine.

I. Fine Arts

Fine Arts shall include, but not be limited to, bona fide works of art, works of rarity, works of historical value, works of artistic merit, photographs, (positives and negatives) lithographs, illustrations, galley proofs, original records.

J. **Finished Stock**

Stock manufactured by the Insured which, in the ordinary course of the Insured's business, is ready for packing, shipment or sale.

K. **Fire Brigade Charges/Fire Extinguishing Materials and Expenses**

Firefighting and/or containment charges and/or fire department service charges and other extinguishing expenses.

L. **Flood**

Waves, tide or tidal water, tsunami, rapid accumulation of surface waters, or the rising (including overflowing or breaking of boundaries) of lakes, reservoirs, rivers, streams or other bodies of water. It is understood and agreed that, whenever used in this policy, the term "loss caused by" or "loss arising from" flood shall not include ensuing loss or damage, if any resulting from other loss or damage insured. Such ensuing loss shall be construed to have been of the same **occurrence**, but of a different proximate cause.

Storm Surge as a result of **Named Windstorm** is not considered **Flood** and will be subject to the **Named Windstorm** Limit of Liability.

M. **Fraudulent or Dishonest Acts**

Fraudulent or dishonest acts committed by the Insured or the Insured's employees with the manifest intent to:

1. cause the Insured to sustain such loss; and
2. obtain financial benefit for the Insured, Insured's employee, or for any other person or organization intended by the Insured or the employee to receive such benefit for such fraudulent or dishonest act or acts.

N. **Lease Interest**

The excess rent paid for the same or similar replacement property over actual rent payable plus cash bonuses or advance rent paid (including any maintenance or operating charges) for each month during the unexpired term of the Insured's lease; and/or

The rental income earned by the Insured from sublease agreements, to the extent not insured under any other section of this policy, over and above the rental expenses specified in the lease between the Insured and the lessor.

O. **Named Windstorm**

The term “Named Windstorm” shall mean a weather condition that has been declared by the U.S. National Weather Service to be a hurricane, typhoon, tropical storm, or cyclone that results in loss or damage to Insured Property directly or indirectly caused by:

- (1) the force of wind caused by or resulting from a Named Windstorm; or
- (2) any material, object or debris that is carried, propelled or in any manner moved by a Named Windstorm; or
- (3) hail, lightning, or tornado(es) that are a result of actions or effects of a Named Windstorm; or rain or water, whether the rain or water is driven by wind or not, that enters the covered building or structure through an opening(s) created by the force of wind from a Named Windstorm; or
- (4) water inundation, storm surge, or **Flood** as defined herein, if covered by this policy, including loss or damage from the destruction or breaching of any levee, dam, or dike as a result of actions or effects of a Named Windstorm.

P. Net Lease Interest

That sum which placed at 3% interest compounded annually would equal the Lease Interest (less any amounts otherwise payable hereunder).

Q. New Madrid is defined as property located in the following counties:

Arkansas	Clay, Craighead, Crittenden, Cross, Greene, Jackson, Lawrence, Mississippi, Poinsett, Randolph, Sharp
Illinois	Alexander, Bond, Clinton, Franklin, Hardin, Jackson, Jefferson, Johnson, Madison, Massac, Monroe, Perry, Pope, Pulaski, Randolph, Saline, St. Clair, Union, Washington, Williamson
Indiana	Gibson, Pike, Posey, Vanderburgh, Warrick
Kentucky	Ballard, Calloway, Carlisle, Fulton, Graves, Hickman, Livingston, Marshall, McCracken
Mississippi	Bolivar, Coahoma, De Soto, Marshall, Tate, Tunica
Missouri	Bollinger, Butler, Cape Girardeau, Dunklin, Franklin, Iron, Jefferson, Madison, Mississippi, New Madrid, Pemiscot, Perry, Reynolds, St. Charles, St. Francois, St. Genevieve, St. Louis, Scott, Stoddard, Warren, Washington, Wayne
Tennessee	Crockett, , Dyer, Fayette, Gibson, Hardeman, Haywood, Lake, Lauderdale, Madison, Obion, Shelby, Tipton

R. Object

Means any boiler, fired or unfired vessel subject to pressure or vacuum, including piping or apparatus attached thereto and forming a part thereof, and any mechanical or electrical machine or apparatus used for the generation, transmission or utilization of mechanical or electrical power.

S. Occurrence

Loss, or a series of losses or several losses, which are attributable directly or indirectly to one cause or disaster or to one series of similar causes or disasters arising from a single event. All such losses shall be added together and the total amount of such losses shall be treated as one **occurrence** irrespective of the period of time or area over which such losses occur.

When the term applies to **Named Windstorms**, it shall be defined as the sum total of all losses arising out of or caused by the same atmospheric disturbance during any period of 72 consecutive hours. The Insured shall have the right to elect the moment from which the 72-hour period shall be deemed to have commenced, provided always that no elected period of 72 hours shall commence within the period of any previous occurrence. However, it is further understood and agreed that any loss from **Named Windstorm** and resulting loss and damage can be considered more than one occurrence if the duration of the **Named Windstorm** exceeds 72 hours. The storm cell shall no longer be considered a Named Windstorm once it is downgraded to a Tropical Depression.

When the term applies to **Earthquake**, it shall be defined as the sum total of all the Insured's losses sustained during any period of 168 consecutive hours by reason of one **Earthquake** or a series of **Earthquakes**. The Insured may elect the moment from which the 168-hour period shall be deemed to have commenced, provided always that no elected period of 168 hours shall commence within the period of any previous **occurrence**.

When the term applies to **Flood**, it shall be defined as the sum total of all losses sustained by reason of one **Flood** or a series of **Floods**.

When the term applies to theft, the sum total of all losses insured herein resulting from one or more **Fraudulent or Dishonest Acts** committed by a person(s) acting alone or in collusion with others shall constitute one **occurrence**.

As respects, riot, civil commotion, looting, arson, vandalism and malicious mischief, occurrence shall mean all losses, not otherwise excluded, sustained by the Insured during a continuous period of 168 hours and such additional losses occurring beyond such period of 168 hours but during the continued occupation of the location by strikers provided such occupation commenced during the said period of 168 hours.

T. **Ordinary Payroll**

Ordinary Payroll is the entire payroll expense for all employees of the Insured except officers, executives, employees under contract, and other critical employees.

U. **Pacific Northwest is defined as property located in the following counties:**

Washington	Clallam, Jefferson, King, Kitsap, Mason, Pierce, San Juan, Skagit, Snohomish, Thurston, Whatcom
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V. **Soft Costs**

This policy shall cover soft costs, as hereinafter defined, incurred by the Insured caused by loss, damage, or destruction by any of the perils covered herein during the term of this policy to property as covered herein.

- a) The term "Soft Costs" shall include but not be limited to:
 - i) Additional interest costs on money used to finance construction or repair;
 - ii) Additional real estate and property taxes incurred for the period of time that construction extends beyond the projected completion date;
 - iii) Additional legal and accounting fees; and
 - iv) Additional advertising and promotional expenses which become necessary as a result of an insured loss.
 - v) Commission Expense
 - vi) Insurance Premium
 - vii) Project Administration Expense
- b) This company shall pay soft costs incurred from the date that the building, structure or improvement would have been completed had no physical damage occurred until such time that it is completed. As soon as practicable after any loss, the Insured shall utilize every available means to reduce the amount of loss including but not limited to:
 - i) partial or complete resumption of construction, business or operations;
 - ii) making use of materials, equipment, supplies, or other property at the Insured's premises or elsewhere; or
 - iii) making use of substitute facilities or services where practical;

such reduction will be taken into account in arriving at the amount of such loss.

W. "Special Flood Hazard Area" or "SFHA"

Locations within areas of 100-year flooding as defined by the Federal Emergency Management Agency (FEMA).

X. Specified Perils

Direct Physical loss or damage caused by or resulting from fire, lightning, aircraft, explosion, riot, civil commotion, smoke, vehicles, wind or hail, malicious mischief, leakage or accidental discharge from automatic fire protection systems, and collapse.

Y. Tier 1 Counties are defined as:

Alabama	Baldwin, Mobile;
Florida:	Entire State
Georgia:	Bryan, Camden, Chatham, Glynn, Liberty, McIntosh
Hawaii	Entire State
Louisiana:	Cameron, Iberia, Jefferson, Lafourche, Orleans, Plaquemines, St. Mary, St. Bernard, St. Tammany, Terrebonne, Vermilion

Mississippi	Hancock, Harrison, Jackson;
North Carolina	Beaufort, Brunswick, Carteret, Craven, Dare, Hyde, New Hanover, Onslow, Pamlico, Pender
South Carolina	Beaufort, Berkley, Charleston, Colleton, Georgetown, Horry, Jasper
Texas:	Aransas, Brazoria, Calhoun, Cameron, Chambers, Galveston, Harris, Jackson, Jefferson, Kenedy, Kleberg, Matagorda, Nueces, Orange, Refugio, San Patricio, Victoria, Willacy
Virginia:	Accomack, Chesapeake, Gloucester, Hampton City, Lancaster, Mathews, Middlesex, Newport News, Norfolk City, Northampton, Northumberland, Poquoson City, Portsmouth City, Suffolk City, Virginia Beach City, York

Z. Transit

Shipments within and between the territorial limits of this policy, including the coastal waters thereof, by any means of conveyance, from the time the property is moved for purpose of loading and continuously thereafter while awaiting and during loading and unloading and in temporary storage including temporary storage on any conveyance intended for use for any outbound or used for inbound shipment, including during deviation and delay, until safely delivered and accepted at place of final destination.

AA. Underlying Policy

An insurance policy issued to the Insured which is similar as respects the terms and conditions of this policy and issued for limits below the attachment point or deductible of this policy.

BB. Valuable Papers and Records

Written, printed or otherwise inscribed documents, and records including but not limited to books, maps, films, drawings, abstracts, deeds, mortgages, mortgage files, manuscripts and micro or electronically/magnetically inscribed documents, but not including the monetary value of monies and/or securities.

CC. Insurer

TBD

Authorized Signature/Insurer

Endorsement #1

Mold and Fungus Exclusion

In consideration of the premium charged, it is hereby understood and agreed that this policy is amended as follows.

The Company shall not be liable for any loss or damage in the form of, caused by, arising out of, contributing to, or resulting from fungus, mold(s), mildew or yeast; or any spores or toxins created or produced by or emanating from such fungus, mold(s), mildew or yeast;

- a. fungus includes, but is not limited to, any of the plants or organisms belonging to the major group fungi, lacking chlorophyll, and including mold(s), rusts, mildews, smuts and mushrooms;
- b. mold(s) includes, but is not limited to, any superficial growth produced on damp or decaying organic matter or on living organisms, and fungi that produce mold(s);
- c. spores means any dormant or reproductive body produced by or arising or emanating out of any fungus, mold(s), mildew, plants, organisms or microorganisms,

regardless of any other cause or event that contributes concurrently or in any sequence to such loss.

This exclusion shall not apply to any loss or damage in the form of, caused by, contributed to or resulting from fungus, mold(s), mildew or yeast, or any spores or toxins created or produced by or emanating from such fungus, mold(s), mildew or yeast which the **Insured** establishes is a direct result of a Covered Loss not otherwise excluded by the Policy, provided that such fungus mold(s), mildew or yeast loss or damage is reported to the Company within twelve months from the expiration date of the Policy. Coverage provided by this endorsement is subject to the limit stated in Clause 3. Limits of Liability.

All other terms, conditions definitions, exclusions, limitations and provisions of the Policy remain the same.

Endorsement #2

DROP DOWN AND PRIORITY OF PAYMENTS

It is hereby agreed that the policy is amended as follows:

In determining the amount of any one loss, disaster or casualty for which this policy is excess, the total loss for all coverages caused by any combination of perils, one or more of which is insured against under the primary and any underlying policies, shall be used even though all such perils and/or property and/or coverages are not insured against under this excess policy.

1. Any recoveries made under the primary and any underlying policies shall be considered as first applying to those perils and/or property and/or coverages not insured against by this policy. Upon exhaustion of the primary and any **underlying policy** limits, this policy shall drop down and be liable for the loss in excess of the amount attributed to the primary and any underlying policies as respects those perils and/or property and coverages insured hereunder subject to the limit and attachment point of this policy.
2. In the event the Annual Aggregate limits provided for **Flood** and/or **Earthquake** in any primary or any underlying policies are diminished or exhausted in any one policy year and those perils are covered by this policy, the coverage provided under this policy shall respond as excess of the remaining limits.

In such event, the applicable amount of the deductible provision of the primary policy shall apply to the combination of all policies.

In no event shall anything in this endorsement be construed to increase the sublimits detailed in the primary or any underlying policies.

ELECTRONIC DATA ENDORSEMENT

1. Electronic Data Exclusion

Notwithstanding any provision to the contrary within the Policy or any endorsement thereto, it is understood and agreed as follows:-

- a) This Policy does not insure loss, damage, destruction, distortion, erasure, corruption or alteration of ELECTRONIC DATA from any cause whatsoever (including but not limited to COMPUTER VIRUS) or loss of use, reduction in functionality, cost, expense of whatsoever nature resulting therefrom, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

ELECTRONIC DATA means facts, concepts and information converted to a form useable for communications, interpretation, or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software, and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

COMPUTER VIRUS means a set of corrupting, harmful or otherwise unauthorised instructions or code including a set of maliciously introduced unauthorised instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature. COMPUTER VIRUS includes but is not limited to 'Trojan Horses', 'worms' and 'time or logic bombs'.

- b) However, in the event that a peril listed below results from any of the matters described in paragraph a) above, this Policy, subject to all its terms, conditions and exclusions, will cover physical damage occurring during the Policy period to property insured by this Policy directly caused by such listed peril.

Listed Perils

Fire

Explosion

Sprinkler Leakage

2. Electronic Data Processing Media Valuation

Notwithstanding any provision to the contrary within the Policy or any endorsement thereto, it is understood and agreed as follows:-

Should electronic data processing media insured by this Policy suffer physical loss or damage insured by this Policy, then the basis of valuation shall be the cost to repair, replace or restore such media to the condition that existed immediately prior to such loss or damage, including the cost of reproducing any ELECTRONIC DATA contained thereon, providing such media is repaired, replaced or restored. Such cost of reproduction shall include all reasonable and necessary amounts, not to exceed the limit stated in Clause 3. Limits of Liability in any one loss, incurred by the Assured in recreating, gathering and assembling such ELECTRONIC DATA. If the media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank media. However this Policy does not insure any amount pertaining to the value of such ELECTRONIC DATA to the Assured or any other party, even if such ELECTRONIC DATA cannot be recreated, gathered or assembled.

- 3.** If a loss occurs as a result of the perils described in Section 1.a. of this endorsement, the policy will provide coverage up to the limit stated in Clause 3. Limits of Liability.

Endorsement #4

Joint Loss Agreement

In the event that this policy is either a boiler and machinery/equipment breakdown, all risk, named peril, difference in conditions, terrorism, or an earthquake property insurance policy, which covers the same property or the same location(s), as one or more of the other policies, it is agreed that:

If there is a disagreement between the **Insurers** under this policy and such other policies either as to:

- 1) whether such damages or destruction is insured against by the boiler and machinery/equipment breakdown, all risk, named peril, difference in conditions, or an earthquake insurance policy, or
- 2) the extent of participation of this policy and such other policies in a loss which is insured against, partially or wholly, by any one of all of said policies;

this **Insurer** shall, upon written request of the **Insured**, pay to the **Insured** its proportional share of the loss which is in disagreement, but in no event more than this Insurer would have paid if the other said policies had not been in effect, subject to the following conditions:

- 1) the amount of the loss which is in disagreement, after making provisions for any undisputed claims payable under the said policies and after the amount of the loss is agreed upon by the **Insured** and the **Insurers**, is limited to the minimum amount remaining payable under this policy and such other policy(ies);
- 2) the **Insurers** underwriting each policy in disagreement shall simultaneously pay to the **Insured** their proportional share of said amount which is in disagreement;
- 3) the payments by the **Insurers** hereunder and acceptance of the same by the **Insured** signify the agreement of the **Insurers** to submit to and proceed with arbitration within ninety days of such payments.

One arbitrator shall be appointed by each **Insurer**, and one additional arbitrator shall be appointed by consent of the others. The decision by the arbitrators shall be binding on the **Insurers** and that judgment upon such award may be entered in any court of competent jurisdiction;

- 4) the **Insured** agrees to cooperate in connection with such arbitration, but not to intervene therein;
- 5) these provisions shall not apply unless each of the said policies in disagreement are similarly endorsed;

acceptance by the **Insured** of sums paid pursuant to these provisions, including an arbitration award, shall not operate to alter, waive, surrender or in any way affect the rights of the **Insured** against any of the **Insurer Endorsement #5**

Endorsement #5

Cancellation Endorsement

It is hereby agreed that if the Insurer's rating from Standard and Poor's and/or A.M. Best is downgraded below the rating on the date this policy incepts, any minimum premium requirement or short rate cancellation penalty is waived.

Endorsement #6

Quarterly Adjustment Endorsement

It is hereby agreed that changes in values will be submitted quarterly. Additional or return premiums will be calculated annually using rates to be agreed upon, subject to a total change in values of more than 5% of the Total Insurable Values on file with **Insurer** at time of policy inception. If total values do not increase or decrease more than 5%, due solely to the addition or deletion of locations, there will be no additional or return premium due.

Third Party Deductible Requirements

1. In cases where the Named Insured is required by a written contract with a third party to have in effect property insurance subject to a lesser deductible than the applicable deductible as set forth in the Policy, upon the request of Named Insured, the Company will permit the Named Insured's representative, i.e., the Broker that placed this Policy with the Company on behalf of the Named Insured (the "Broker") to issue a Certificate of Insurance ("Certificate") confirming the issuance of the Policy and reflecting the deductible amount required by the written contract if lesser than the Policy Deductible, but in no event shall the deductible shown on the Certificate be lesser than \$10,000.
2. The Named Insured, for itself and all the other parties that are insured under the policy, agrees that the Company's undertaking set forth in Paragraph 1, above, is not an amendment to the Policy and, in no way changes the obligations of the parties to the Policy in any regard, including as respects the Policy Deductible(s). Accordingly, the Named Insured, regardless of the content of any Certificate, for itself and all other parties insured by the Policy, agrees that it will be responsible in the first instance to absorb or to pay (as the case may be) any and all loss amounts falling below the Policy Deductible(s) and will save the Company harmless from ever having to advance to the Named Insured or any person or entity any amounts whatsoever which are below the applicable Policy Deductible(s).
3. Further, in the event the Company is ever required to make any payment(s) to third parties for loss amounts beneath the applicable Policy Deductible(s), the Named Insured, for itself and all other parties insured by the Policy, agrees to forthwith indemnify the Company for such payments and all costs the Company incurs attendant thereto.

Endorsement #8

Upgrade to Green

This endorsement modifies insurance provided by the policy:

The coverages and valuation provisions by this endorsement only apply if direct physical loss or damage to covered real and/or personal property is caused by any of the perils covered by this policy and replacement cost valuation applies. This coverage does not apply to: (1) personal property of others in the Insured's care, custody and control, (2) leased personal property, and/or (3) finished or unfinished stock.

In no event, does this endorsement increase or change the per occurrence limit of liability shown in the declarations or the annual aggregate for specified perils;

1. Notwithstanding the Valuation Provision of this policy or limits of liability applicable to specific locations or perils, if replacement cost valuation applies to real and/or personal property, then the Company's liability for loss applicable to this endorsement shall be the cost to repair or replace the covered damaged property subject to the applicable limit of liability, plus the greater of the following amounts:
 - A. The reasonable and necessary amount to upgrade to green the covered damaged property as described in Coverage Section A – Non-LEED® Certified Coverage or as described in Coverage Section B – LEED® Certified Coverage, whichever is applicable; or
 - B. An additional 25% of the applicable limit of liability for the building and/or business personal property shown in the Statement of Values or similar schedule to upgrade to green; or
 - C. The limit stated in Clause 3. Limits of Liability

At the Insured's sole discretion, the Insured may elect not to upgrade to green any or all property for which upgrade to green coverage is provided under this endorsement. In such case, the Company will adjust the claim in accordance with the standard provisions of the policy, as modified by all other applicable endorsements.

Subject to the greater of A., B., or C. above, if business interruption coverage is provided as part of this policy, if necessary, the Period of Restoration shall be increased to allow for additional time to upgrade to green the damaged property plus an additional two week period to meet the requirements set forth in 4.B.

2. **COVERAGE SECTION A: NON-LEED CERTIFIED COVERAGE**

In the event of direct physical loss or damage by any of the perils covered by the policy to a building that is not LEED certified at the time of the loss, or to the personal property within such a building, the Company will pay to repair or replace damaged or destroyed:

A. Loss Settlement for Personal Property

- (1) “Appliances” or “Office Equipment” with products of like kind and quality that have been identified as “ENERGY STAR®” or equivalent products of such energy efficiency. If there are no such products available at the time of the loss, this upgrade to green coverage does not apply.
- (2) “system Furniture” or “Seating”, with products of like kind and quality that are certified as GREENGUARD Indoor Air Quality Certified® or products with similar emissions characteristics. If there are no such products available at the time of the loss, this upgrade to green coverage does not apply.

B. Loss Settlement for Your Building

(1) Interior Finish Materials Upgrade

a. Lower Emissions Products Upgrade Coverage

“Defined Building Materials” with products of like kind and quality that have “Lower Emissions”. If there are no such products available at the time of the loss, this upgrade to green coverage does not apply.

b. Environmentally Preferable Products Upgrade Coverage

Interior wood, carpeting and flooring with products of like kind and quality that have “Lower Emissions”, are “Sustainably Produced”, are “Rapidly Renewable” or include “Recycled Content”. If there are no such products available at the time of the loss, this upgrade to green coverage does not apply.

(2) Interior Plumbing Systems Upgrade Coverage

Interior plumbing fixtures including, but not limited to, toilets, shower heads and lavatory faucets with products of like kind and quality that are more “Water Efficient”. If there are no such products available at the time of the loss, this upgrade to green coverage does not apply. For damaged or destroyed faucets, the Company will also pay to install occupant sensors to reduce the potable water demand.

(3) Lighting Systems Upgrade Coverage

Lighting systems, with products of like kind and quality that have been identified as “Energy Star” or equivalent products of such energy efficiency. If there are no such products available at the time of the loss, this upgrade to green coverage does not apply. The Company will also pay to repair or replace damaged light bulbs with light bulbs which have low mercury content.

(4) **Efficient Heating and Cooling Equipment Upgrade Coverage**

“Heating and cooling equipment” with products of like kind and quality that have been identified as “ENERGY STAR” or equivalent products of such energy efficiency. If there are no such products available at the time of the loss, this upgrade to green coverage does not apply.

(5) **Building Reconstruction Following Total Loss**

a. Solely with respect to a “Total Loss” to a building, the Company will pay to replace the building on its existing foundation using the most cost effective techniques, products and materials that should satisfy the prerequisites and earn the minimum number of points required to qualify to LEED Silver certificate using the LEED New Construction (LEED NC®) Rating System.

b. **Certification Expenses**

(i) The Company will pay the reasonable and necessary registration and certification charged by the United States Green Building Council (USGBC) that the Insured incurs should the Insured decide to seek LEED Silver certification. However, the Company will not pay to modify the reconstructed structure if it is not certified.

3. **COVERAGE SECTION B: LEED CERTIFIED COVERAGE**

In addition to all Coverages provided in Coverage Section A (With the exception of 2.B.(5) Building Reconstruction Following a Total Loss) and in the event of direct physical loss or damage by any of the perils covered by the policy to a building that is LEED certified at the time of the loss, or to the personal property within such building, the Company will pay to repair or replace damaged or destroyed:

A. **Loss Settlement for Trees, Shrubs, and Vegetative Roofs**

(1) Trees and shrubs planted specifically to secure the Heat Island Effect: Non-Roof point as described in LEED NC. For the purposes of this coverage only, notwithstanding any other provision of the policy to the contrary, trees and shrubs are Covered Property.

(2) Vegetative roofs on LEED certified buildings. Notwithstanding any other provision of the policy to the contrary, vegetative roofs are Covered Property.

B. **Loss Settlement for Your Building**

(1) **Recertification Expenses**

a. In the event of direct physical loss or damage by any of the perils covered by the policy that necessitates recertification of the damaged

building, the Company will pay the reasonable and necessary registration and certification fees charged by the USGBC that the Insured incurs as a result of the recertification process.

(2) **Building Reconstruction Following a Total Loss**

- a. Solely with respect to a “Total Loss” to a building that is LEED certified at the time of the loss, the Company will pay to replace the building on its existing foundation using the most cost effective techniques, products and materials that would satisfy the prerequisites and should earn the minimum number of points required to qualify for LEED certification at one level above the certification in effect at the time of the loss using the LEED NC Rating System.
- b. **Certification Expenses**
 - (i) The Company will pay the reasonable and necessary registration and certification fees charged by the USGBC that the Insured incurs should the Insured decide to seek LEED certification. However, the Company will not pay to modify the reconstructed structure if it is not certified.

4. **COVERAGES INCLUDED WITHIN COVERAGE SECTIONS A OR B AND APPLICABLE TO LEED® AND NON-LEED® CERTIFIED BUILDINGS**

In the event of direct physical loss or damage by any of the perils covered by the policy to a LEED and Non-LEED certified building:

A. **Recycling Expenses**

- (1) The Company will pay the Insured’s expenses to clean-up, sort, segregate, and transport debris from the Insured’s damaged building to recycling facilities, if such debris can be recycled.
- (2) Any income or remuneration derived from recycling shall be used to reduce the loss.

B. **Air Testing and Outdoor Air Ventilation of Reconstructed Space**

- (1) In accordance with the requirements for the Construction IAQ Management Place: Before Occupancy Credit as described in the LEED NC rating system (hereafter, “Construction IAQ”), the Company will pay to conduct air testing and a building flush-out (if required because of a failure to meet air quality standards set forth in the Construction IAQ) and follow-up air testing for a total period of time not to exceed two weeks.

- (2) After the two week period of increased outdoor air ventilation of the reconstructed space, the Company will pay to replace the filtration media with new media.

C. Professional Services

The Company will pay reasonable and necessary expenses to hire a LEED Accredited architect or engineer to participate in the design and/or construction administration of the damaged portion of the building or the entire building, whichever is applicable.

D. Building Commissioning Expenses

- (1) In the event of direct physical damage to mechanical, electrical, or electronic building systems, by any of the perils covered by the policy which necessitates the commissioning or re-commissioning of these systems, the Company will pay reasonable and necessary expenses of a Professional Engineer to commission or re-commission those damaged systems in accordance with LEED protocols.

5. ADDITIONAL DEFINITIONS

- A. “Appliances” means products including, but not limited to, dishwashers, refrigerators, freezers, ovens, microwave ovens, room air conditioners, room air cleaners and water heaters.
- B. “Defined Building Materials” means (1) all carpet and floor coverings, including, adhesives to affix them to the floor, (2) all interior paints, architectural coatings, primers, undercoatings, adhesives, sealants, and (3) permanently installed composite wood fixtures, including, counters, cabinets, and partitions.
- C. “ENERGY STAR” means any product that has been identified by the United States Government Department of Energy, Environmental Protections Agency as ENERGY STAR qualified at the time of the loss.
- D. “Heating and Cooling Equipment” means products including, but not limited to, heat pumps, boilers, central air conditioning, ceiling fans, dehumidifiers, exhaust fans, furnaces thermostats, and ventilating fans.
- E. “Lower emissions” means:
 - (1) With respect to adhesive and sealant products, such as, general construction adhesives, flooring adhesives, fire-stopping sealants, caulking, duct sealants, plumbing adhesives, and cove base adhesives, products that meet the requirements of South Coast Air Quality Management District (SCAQMD) Rule # 1168; with respect to aerosol adhesives, products that meet Green Seal Standard GS-36 requirements;
 - (2) With respect to architectural paints, coatings, and primers, products that do not exceed the volatile organic compound (VOC) content limits established

in Green Seal Standard GS-11, with respect to anti corrosive and anti-rust paints, products that do not exceed the VOC content limits established in the Green Seal Standard GS-03; and the respect to clear wood finishes, floor coatings, stains, and shellacs, products that do not exceed the VOC content limits established by SCAQMD Rule # 1113;

- (3) With respect to carpet and carpet cushion, products that meet the requirements of the Carpet and Rug Institute's Green Label Plus Program; and
 - (4) With respect to composite wood and agrifiber products such as particleboard, medium density fiberboard (MDF), plywood, wheatboard, strawboard, panel substrates and door cores as well as laminating adhesives used to fabricate on-site and shop-applied composite wood and agrifiber assemblies, products that contain no added urea-formaldehyde resins.
- F. "Office Equipment" means electronic products including, but not limited to, desktop computers, laptop computers, monitors, printers, fax machines, scanners, copiers, and telephones.
- G. "Recycled Content" means those products that contain at least 20% post-consumer recycled content.
- H. "Rapidly Renewable" means products that are made from plant resources that are harvested within a ten-year cycle or shorter, including, but not limited to, bamboo, eucalyptus, wheat straw, sunflower hulls, cork oak, wheatboard, linoleum, and sorghum.
- I. "Seating" means task and guest chairs used with "System Furniture".
- J. "Sustainably Produced" means those products certified by the Forest Stewardship Council ("FSC").
- K. "System Furniture" means either a panel-based workstation comprised of modular interconnecting panels, hang-on components and drawer/filing components of a freestanding grouping of furniture items and their components that have been designed to work in concert.
- L. "Total Loss" means:
- (1) The covered building is completely destroyed regardless of whether any damage is done to the foundation or slab, or
 - (2) The covered building is in such condition after the loss that the standard method of rebuilding or repairing the covered building is to raze the structure except for the foundation or slab or including all or part of the foundation or slab and rebuild the entire structure, whether such structure is actually rebuilt or not.

- M. “Water Efficient” means dry fixtures such as composting toilet systems and non-water using urinals, flush toilets using no more than 1.6 gallons of water per flush, and shower heads and faucets with a flow rate not more than 2.2 gallons per minute.

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

Endorsement #9

Notice of Cancellation to Third Parties

If we cancel this policy for any reason other than nonpayment of premium, a written notice of cancellation that is required by written contract, will be sent to the person(s) or organization(s) listed in the "Schedule" that you or your representative create or maintain by allowing your representative to send such notice to such person(s) or organization(s).

In no event does the notice exceed the notice to the first named insured. This advanced notification of pending cancellation of coverage is intended as a courtesy only and does not provide any legal obligation of any kind to such person(s) or organization(s). Failure to provide such advanced notification will not extend the policy cancellation date nor negate cancellation of this policy.

We will only be responsible for sending such notice to your representative, and your representative will in turn send a 30 day notice to the person(s) or organization(s) listed in the Schedule on file with your representative.

This Endorsement does not apply in the event that you cancel the Policy.

All other terms and conditions of this policy remain unchanged.

Endorsement # 10

SFHA Flood Locations

This endorsement modifies insurance provided by the policy:

It is hereby understood and agreed that the following locations are considered to be wholly or partially within Special Flood Hazard Areas (Areas of 100-year flooding as defined by the Federal Emergency Management Agency):

Loc #	Street Address	Blg.	Flood Zone	City	State	Zip Code	County
1251	1101 Shoreway Rd.	1,2,3,4,5	AE	Belmont	CA	94002	San Mateo
14	2424 Hotel Circle N.	1,2	AE	San Diego	CA	92108	San Diego
1244	1445 Bayshore Dr.	1,2	AE	Coos Bay	OR	97420	Coos
1369	1368 N. McDowell Blvd.	1,2,3	AE	Petaluma	CA	94954	Sonoma
413	8202 South Padre Island Dr.	1	AE	Corpus Christi	TX	78412	Nueces
1370	140 Kern St.	1,2	AE	Salinas	CA	93901	Monterey
55	1801 State Road 84	1,2	AH	Ft. Lauderdale	FL	33315	Broward
1085	72562 Twentynine Palms Hwy.	1	AO	Twentynine Palms	CA	92277	San Bernardino
1113	2476 Beach Blvd.	1	AE	Biloxi	MS	39531	Harrison
343	7404 Avenue J Brdwy.	1,2,3,4	AE	Galveston	TX	77554	Galveston
364	281 US Hwy 41 Bypass N.	1	A12	Venice	FL	34292	Sarasota
1017	12266 Central Avenue	1,2,3	A	Chino	CA	91710	San Bernardino
1007	2081 N. First St.	1	AO	San Jose	CA	95131	Santa Clara
79	4951 W. Stamford St.	1,2,3,4,5	AE	Abilene	TX	79603	Taylor
395	2615 Commercial Way	1	AO	Rock Springs	WY	82901	Sweetwater
104	78100 Varner Rd.	1	AO	Palm Desert	CA	92211	Riverside
4	298 Atascadero Rd.	1,2	AE	Morro Bay	CA	93442	San Luis Obispo
25	6110 Monterey Highway	1	AH	Gilroy	CA	95020	Santa Clara
369	42899 Big Bear Boulevard	1	A	Big Bear Lake	CA	92315	San Bernadino
1114	424 West Beale Street	1, 2	AE	Kingman	AZ	86401	Mohave

Flood zone determination for any locations added after the inception of this policy will be determined at the time of loss.

All other terms and conditions remain unchanged.

Endorsement # 11

Asbestos Endorsement

- A. This Policy only insures asbestos physically incorporated in an insured building or structure, and then only that part of the asbestos which has been physically damaged during the period of insurance by one of the Listed Perils:

fire; lightning; explosion; windstorm or hail; "Named Windstorm"; smoke; direct impact of vehicle, aircraft or vessel; riot or civil commotion; vandalism or malicious mischief; leakage or accidental discharge of fire protection equipment; collapse; falling objects; weight of snow, ice or sleet; theft; water damage; Equipment Breakdown; sudden and accidental discharge, leakage, backup or overflow of liquids or molten material from confinement within piping, plumbing systems, tanks, equipment or other containment located at the insured location; Earthquake, Flood and during the course of transit.

This coverage is subject to each of the following specific limitations:

1. The said building or structure must be insured under this Policy for damage by that Listed Peril.
 2. The Listed Peril must be the immediate, sole cause of the damage of the asbestos.
 3. The Assured must report to Underwriters the existence and cost of the damage as soon as practicable after the Listed Peril first damaged the asbestos. However, this Policy does not insure any such damage first reported to the Underwriters more than 12 (twelve) months after the expiration, or termination, of the period of insurance.
 4. Insurance under this Policy in respect of asbestos shall not include any sum relating to:
 - (i) any faults in the design, manufacture or installation of the asbestos;
 - (ii) asbestos not physically damaged by the Listed Peril including any governmental or regulatory authority direction or request of whatsoever nature relating to undamaged asbestos.
- B. Except as set forth in the foregoing Section A, this Policy does not insure asbestos or any sum relating thereto.

14/09/2005

LMA5019 (amended)

Form approved by Lloyd's Market Association

All other terms and conditions remain unchanged.

Endorsement 12

Building Owner Loss Payee and Contract of Sale Loss Payee Endorsement

This endorsement only applies as required by written contract.

A. Building Owner Loss Payee

1. This Item A applies to any Building Owner Loss Payee when named as such in a certificate of insurance on file with the Company, which has been issued in accordance with all certificate of insurance provisions contained in the policy, as respects the buildings which they own as described on such certificate of insurance in which the Insured is a tenant.
2. The Company will adjust losses to the described building with, and pay, the Building Owner Loss Payee. Any loss payment made to the Loss Payee will satisfy the Insured's claims against the Company for the owner's property.
3. The Company will adjust loss to tenant's improvements and betterments with, and pay, the Insured, unless the lease provides otherwise.

B. Contract of Sale Loss Payee (Escrow)

1. This Item B applies to any Contract of Sale Loss Payee named in this policy or when named as such (or when named just as Contract of Sale interest) in a certificate of insurance on file with the Company, which has been issued in accordance with all certificate of insurance provisions contained in the policy, as respects the property listed on such certificate for which the Insured has entered into a contract for sale with the Contract of Sale Loss Payee.
2. For property insured under this policy which both the Insured and the Contract of Sale Loss Payee have an insurable interest, the Company will:
 - a. adjust losses with the Insured; and
 - b. pay the amount of covered claim under this policy jointly to the Insured and the Contract of Sale Loss Payee, as their interests may appear.
3. This policy's Other Insurance Provisions shall be amended such that for property insured hereunder that is the subject of a contract of sale, the Insured's other insurance includes the Contract of Sale Loss Payee's other insurance on the same property. **The Insured's policy shall be primary.**

Nothing herein contained will be held to vary, alter, waive or change any of the terms, limits or conditions of the Policy, except as hereinabove set forth.

Endorsement 13

Contingent Interest Endorsement

Notwithstanding the Other Insurance clause in this policy, this coverage extension shall apply when Property Damage Insurance, or Property Damage and Rents Insurance provided by others on the scheduled property of the Insured (by *written* agreement) is determined to be inadequate or not collectible for any reason. Automatic coverage is extended to Contingent Interest Property.

- a) The Insured shall assist by requiring other coverage on the property.
- b) The Insured shall use all reasonable and necessary means to collect the full amount of any claims that may be collectible from the Property Damage insurance coverage maintained by the Lessee.
- c) This coverage extension shall not inure to the benefit of any party other than the Insured; and does not provide any rights or benefits to any other party.
- d) The Company shall be subrogated to all of the Insured's rights of recovery against any party or organization to the extent not waived. The Insured shall execute and deliver required instruments and papers, or do whatever else is necessary, to secure such rights for the Company.
- e) The Insured shall do nothing after physical loss or damage to insured property to prejudice the Company's rights of recovery against any party or organization.

In case of a claim, the Company's liability for this coverage extension shall be limited to the actual recovery that would apply under this policy had there been no other insurance less the amount recovered from such other insurance. In each case of loss or damage covered by this coverage extension, the Company shall not be liable unless the Insured sustains physical loss or damage in a single occurrence greater than the Insured's Retentions as enumerated elsewhere in this policy.

Nothing herein contained will be held to vary, alter, waive or change any of the terms, limits or conditions of the Policy, except as hereinabove set forth.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

BEAZLEY AMENDATORY ENDORSEMENT

It is hereby understood and agreed that the following changes are made to the Wording to which this endorsement attaches:

Section 8 Extensions of Coverage, item B, Interruption by Civil or Military Authority is amended to delete the word "impaired" and replace with the word "prevented"

Section 8 Extensions of Coverage, item C, Ingress/Egress is amended to delete the word "impaired" and replace with the word "prevented"

Section 8 Extensions of Coverage, item I, Incentives is deleted in its entirety. No coverage is given.

Section 39 Waiver of Company Conditions, is deleted in its entirety.

Endorsement number 7 of the broker manuscript form is deleted in its entirety.

Endorsement number 10 of the broker manuscript form is deleted in its entirety.

All other terms, clauses, exclusions, limits and conditions remain unchanged.

This endorsement, subject to its stated terms and conditions and the terms and conditions of the Policy to which it attaches, adds a further condition to this Policy.

THIRD PARTY DEDUCTIBLE ENDORSEMENT

1. In cases where the Named Insured is required by a written contract with a third party to have in effect property insurance subject to a lesser deductible than the applicable deductible as set forth in the Policy to which this endorsement attaches, the Company will permit the Named Insured's representative, that being the Broker that placed this Policy with the Company on behalf of the Named Insured ("the Broker"), to issue a Certificate of Insurance ("Certificate") confirming the issuance of the Policy and reflecting the deductible amount required by the written contract, if lesser than the Policy Deductible.

2. The Named Insured, for itself and all the other parties that are insured under the policy, agrees that the Company's undertaking set forth in Paragraph 1, above, is not an amendment to the Policy and, in no way changes the obligations of the parties to the Policy in any regard, including as respects the Policy Deductible(s). Accordingly, the Named Insured, regardless of the content of any Certificate that may be issued, for itself and all other parties insured by the Policy, agrees that it will be responsible in the first instance to absorb or to pay (as the case may be) any and all loss amounts falling below the Policy Deductible(s) and will save the Company harmless from ever having to advance to the Named Insured or any person or entity any amounts whatsoever which are below the applicable Policy Deductible(s).

All other terms and conditions remain unchanged.

PARTICIPATION CLAUSE

Limit(s) of Liability: The total limit for all contributing insurance is USD \$10,000,000 any one loss or occurrence. This Insurers percentage of participation being 5.5% or USD \$550,000 any one loss or occurrence, whether total or partial, including but not limited to that proportion of associated expenses, if any, to the extent and in the manner provided in this Insurance. The liability of this Insurers is limited to the same proportion of any loss payable hereunder.

PRIOR LOSS CLAUSE

Notwithstanding any provision to the contrary applicable to this Contract of Insurance, this Contract of Insurance does not insure against the following:

1. any loss, damage or expense that existed prior to the inception of this Contract, with respect to insured property which has been damaged and not since been fully repaired;
2. any loss, damage or expense that may occur due to any repairs or work that takes place on the insured property to rectify any loss or damage that existed prior to the inception of this Contract;
3. any loss, damage or expense that would not have occurred if repairs to damaged property that were outstanding at the inception of this Contract had been fully completed.

This exclusion shall apply until such time that the loss or damage that existed prior to the inception of this Contract has been repaired to a standard acceptable to the Underwriters and has been certified as meeting the current code standards. Such certification shall be made available to the Underwriters upon request.

Notwithstanding any provision to the contrary within this Policy or any endorsement thereto, it is understood and agreed the following applies to this Policy:

BIOLOGICAL OR CHEMICAL MATERIALS EXCLUSION

It is agreed that this Insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with the actual or threatened malicious use of pathogenic or poisonous biological or chemical materials regardless of any other cause or event contributing concurrently or in any other sequence thereto.

PROPERTY CYBER AND DATA EXCLUSION

- 1 Notwithstanding any provision to the contrary within this Policy or any endorsement thereto this Policy excludes any:
 - 1.1 Cyber Loss;
 - 1.2 loss, damage, liability, claim, cost, expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any Data, including any amount pertaining to the value of such Data;regardless of any other cause or event contributing concurrently or in any other sequence thereto.
- 2 In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.
- 3 This endorsement supersedes and, if in conflict with any other wording in the Policy or any endorsement thereto having a bearing on Cyber Loss or Data, replaces that wording.

Definitions

- 4 Cyber Loss means any loss, damage, liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any Cyber Act or Cyber Incident including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act or Cyber Incident.
- 5 Cyber Act means an unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any Computer System.
- 6 Cyber Incident means:
 - 6.1 any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any Computer System; or
 - 6.2 any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any Computer System.
- 7 Computer System means:
 - 7.1 any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility,owned or operated by the Insured or any other party.
- 8 Data means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a Computer System.

ADDITIONAL LIMITATIONS AND CONDITIONS ENDORSEMENT (STANDARD)

THIS ENDORSEMENT CONTAINS PROVISIONS IN CLAUSES II, V AND VI THAT MAY LIMIT OR PREVENT RECOVERY UNDER THIS POLICY FOR DEBRIS REMOVAL (AS PROVIDED IN CLAUSE II) AND/OR RESULTING LOSS (AS PROVIDED IN CLAUSE V).

I. LAND, WATER AND AIR EXCLUSION CLAUSE

Notwithstanding any provision to the contrary within the Policy of which this Endorsement forms part (or within any other Endorsement which forms part of this Policy), this Policy does not insure land (including but not limited to land on which the insured property is located), water or air, howsoever and wherever occurring, or any interest or right therein. The foregoing exclusion shall not apply to water which is contained in plumbing or firefighting installations in the Assured's buildings at the time of any damage insured by this Policy.

II. DEBRIS REMOVAL CLAUSE

Nothing contained in this Clause shall override any seepage and/or pollution and/or contamination exclusion or any radioactive contamination exclusion or any other exclusion applicable to this Policy. The inclusion of this Clause shall in no event increase the limit of liability of Underwriters under this Policy or any other endorsement applicable to this Policy.

Any provision within this Policy (or within any other Endorsement which forms part of this Policy) which insures debris removal is cancelled and replaced by the following:

1. In the event of direct physical damage to property, for which Underwriters agree to pay hereunder, or which but for the application of a deductible or underlying amount they would agree to pay (hereinafter in this Clause referred to as "Damage"), this Policy also insures, subject to the limitations below and method of calculation in Clause VI of this Endorsement and to all the other terms and conditions of the Policy, expense:
 - (a) which is reasonably and necessarily incurred by the Assured in the removal, from the premises of the Assured at which the Damage occurred, of debris which results from the Damage; and
 - (b) of which the Assured becomes aware and advises the amount to Underwriters hereon within one year of the commencement of the Damage;provided, however, that nothing in this Clause shall insure any expense provided under Clause V of this Endorsement.
2. The maximum amount of expense for removal of debris (subject to the limitations of paragraph 1 above) that can be included in the method of calculation in Clause VI of this Endorsement, shall be our proportion of programme sublimit \$10,000,000.

III. SEEPAGE AND/OR POLLUTION AND/OR CONTAMINATION EXCLUSION CLAUSE

Notwithstanding any provision to the contrary within the Policy of which this Endorsement forms part (or within any other Endorsement which forms part of this Policy), this Policy does not insure:

1. any loss, damage, cost or expense; or

2. any increase in insured loss, damage, cost or expense; or
3. any loss, damage, cost, expense, fine, penalty or other sum which is incurred, sustained or imposed by, or by the threat of, any judgment, order, direction, instruction or request of, or any agreement with, any court, government agency, any public, civil or military authority or any other person (and whether or not as a result of public or private litigation);

which arises from any kind of seepage or any kind of pollution and/or contamination, or threat thereof, whether or not caused by or resulting from a peril insured, or from steps or measures taken in connection with the avoidance, prevention, abatement, mitigation, remediation, clean-up or removal of such seepage or pollution and/or contamination, or threat thereof.

The term "any kind of seepage or any kind of pollution and/or contamination" as used in this Endorsement includes (but is not limited to):

1. seepage of, or pollution and/or contamination by, anything, including but not limited to, any material designated as a "hazardous substance" by the United States Environmental Protection Agency or as a "hazardous material" by the United States Department of Transportation, or defined as a "toxic substance" by the Canadian Environmental Protection Act for the purposes of part II of that Act, or any substance designated or defined as toxic, dangerous, hazardous or deleterious to persons or the environment under any other law, ordinance or regulation; and
2. the presence, existence, or release of anything which endangers or threatens to endanger the health, safety or welfare of persons or the environment.

IV. LISTED PERILS RESULTING FROM SEEPAGE AND/OR POLLUTION AND/OR CONTAMINATION CLAUSE

This Policy is amended as set forth below. All other terms and conditions of this Policy remain unchanged and continue to apply with full force and effect. Nothing contained in this Clause shall override any radioactive contamination exclusion applicable to this Policy. If any of the perils listed below results from seepage and/or pollution and /or contamination, then such resultant perils shall not be excluded solely by the foregoing Seepage and/or Pollution and/or Contamination Exclusion Clause.

Listed perils

Fire,
Explosion.

Nothing in this Clause, however, shall extend this Policy to insure:

1. loss, damage, cost, expense, fine or penalty, or other sum arising from any kind of seepage or any kind of pollution and/or contamination that causes or results from a listed peril; or
2. loss or damage at any premises other than the premises where the listed peril took place; or
3. property and/or interests other than those insured by this Policy against the listed perils.

V. LIMITED SEEPAGE AND/OR POLLUTION AND/OR CONTAMINATION RESULTING FROM PHYSICAL DAMAGE CAUSED BY LISTED PERILS CLAUSE

THIS CLAUSE IS VOID AND OF NO FORCE OR EFFECT UNLESS AN AMOUNT IS SPECIFIED IN PARAGRAPH 2 BELOW.

This Policy is amended as set forth below. All other terms and conditions of this Policy remain unchanged and continue to apply with full force and effect. Nothing contained in this Clause shall override any radioactive contamination exclusion or, except as set forth herein, the foregoing Seepage and/or Pollution and/or Contamination Exclusion Clause. The inclusion of this Clause shall in no event increase the limit of liability of Underwriters under this Policy or any other endorsement applicable to this Policy.

1. If,

- (a) any of the perils listed below is the sole, immediate and direct cause of physical damage to property insured by this Policy against such listed peril (hereinafter in this Clause referred to as "Original Damage"); and
- (b) the Original Damage is the sole, immediate and direct cause of seepage onto, and/or pollution and/or contamination of property which is:
 - (i) at the same premises as the Original Damage; and
 - (ii) insured by this Policy against the listed peril causing the Original Damage; and
- (c) said property is damaged thereby (hereinafter in this Clause referred to as "Resulting Damage");

then this Policy, subject to the following additional terms and limitations and the method of calculation in Clause VI of this Endorsement, also insures:

- (d) the Resulting Damage; and
- (e) the reasonable and necessary expense incurred by the Assured for debris removal and/or clean-up which is:
 - (i) limited to the same premises as the Original Damage; and
 - (ii) made necessary solely by the Resulting Damage;

but which shall in no event include any expense of clean-up or removal of land, water or air,

(which Resulting Damage and expense of debris removal and/or clean-up, hereinafter in this Clause are referred to as "Resulting Loss");

provided, however, that this Policy only insures the Resulting Loss where:

- (f) Underwriters have agreed to pay for the Original Damage or, but for the operation of a deductible or underlying amount, would have agreed to pay for the Original Damage; and
- (g) within one year of the commencement of the listed peril which caused the Original Damage, the Assured became aware and advised Underwriters of the amount of:
 - (i) the Resulting Loss; and
 - (ii) any other interest to be claimed under this Policy as a result of the Resulting Damage, whether physical damage, business interruption, extra expense or otherwise.

Listed Perils

Fire,
Lightning,
Explosion.

Nothing in this Clause, however, shall extend this Policy to cover any condition that existed prior to the Original Damage nor to insure any loss, damage, cost, expense, fine, penalty, or other sum which is incurred, sustained or imposed by, or by the threat of, any judgment, order, direction, instruction or request of, or any agreement with, any court, government agency, any public, civil or military authority or any other person (and whether or not as a result of public or private litigation) in connection with any kind of seepage or any kind of pollution and/or contamination from any cause.

2. The maximum amount for any Resulting Loss and any other interest claimed under this Policy as a result of the Resulting Damage, whether physical damage, business interruption, extra expense or otherwise, that can be included in the method of calculation in Clause VI of this Endorsement is our proportion of programme sublimit \$500,000.

VI. METHOD OF CALCULATION

In calculating the amount, if any, payable under this Policy for a claim including expense of debris removal (as provided for and limited in Clause II of this Endorsement) and/or Resulting Loss (as provided for and limited in Clause V of this Endorsement), the amount of such expense of debris removal and/or such Resulting Loss shall be added to:

- (a) the amount of the Damage (as defined in Clause II) or the amount of the Original Damage (as defined in Clause V); and
- (b) all other amounts, if any, insured under this Policy as a result of the same occurrence that Underwriters hereon agree to pay or, but for the application of a deductible or underlying amount, they would agree to pay;

then the resulting sum shall be the amount to which first all deductibles and then any underlying amounts to which this Policy is subject shall be applied and the balance, if any, shall be the amount payable, subject to all other provisions of this Policy and to the applicable limit(s), sub-limit(s) and aggregate limit(s).

SEVERAL LIABILITY NOTICE

The subscribing insurers' obligations under contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing insurers are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of its obligations.

Notwithstanding any provision to the contrary within this Policy or any endorsement thereto, it is understood and agreed the following applies to this Policy:

RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE - PHYSICAL DAMAGE - DIRECT

This policy does not cover any loss or damage arising directly or indirectly from nuclear reaction nuclear radiation or radioactive contamination however such nuclear reaction nuclear radiation or radioactive contamination may have been caused * NEVERTHELESS if Fire is an insured peril and a Fire arises directly or indirectly from nuclear reaction nuclear radiation or radioactive contamination any loss or damage arising directly from that Fire shall (subject to the provisions of this policy) be covered EXCLUDING however all loss or damage caused by nuclear reaction nuclear radiation or radioactive contamination arising directly or indirectly from that Fire.

* NOTE. - If Fire is not an insured peril under this policy the words "NEVERTHELESS" to the end of the clause do not apply and should be disregarded.

APPLICATION OF SUBLIMITS ENDORSEMENT

1. **Application To Insured Interests.** Each sublimit stated in this policy applies as part of, and not in addition to, the overall policy limit for an occurrence insured hereunder. Each sublimit is the maximum amount potentially recoverable from all insurance layers combined for all insured loss, damage, expense, time element or other insured interest arising from or relating to that aspect of the occurrence, including but not limited to type of property, construction, geographic area, zone, location, or peril.

2. **Application Within Perils.** If insured under this policy, any sublimit for earthquake, earth movement, flood, windstorm, named storm, or named windstorm is the maximum amount potentially recoverable from all insurance layers combined for all insured loss, damage, expense, time element or other insured interest arising from or relating to such an occurrence. If flood occurs in conjunction with a windstorm, named storm, named windstorm, earthquake or earth movement, the flood sublimit applies within and erodes the sublimit for that windstorm, named storm, named windstorm, earthquake or earth movement.

This endorsement takes precedence over and, if in conflict with any other wording in the contract bearing on the application of sublimits, replaces that wording.

LMA5130

5 March 2009

Sanction Limitation and Exclusion Clause

No (re)insurer shall be deemed to provide cover and no (re)insurer shall 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 that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

WAR AND TERRORISM EXCLUSION ENDORSEMENT

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss;

- (1) war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
- (2) any act of terrorism.
For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to (1) and/or (2) above.

If the Underwriters allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Assured.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

NMA2918

08/10/2001

POLICY NUMBER: W29DE3200101

COMMERCIAL PROPERTY
LMA5219

U.S. Terrorism Risk Insurance Act of 2002 as amended Not Purchased Clause

This Clause is issued in accordance with the terms and conditions of the "U.S. Terrorism Risk Insurance Act of 2002" as amended as summarized in the disclosure notice.

It is hereby noted that the Underwriters have made available coverage for "insured losses" directly resulting from an "act of terrorism" as defined in the "U.S. Terrorism Risk Insurance Act of 2002", as amended ("TRIA") and the Insured has declined or not confirmed to purchase this coverage.

This Insurance therefore affords no coverage for losses directly resulting from any "act of terrorism" as defined in TRIA except to the extent, if any, otherwise provided by this policy.

All other terms, conditions, insured coverage and exclusions of this Insurance including applicable limits and deductibles remain unchanged and apply in full force and effect to the coverage provided by this Insurance.

LMA5219

12 January 2015

EXHIBIT F

Lloyd's 9226 Interstate Fire and
Independent Specialty Policies



20 Burton Hills Blvd., Ste. 350
Nashville, TN 37215

This insurance contract is with an insurer not licensed to transact insurance in this state and is issued and delivered as surplus line coverage under the Texas insurance statutes. The Texas Department of Insurance does not audit the finances or review the solvency of the surplus lines insurer providing this coverage, and the insurer is not a member of the property and casualty insurance guaranty association created under Chapter 462 Insurance Code. Chapter 225, Insurance Code, requires payment of a 4.85 percent tax on gross premium.

Surplus Lines Licensee Name: AmWINS Brokerage of Alabama

Address: 880 Montclair Road Suite 500 Birmingham, AL 35213

GENERAL PROPERTY DECLARATIONS

This Declaration Page is attached to and forms part of the Policy as defined herein.

Account Number: 2020-9002150-01

Previous Account Number: New

Inception Date: January 1, 2020
(12:01 A.M. Local time at each insured location.)

Expiration Date: January 1, 2021

Coverage is provided by the following Company(s): Specific Policy Number
Independent Specialty Insurance Company VIS-CN-0002150-01
1900 L. Don Dodson Drive , Bedford, TX 76021

Texas Premium: \$332,500.00

Fees: \$1,250.00

Surplus Lines Tax: \$16,186.88

Stamping Fee: \$500.63

Total: \$350,437.51

Certain Underwriters at Lloyds (Consortium
#9226)
c/o Asta Managing Agency, LTD Camomile
Court, 23 Camomile St, London, UK EC 3A 7II

VPC-CN-0002150-01

Interstate Fire & Casualty Company
33 W. Monroe Street , Chicago, IL 60603

VRX-CN-0002150-01

Named Insured and Mailing Address:

G6 Hospitality, LLC
4001 International Parkway
Carrollton, TX 75007

Producer Name and Address:

Wil Cooper
AmWINS - Birmingham
880 Montclair Rd
Suite 500
Birmingham, AL 35213

Business or Operations of the Named Insured:

Hospitality

The insurance provided by this policy consists of the following coverage form(s). In return for payment of the premium and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy.

PROPERTY INSURANCE

PREMIUM and FEE SUMMARY (Policy and Inspection Fee retained by Velocity Risk Underwriters, LLC)

Annual Premium/Fees	Premium (x TRIA)	TRIA	Policy Fee	Inspection Fee	Total
Certain Underwriters at Lloyds (Consortium #9226)	\$106,400.00	\$0.00	\$80.00	\$0.00	\$106,480.00
Independent Specialty Insurance Company	\$53,200.00	\$0.00	\$40.00	\$0.00	\$53,240.00
Interstate Fire & Casualty Company	\$172,900.10	\$0.00	\$130.00	\$0.00	\$173,030.10
TOTAL	\$332,500.00	Rejected	\$250.00	\$0.00	\$332,750.00

Page 1 of 2

VRU-041-1118 General Property Declaration (Syndicated)

In the states of CA, NV, and NY, Velocity Risk Underwriters, LLC does business as Velocity Risk Insurance Agency, LLC.



20 Burton Hills Blvd., Ste. 350
Nashville, TN 37215

GENERAL PROPERTY DECLARATIONS

This Declaration Page is attached to and forms part of the Policy as defined herein.

LOCATIONS OF PREMISES--Applicable to Coverages specified in these Declarations

Locations on file with the Insurer(s) and/or Company(ies)

FORMS ATTACHED AT INCEPTION

VRU-041-1118	General Property Declarations
LSW1022A	Policyholder Notification - Texas
VRU-038-0816	Policyholder Notification - Privacy Notice
VRU-037-0816	Policyholder Notification - Fraud Notice
000-000-0000	Manuscript Form
VRU-001-0118	Service of Suit
VRU-003-0316	Office of Foreign Assets Control
VRU-005-1218	Mandatory Exclusions - Modified
VRU-006-0316	Minimum Earned and Special CAT Minimum Earned Premium
VRU-010-0316	Occurrence Limit of Liability - Modified
VRU-011-0516	Claims Reporting Information Notice
VRU-012-0120	Allocation Endorsement
VRU-016-0118	TRIA Rejection Notice
VRU-067-1219	Several Liability Clause
VRU-055-0120	Certain Underwriters at Lloyd's Syndicate List
VRU-066-1219	Property Cyber and Data Exclusion

THESE DECLARATIONS TOGETHER WITH THE COVERAGE PART DECLARATIONS, COVERAGE FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE CONTRACT OF INSURANCE.

Countersigned: 1/24/2020
Date

By:

A handwritten signature in black ink, appearing to read "Carolyn Fark", is written over a horizontal line.

Authorized Representative

**POLICYHOLDER NOTIFICATION
APPLICABLE TO THE HOME STATE OF TEXAS**

IMPORTANT NOTICE	AVISO IMPORTANTE
<p>To obtain information or make a complaint:</p> <p>You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights or complaints at:</p> <p style="text-align: center;">1-800-252-3439</p> <p>You may write the Texas Department of Insurance:</p> <p>P. O. Box 149104 Austin, TX 78714-9104 Fax: (512) 490-1007 Web: http://www.tdi.state.tx.us E-mail: ConsumerProtection@tdi.state.tx.us</p> <p>PREMIUM OR CLAIM DISPUTES: Should you have a dispute concerning your premium or about a claim you should contact the agent first. If the dispute is not resolved, you may contact the Texas Department of Insurance.</p> <p>ATTACH THIS NOTICE TO YOUR POLICY: This notice is for information only and does not become a part or condition of the attached document.</p>	<p>Para obtener informacion o para someter una queja:</p> <p>Puede comunicarse con el Departamento de Seguros de Texas para obtener informacion acerca de companias, coberturas, derechos o quejas al:</p> <p style="text-align: center;">1-800-252-3439</p> <p>Puede escribir al Departamento de Seguros de Texas:</p> <p>P. O. Box 149104 Austin, TX 78714-9104 Fax: (512) 490-1007 Web: http://www.tdi.state.tx.us E-mail: ConsumerProtection@tdi.state.tx.us</p> <p>DISPUTAS SOBRE PRIMAS O RECLAMOS: Si tiene una disputa concerniente a su prima o a un reclamo, debe comunicarse con el agente primero. Si no se resuelve la disputa, puede entonces comunicarse con el departamento (TDI).</p> <p>UNA ESTE AVISO A SU POLIZA: Este aviso es solo para proposito de informacion y no se convierte en parte o condicion del documento adjunto.</p>

July 2007

LSW1022A

POLICYHOLDER NOTIFICATION

PRIVACY NOTICE

For commercial business customers with policies administered by Velocity Risk Underwriters, LLC (VRU) and insured by a nonadmitted insurer, our privacy policy is as follows:

- VRU does not collect or require personal private information from our customers.
- VRU does not share any policyholder information for marketing purposes with any third party.
- VRU does share policy information as necessary with third party service providers for purposes of evaluating, processing, or servicing our business, inclusive but not restricted to information gathered in the application, inspection, or claims process.
- We require a non-disclosure with all third party service providers as respects information shared from us to our third party service providers which restricts use of information to functions required to perform the contracted services.
- Exception to all restrictions above will be as required by applicable law or regulatory agency.

POLICYHOLDER NOTIFICATION

FRAUD NOTICE

Arkansas	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
Colorado	It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.
District of Columbia	WARNING: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.
Florida	Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.
Kansas	A "fraudulent insurance act" means an act committed by any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto.
Kentucky	Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime.
Louisiana	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
Maine	It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines, or denial of insurance benefits.
Maryland	Any person who knowingly and willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
New Jersey	Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.
New Mexico	ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO CIVIL FINES AND CRIMINAL PENALTIES.

POLICYHOLDER NOTIFICATION

New York	<p>General: All applications for commercial insurance, other than automobile insurance: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.</p> <p>All applications for automobile insurance and all claim forms: Any person who knowingly makes or knowingly assists, abets, solicits or conspires with another to make a false report of the theft, destruction, damage or conversion of any motor vehicle to a law enforcement agency, the department of motor vehicles or an insurance company, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the value of the subject motor vehicle or stated claim for each violation.</p> <p>Fire: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime.</p> <p>The proposed insured affirms that the foregoing information is true and agrees that these applications shall constitute a part of any policy issued whether attached or not and that any willful concealment or misrepresentation of a material fact or circumstances shall be grounds to rescind the insurance policy.</p>
Ohio	Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.
Oklahoma	WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.
Oregon	Any person who knowingly and willfully presents false information in an application for insurance may be guilty of insurance fraud and subject to fines and confinement in Prison. The aforementioned actions may constitute a fraudulent insurance act which may be a crime and may subject the person to penalties.
Pennsylvania	<p>All Commercial Insurance, Except As Provided for Automobile Insurance: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.</p> <p>Automobile Insurance: Any person who knowingly and with intent to injure or defraud any insurer files an application or claim containing any false, incomplete or misleading information shall, upon conviction, be subject to imprisonment for up to seven years and the payment of a fine of up to \$15,000.</p>
Puerto Rico	Any person who knowingly and with the intention of defrauding presents false information in an insurance application, or presents, helps, or causes the presentation of a fraudulent claim for the payment of a loss or any other benefit, or presents more than one claim for the same damage or loss, shall incur a felony and, upon conviction, shall be sanctioned for each violation by a fine of not less than five thousand dollars (\$5,000) and not more than ten thousand dollars (\$10,000), or a fixed term of imprisonment for three (3) years, or both penalties. Should aggravating circumstances [be] present, the penalty thus established may be increased to a maximum of five (5) years, if extenuating circumstances are present, it may be reduced to a minimum of two (2) years.
Rhode Island	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

POLICYHOLDER NOTIFICATION

Tennessee	<p>All Commercial Insurance, Except As Provided for Workers' Compensation It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.</p> <p>Workers' Compensation: It is a crime to knowingly provide false, incomplete or misleading information to any party to a workers' compensation transaction for the purpose of committing fraud. Penalties include imprisonment, fines and denial of insurance benefits.</p>
Utah	<p>Workers' Compensation: Any person who knowingly presents false or fraudulent underwriting information, files or causes to be filed a false or fraudulent claim for disability compensation or medical benefits, or submits a false or fraudulent report or billing for health care fees or other professional services is guilty of a crime and may be subject to fines and confinement in state prison.</p>
Virginia	<p>It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.</p>
Washington	<p>It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.</p>
West Virginia	<p>Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.</p>
All Other States	<p>Any person who knowingly and willfully presents false information in an application for insurance may be guilty of insurance fraud and subject to fines and confinement in prison.</p>

G6 Hospitality, LLC

Master Policy

Policy Number: 2020-9002150-01

(Excluding Equipment Breakdown)

G6 Hospitality, LLC and any subsidiary, affiliated, associated, or allied company, corporation, firm, organization, and the Insured's interest in partnerships and/or joint ventures, and/or any owned (wholly or partially) or controlled company(ies) where the Insured maintains an interest, as now or hereafter constituted or acquired; and any other party or interest that is required by contract or agreement;

all hereafter referred to as the "Insured."

1. Policy Term and Participation

In consideration of the annual premium, this policy attaches and insures from January 1, 2020 to January 1, 2021 beginning and ending at 12:01 A.M. at the location of the property involved.

In the event of loss or damage insured by this policy, this **Insurer** shall be liable for 7% or \$700,000 part of the Primary \$10,000,000 of the Limits of Liability set forth in Clause No. 3.

2. Territory

This policy insures within and between the 50 states comprising the United States of America, the District of Columbia, Puerto Rico, and including any other territories and possessions of the foregoing. The territory includes coastal and inland waterways between points and places therein.

As respects coverage for interdependency provided under Clause 7.B. and coverage provided under Clause 8.A.1., the territory shall be worldwide.

3. Limits of Liability

In the event of loss or damage insured under this policy, this **Insurer** shall be liable for its proportional share of \$100,000,000 per **occurrence** except as respects the following, excess of the policy deductibles:

\$	100,000,000	Flood per occurrence and annual aggregate, except;
\$	50,000,000	Flood per occurrence and annual aggregate for buildings and structures located wholly or partially within Special Flood Hazard Area as outlined in Endorsement #10
\$	100,000,000	Earthquake per occurrence and annual aggregate, except;
\$	40,000,000	Earthquake per occurrence and annual aggregate within the States of California, Alaska and Hawaii and Puerto Rico
\$	100,000,000	Earthquake per occurrence and annual aggregate within the Pacific Northwest and New Madrid Territories
\$	100,000,000	Named Windstorm
\$	25,000,000	Accounts Receivable
\$	10,000,000	Civil or Military Authority
\$	1,500,000	Contagious Diseases per occurrence and annual aggregate
\$	1,000,000	Contingent Business Interruption and Contingent Extra Expense including Attraction Properties
\$	1,000,000	Defense Costs
	Included	Electronic Data Processing Equipment

\$	10,000,000	Electronic Data and Media
	Excluded	Equipment Breakdown
\$	10,000,000	Errors and Omissions
	365 days	Extended Period of Indemnity
\$	2,500,000	Expediting Expense
\$	5,000,000	Historic Properties
\$	10,000,000	Ingress/Egress
\$	1,000,000	Loss Adjustment Expense
\$	15,000,000	Miscellaneous Unnamed Locations, per Location
\$	2,500,000	Mold Coverage per occurrence and annual aggregate provided for in Endorsement #1
\$	50,000,000	Newly Acquired Locations – 120 days reporting - Miscellaneous Unnamed Locations sublimit applies after 120 days
\$	2,500,000	Offsite Storage Locations
	60 Days	Ordinary Payroll
\$	1,000,000	Outdoor Property: Trees, Shrubs, Plants and Landscaping
\$	500,000	Pollutant Clean Up of Land and Water per occurrence and annual aggregate
\$	10,000,000	Property in the Course of Construction, Erection, Installation or Assembly
\$	500,000	Property of Officers, Employees, Hotel Guests or Tenants
	60 days	Service Interruption – Business Interruption and Extra Expense
\$	1,000,000	Soft Costs
\$	1,000,000	Tenant/Hotel Guest Emergency Evacuation – per occurrence and annual aggregate
\$	1,000,000	Tenant and Hotel Guest Relocation Expense – per occurrence and annual aggregate
\$	250,000	Transit per conveyance per occurrence
\$	5,000,000	Upgrade to Green provided for in Endorsement #8

Waiting Periods:

24 hour waiting period shall apply to loss due to Service Interruption.

Waiting period application: The insurer will not be liable for any Loss or Damage unless the period of interruption exceeds the specified waiting period. Once the period of liability exceeds 24 hours, coverage then applies to the entire period of interruption subject to the Policy Deductible.

APPLICATION OF LIMITS OF LIABILITY - This Policy may contain sublimits applicable to specific locations or specific coverage's or specific causes of loss. Such limits shall be the total payable as a result of a single occurrence (or an annual aggregate of certain occurrences where so specified) and neither the policy limit nor any sublimit shall be increased by the application of one or more sublimits.

4. Deductible

- A. All loss or damage arising out of any one **occurrence** shall be adjusted as one loss and the amount of such adjusted loss shall be deducted from an annual aggregate deductible of \$2,500,000. When the aggregate is exhausted, a \$100,000 per occurrence deductible will apply. Only the portion of loss or damage exceeding \$100,000 will erode the aggregate. Losses relating to **Flood, Earthquake, and Named Windstorm** in **Tier 1 Counties** do not erode the aggregate.

Named Windstorm:

The sum of \$100,000 shall be deducted from any adjusted loss due to the peril of Named Windstorm, except:

As respects the peril of **Named Windstorm** in **Tier 1 Counties**, the sum of 5% of the total values declared by insured, as per Statement of Values on file with Insurer at the time of loss, at each location submitting a claim, to be calculated separately for each unit of insurance which sustains loss or damage, subject to a minimum of \$500,000 per location with a maximum of \$2,500,000 per occurrence.

Flood:

With respect to buildings and structures located wholly or partially within **Special Flood Hazard Areas (SFHA)** as outlined in Endorsement #10:

- a) If insurance is maintained through the National Flood Insurance Program (NFIP) or any other primary or underlying policy or program covering property damaged by flood, with limits equal to the full replacement cost of the building and contents, or the maximum NFIP limit available per building and contents, then the deductible shall be the amount payable from NFIP or other primary or underlying insurance for such damage plus \$50,000 per occurrence (not per building) for any Business Interruption or rental value loss.
- b) If insurance is not maintained through NFIP or any other primary or underlying policy or program covering property damaged by flood, the deductible shall be the maximum amount available under NFIP.

In the event that underlying insurance is maintained through NFIP or any other primary or underlying policy or program, it is agreed that this policy shall be excess over the amount payable under such National Flood Insurance Policy(ies). Insurance maintained through NFIP shall be considered Underlying Insurance.

With respect to any other **Flood** loss, the sum of 5% of the total values declared by insured, as per Statement of Values on file with Insurer at the time of loss, at each location submitting a claim, to be calculated separately for each unit of insurance which sustains loss or damage, subject to a minimum of \$25,000 with a maximum of \$100,000 per occurrence.

Earthquake:

The sum of \$100,000 shall be deducted from any adjusted loss due to the peril of Earthquake, except;

As respects the peril of **Earthquake** in the States of California and Alaska, the sum of 5% of the total values declared by insured, as per Statement of Values on file with Insurer at the time of loss, at each location submitting a claim, to be calculated separately for each unit of insurance which sustains loss or damage, subject to a minimum of \$250,000 per occurrence.

As respects the peril of **Earthquake** in Hawaii, **New Madrid** and **Pacific Northwest** Territories, the sum of 2% of the total values declared by insured, as per Statement of Values on file with Insurer at the time of loss, at each location submitting a claim, to be calculated separately for each unit of insurance which sustains loss or damage, subject to a minimum of \$100,000 per occurrence.

- B. In the event of loss or damage involving more than one deductible, the Insured can either elect to have the deductibles apply separately or have the single largest deductible apply.
- C. The deductible amount specified in Clause A. above shall not apply to General Average contributions and/or salvage charges.
- D. If other insurance applies to the same property as insured hereunder, and to the extent recovery is made from such other insurance, the deductible under this policy shall be reduced by such recovery, but in no event shall the deductible under this policy be less than shown in the policy. If recovery from such other insurance is greater than the deductible in this policy, then the deductible under this policy shall not apply.
- E. In any **occurrence** where loss or damage is caused by more than one cause of loss or damage (peril) insured against under this policy or occurs at more than one location or building, the Insured shall have the right to separate the loss amount by peril or location or building for the purposes of application of the deductible(s) specified in this section, notwithstanding the above reference to two or more deductibles and the policy limits.
- F. Unit of Insurance: The following shall be considered a separate unit of insurance: (1) each separate building or structure; (2) the contents of each separate building or structure; (3) property in each yard; (4) business interruption for the twelve-month period immediately following the loss.

5. **Loss or Damage Insured**

This policy insures against all risk of direct physical loss or damage to property including General Average, salvage, and all other charges on shipments insured hereunder except as hereinafter excluded.

6. **Loss or Damage Excluded**

This policy does not insure the following:

- A.
1. Loss or damage caused by hostile or warlike action in time of peace or war, including action in hindering, combating, or defending against an actual, impending, or expected attack:
 - (a) by any government or sovereign power (de jure or de facto) or by any authority maintaining or using military, naval, or air forces;
 - (b) or by military, naval, or air forces;
 - (c) or by an agent of such government, power, authority, or forces;
 2. Loss or damage caused by any weapon employing atomic fission or fusion;
 3. Loss or damage caused by rebellion, revolution, civil war, usurped power; or action taken by governmental authority in hindering, combating, or defending against such **occurrence**;
 4. Loss or damage caused by seizure or destruction by order of public authority, except destruction by order of public authority to prevent spread of, or to otherwise contain, control or minimize loss, damage, or destruction which occurs due to loss or damage insured under this policy;
 5. Risks of contraband or illegal trade.

Notwithstanding the above provisions 6.A. 1, 3, 4, and 5, this insurance shall insure loss or damage caused by acts of an agent of any government, party, or faction engaged in war, hostilities, or warlike operations, provided such agent or faction or government is acting secretly and not in connection with any overt operation of armed forces (whether military, naval, or air forces) in the country where the property is situated. Nothing in the foregoing shall be construed to include any loss or damage caused by or resulting from any loss or damage referenced in 6.A. 1.-5. above, excepting only the acts of certain agents expressly insured herein, but in no event shall this insurance include any loss or damage caused by or resulting from any weapon of war employing atomic fission or fusion whether in time of peace or war.

- B.
- Loss or damage caused by nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, and whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, attributed to, or aggravated by loss or damage insured herein except:
1. The **Insurer** shall be liable for loss or damage caused by sudden or accidental radioactive contamination, including resultant radiation damage for each **occurrence** from material used or stored or from processes conducted on insured premises, provided at the time of loss there is neither a nuclear reactor capable of sustaining nuclear fission in a self-supporting chain reaction nor any new or used nuclear fuel on the insured premises;

2. If an insured loss ensues, liability is specifically assumed by the **Insurer** for such ensuing direct loss or damage insured hereunder but not including any loss due to nuclear reaction, nuclear radiation or radioactive contamination.

- C. Loss or damage caused by **fraudulent or dishonest act or acts** committed by the Insured or any of the Insured's employees.

This exclusion does not apply to loss or damage resulting from the Insured voluntarily parting with title or possession of any property if induced to do so by any fraudulent scheme, trick, device or false pretense, nor shall this exclusion apply to willful acts of destruction committed by the Insured's employees.

- D. Ordinary wear and tear, or gradual deterioration, unless loss or damage not excluded in this policy ensues, and then this policy shall insure only the ensuing loss or damage.

Except, if an **occurrence** to an **object** ensues, then this policy shall also insure the ordinary wear and tear, or gradual deterioration that initiated the damage to the object causing the **occurrence**.

- E. The cost of making good or rectifying faulty or defective workmanship, material, construction or design, but this exclusion shall not apply to damage resulting from such faulty or defective workmanship.

This exclusion shall not apply to faulty material that results in an **occurrence** to an **object**.

- F. Asbestos material removal except as provided in Endorsement 11.

- G. Loss or damage caused by, resulting from, contributed to or made worse by the actual, alleged or threatened release, discharge, escape or dispersal of **Pollutants or Contaminants**, all whether direct or indirect, proximate or remote or in whole or in part caused by, contributed to or aggravated by any Covered Cause of Loss under this Policy, except as provided in Clause #15.

This exclusion shall not apply to direct physical loss or damage to Insured Property arising out of seepage, contamination, or pollution caused by **Specified Perils**.

- H. Deterioration, depletion, rust, corrosion, erosion, wet or dry rot, decay, evaporation, leakage, wear and tear, animal, insect or vermin damage, inherent vice or latent defect, shrinkage or change in color, flavor, texture or finish, extremes or changes of temperature damage or changes in relative humidity damage, all whether atmospheric or not, except, if loss or damage not excluded in this policy ensues, then this policy shall insure such ensuing loss or damage.

- I. Normal settling, shrinkage, or expansion in foundations, walls, floors or ceilings unless such damage results directly from a peril insured by this Policy, or unless direct physical loss, damage or destruction by a peril insured by this Policy results, and this Policy shall insure against that resulting direct physical loss, damage or destruction.

- J. Mysterious disappearance or loss or shortage disclosed on taking inventory or any unexplained loss, except, if loss or damage not excluded in this policy ensues, then this policy shall insure such ensuing loss or damage.
- K. Electrical injury or disturbance to electrical appliances, devices, fixtures, wiring or other electrical or electronic equipment caused by electrical currents artificially generated; except this Company(ies) shall be liable for ensuing physical loss or damage resulting from an Insured cause of loss not otherwise excluded.
- L. Mechanical breakdown unless physical loss or damage resulting from an Insured cause of loss, not otherwise excluded ensues, and then this Company(ies) shall be liable for only such ensuing loss or damage. This exclusion does not apply to loss or damage to property in transit caused by mechanical breakdown or refrigeration equipment.
- M. Explosion, rupture, or bursting of steam boilers, steam pipes, steam turbines or steam engines owned or operated by the Insured unless physical loss or damage resulting from an Insured cause of loss, not otherwise excluded ensues, and then this Company(ies) shall be liable for only such ensuing loss or damage. However, it is agreed that direct loss resulting from the explosion of accumulated gases or unconsumed fuel within the firebox (or combustion chamber) of any fired vessel or within the flues or passages which conduct the gases or combustion therefrom shall be covered hereunder.

(Note: Exclusions K., L., and M. above shall also be referred to as an **Accidental Occurrence to an Object**.)

7. Coverage

This policy insures the interest of the Insured in the following:

A. Real and Personal Property

All real and personal property while such property is located anywhere within the territorial limits of this policy, including while in due course of **transit** which is owned, used, or intended for use by the Insured, or acquired by the Insured, and property of others in the Insured's care, custody or control including the Insured's liability for such property and including the costs to defend any allegations of liability for loss or damage to such property; including but not limited to the following:

- 1. Improvements and betterments. The **Insurer** agrees to accept and consider the Insured as sole and unconditional owner of the improvements and betterments, notwithstanding any contract or lease to the contrary.
- 2. At the option of the Insured, personal property of the Insured's officials and employees and hotel guests, while in the Insured's care, custody or control, or while on the Insured's premises.

3. Contractor's and/or subcontractor's (of any tier) and vendor's interests in property insured to the extent of the Insured's liability imposed by law or assumed by contract, whether written or oral.
4. At the option of the Insured, the interest of the Insured's customers in property sold by the Insured under conditional sale, trust agreement, installment plan or other deferred payment plan including property which is leased to customers under a lease/purchase agreement.
5. Property of others that the Insured has agreed to insure prior to loss or damage including property not in the Insured's care, custody or control and at the Insured's option the interest of the owner of such property.
6. Property while in the course of construction and/or during erection, assembly and/or installation.
7. **Architect Fees and Engineering Fees**

B. Business Interruption – Gross Earnings

1. Loss due to the necessary interruption of business conducted by the Insured, including all interdependencies between or among companies owned or operated by the Insured resulting from loss or damage insured herein and occurring during the term of this policy to real and/or personal property described in Clause 7.A.
2. Such loss shall be adjusted on the basis of the actual loss sustained by the Insured, consisting of the net profit which is prevented from being earned including **ordinary payroll** and payroll;

and

all charges and other expenses (including **soft costs**) to the extent that these must necessarily continue during the interruption of business, but only to the extent to which such charges and expenses would have been incurred had no loss occurred.

3. In determining the amount of net profit, charges, and expenses insured hereunder for the purposes of ascertaining the amount of the actual loss sustained, due consideration shall be given to the experience of the business before the date of the loss or damage and to the probable experience thereafter had no loss occurred.
4. In the event of insured loss or damage to property as described in Clause 7.A. which results in an interruption of research and development activities, which in themselves would not have produced income during the recovery period, this policy shall insure the actual loss sustained of the continuing charges and expenses, including **ordinary payroll** and payroll, directly attributable to such research and development activities.

5. As respects coverage provided under Clause 7.B., the **Insurer** shall not be liable for any loss resulting from loss or damage to **finished stock or stock in process** nor for the time required to reproduce said **finished stock or stock in process**.

C. Business Interruption - Loss of Profits

1. Loss of gross profit as hereinafter defined, resulting from interruption of or interference with the business, and caused by loss or damage to real or personal property as described in Clause 7. A. of this policy during the term of the policy.
2. Indemnity: The amount of loss of gross profit shall be based on REDUCTION IN TURNOVER and on INCREASE IN COST OF WORKING, and the amount payable as indemnity thereunder shall be:
 - (a) In respect to REDUCTION IN TURNOVER: The sum produced by applying the rate of gross profit to the amount by which the turnover during the indemnity period shall, in consequence of the damage, fall short of the standard turnover;
 - (b) In respect to INCREASE IN COST OF WORKING: The additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in turnover which but for that expenditure would have taken place during the indemnity period in consequence of the damage, but not exceeding the sum produced by applying the rate of gross profit to the amount of the reduction thereby avoided;
 - (c) In respect to auditors' fees, the reasonable charges payable by the Insured to their auditors for producing and certifying any particulars or details in the Insured's books of account or other books or documents or such other profits, information or evidence as may be required by the **Insurer**;

less any sum saved during the indemnity period in respect of such of the standing charges of the business payable out of gross profit as may cease or be reduced in consequence of the damage.
3. Definitions:
 - a) Gross Profit: The sum produced by adding to the net profit the amount of all the standing charges of the business, including **soft costs** or if there be no net profit the amount of said standing charges less the amount of any net trading loss. Standing charges shall include, but not be limited to, wages and depreciation on property.
 - b) Net Profit: The net trading profit (exclusive of all capital receipts and accretions and all outlay properly chargeable to capital) resulting from the

business of the Insured after due provision has been made for all standing and other charges including depreciation but before the deduction of any taxation chargeable on profits.

- c) Wages: The remuneration (including where applicable: bonuses, overtime, living allowance (if any), national insurance contribution, holiday pay or other payments pertaining to wages) of all employees other than those whose remuneration is treated as salaries in the Insured's books of account.
- d) Turnover: The money (less discounts allowed) paid or payable to the Insured for goods sold and delivered and for services rendered in course of the business.
- e) Rate of Gross Profit: The rate of gross profit earned on the turnover during the financial year immediately before the date of the damage.
- f) Annual Turnover: The turnover during that period in the 12 months immediately before the date of the damage.
- g) Standard Turnover: The turnover during that period in the 12 months immediately before the date of the damage which corresponds with the indemnity period.

With respect to subparagraphs e-Rate of Gross Profit, f- Annual Turnover and h- Standard Turnover as described above, such adjustments shall be made as may be necessary to provide for the trend of the business and for variations in or special circumstances affecting the business either before or after the damage or which would have affected the business had the damage not occurred, so that the figures thus adjusted shall represent as nearly as any be reasonably practicable the results which but for the damage would have been obtained during the relative period after the damage.

4. Memoranda:

MEMO 1: This policy will allow the insured to have the option to make claim based on either the:

- 1. Business Interruption Gross Earnings as stated under Clause 7B
- 2. Business Interruption Gross Profit as stated under Clause 7C

If such claim involves more than one location, including interdependency at one or more locations, all such claim will be adjusted by using the single coverage option chosen above. This option may be exercised at any time.

D. Extra Expense

- 1. Extra Expense incurred by the Insured in order to continue as nearly as practicable the normal operation of the Insured's business following loss or damage insured herein and occurring during the term of this policy to real and/or personal property as described in Clause 7.A.

2. The term Extra Expense, as used herein, is defined as the excess (if any) of the total cost chargeable to the operation of the Insured's business, over and above the total cost that would normally have been incurred to conduct the business had no loss or damage occurred, including **soft costs**.

E. Accounts Receivable

In the event of loss or damage to records or accounts receivable from customers caused by loss or damage insured herein, this **Insurer** will indemnify the Insured as follows:

1. All sums due the Insured (from customers), provided the Insured is unable to effect collection thereof as a result of loss or damage to records of accounts receivable by loss or damage insured by this policy.
2. All sums due the Insured from factoring transactions, when the property of the debtor has been lost or damaged by loss or damage insured by this policy and the Insured has been unable to effect collection thereof.
3. Interest charges on any loan to offset impaired collections pending repayment of such sums made uncollectible by such loss or damage.
4. Collection expenses in excess of normal collection cost and made necessary because of such loss or damage.
5. Other expenses, when reasonably incurred by the Insured in reestablishing records of accounts receivable following such loss or damage.

For purpose of this insurance, charges under a credit card company and maintained on **EDP Media** shall be deemed to represent sums due the Insured from customers.

When there is proof that a loss of records of accounts receivable has occurred by the Insured and the Insured cannot more accurately establish the total amount of accounts receivable outstanding as of the date of such loss, such amount shall be computed as follows:

1. The monthly average of accounts receivable during the last available twelve (12) months shall be adjusted in accordance with the percentage increased or decreased in the twelve (12) months average of monthly gross revenues, which may have occurred in the interim;
2. The monthly amount of accounts receivable thus established shall be further adjusted in accordance with any demonstrable variance from the average for the particular month in which the loss occurred, due consideration also being given to the normal fluctuations in the amount of accounts receivable within the fiscal month involved.

There shall be deducted from the total amount of accounts receivable, however established, the amount of such accounts evidenced by records, not

lost or damaged, or otherwise established or collected by the Insured and an amount to allow for probable bad debts which would normally have been uncollectible by the Insured.

F. Leasehold Interest

This policy provides coverage for leasehold interest when property is rendered wholly or partially untenable by any insured loss during the term of this policy and a lease is canceled by a party not insured by this policy in accordance with the conditions of the lease or by statutory requirements of the appropriate jurisdiction in which the damaged property is located.

1. Coverage under this clause includes the:
 - (a) Pro-rata portion from the date of loss to the expiration date of the lease (to be paid without discount) on the Insured's interest in:
 - (i) the amount of bonus paid by the Insured for the acquisition of the lease not recoverable under the terms of the lease;
 - (ii) improvements and betterments to real property which are not insured under any other section of this policy;
 - (iii) the amount of advance rental paid by the Insured and not recoverable under the terms of the lease;
2. This **Insurer** shall indemnify the Insured for its **Lease Interest** for the first three months following the loss or damage and for its **Net Lease Interest** for the remaining unexpired term of the lease, provided that the **Insurer** shall not be liable for any increase in the amount recoverable hereunder resulting from the suspension, lapse or cancellation of any license, or from the Insured exercising an option to cancel the lease; or from any act or omission of the Insured which constitutes a default under the lease; and provided further that the Insured shall use any suitable property or service owned or controlled by the Insured or obtainable from another source to reduce the loss hereunder.

G. Rental Value and Rental Income

1. Loss of Rental Income and/or Loss of Rental Value of the Insured caused by loss or damage insured herein occurring during the term of this policy to property and/or premises rented, leased or occupied by the Insured and/or rented or leased by the Insured to others.
2. Rental Income shall include the following:
 - (a) The total anticipated gross rental income from tenant(s) of the Insured's building(s) and structure(s), and

- (b) The amount of all charges assumed by tenant(s) except those charges which do not continue, which would otherwise be obligations of the Insured, and
 - (c) The fair rental reasonably expected from unrented portions of such property and the fair rental for that portion occupied by the Insured.
3. Rental Value shall include the following:

Rental Income Insurance in those situations where the Insured is required under a lease or rental agreement to maintain such insurance on behalf of any landlord.

Rental expenses incurred by the Insured in excess of the expenses which would have been incurred had a leased or rented premises not been damaged or destroyed by loss or damage insured herein. Such coverage will apply for all additional expenses incurred during the period of untenability or if the lease cannot be terminated, until its expiration.

H. Royalties

- 1. Loss of Royalties, Fees and Commissions which would have been earned under Royalties, Fees or Commission Agreements between the Insured and any concern(s), as a result of loss or damage to the property of such concern(s) caused by loss or damage insured herein occurring during the term of this policy.
- 2. Such loss shall be adjusted on the basis of actual loss sustained of such income referred to in paragraph 7.G.1., which would have been earned had no loss occurred.

I. Transit

This insurance is extended to insure loss or damage to insured property in **transit** including resulting loss as afforded under clauses 7.B., 7.C., 7.F. and 7.G.

- 1. This insurance is also extended to insure loss or damage to property:
 - (a) sold and shipped by the Insured under terms of F.O.B. point of origin or other terms usually regarded as terminating the shipper's responsibility short of points of delivery;
 - (b) at the Insured's option, which is incoming to the Insured.
- 2. This policy also insures loss or damage:
 - (a) arising out of any unauthorized person(s) representing themselves to be the proper party(ies) to receive goods for shipment or to accept goods for delivery;

- (b) occasioned by the acceptance by the Insured, by its agents, or by its customers of fraudulent bills of lading, shipping and delivery orders, or similar documents;

8. Extensions of Coverage

THIS CLAUSE EXTENDS THE COVERAGES DESCRIBED IN CLAUSES 7.B., 7.C., 7.D., 7.E., 7.F., 7.G. and 7.H.

- A. This policy insures loss resulting from or caused by loss or damage insured herein to the following:

- 1. **Contingent Business Interruption/Contingent Extra Expense:** Property, including **Attraction Properties**, that directly or indirectly prevents a supplier (including suppliers of any tier) of goods and/or services to the Insured from rendering their goods and/or services, or property that prevents customers (including customers of any tier) of goods and/or services from the Insured from accepting the Insured's goods and/or services.

There is no liability in this section for loss or damage insured under Clause 8.A.2.

- 2. **Service Interruption/Off Premises Power:** Any service provider's property including, but not limited to, electrical equipment and systems, fuel, water, gas, feedstock, pulp, liquid gases, sewage, steam, telephone, fiber optic cable, telecommunications, heating, refrigeration and/or air conditioning systems, or their respective transmission and distribution lines (within 1,000 feet) or utility plants which directly or indirectly provide incoming or outgoing services to the Insured, situated on or outside of the Insured's premises.

This coverage is extended to include loss or damage resulting from any **accidental occurrence** to property referenced in this clause.

There is no liability in this section for loss or damage insured under Clause 8.A.1.

- 3. **Impounded Water:** Dams, reservoirs or equipment connected therewith when water used as a raw material or used for power or for other manufacturing purpose stored behind such dams or reservoirs is released from storage and causes an interruption of business as a result of lack of adequate water supply from such sources.

- B. **Interruption by Civil or Military Authority**

This policy is extended to insure loss sustained during the period of time when, as a result of loss, damage or an event not excluded in Clause 6, access to property is impaired by order or action of civil or military authority.

- C. **Ingress/Egress**

This policy is extended to insure loss sustained during the period of time when, as a result of loss, damage or an event not excluded in Clause 6, ingress to or egress from real or personal property is impaired.

D. Contagious Diseases

This policy is extended to insure Business Interruption, Extra Expense, Rental Value and Rental Income loss as insured hereunder as a consequence of the closing of all or part of the premises of the Insured by order of a competent public authority consequent upon:

1. The existence or threat of an actual or suspected infectious or contagious disease manifested by any person while at the premises of the **Insured**;
2. Murder, suicide or other crime occurring at the premises of the **Insured**;
3. Injury or illness sustained by any person arising from or traceable to foreign or injurious matter in food or drink provided at the premises of the **Insured** or the threat thereof;
4. The existence or threat of actual or suspected hazardous sanitary conditions at the premises of the Insured.

The most we will pay for loss under this provision during each separate 12-month period is the limit for Contagious Disease – Annual Aggregate shown under Limits of Liability above regardless of the number of **occurrences** or locations.

E. Defense Costs

This policy, subject to all of its provisions, also insures the costs and fees to defend any claim or suit against the **Insured** and/or its directors, officers, and/or employees alleging physical loss or damage as insured against to property of others is the care, custody, or control of the **Insured** to the extent of the **Insured's** liability therefore, even if such claim or suit is groundless, false or fraudulent; but the **Insurer** may without prejudice make such investigation, negotiation or settlement of any such claim or suit as it deems expedient.

F. Tenant/Hotel Guest Relocation Expense:

1. We will pay you the actual expenses you incur as a result of reimbursing the expenses of a hotel guest for whom prearranged hotel accommodations cannot be honored because of loss or damage resulting from a covered loss.
2. We will pay you for the reasonable expenses your hotel guest has incurred:
 - a. To secure and use other comparable hotel accommodations as close as possible to your covered location;

- b. While traveling to and from your covered location to the location where the comparable hotel accommodations are secured; and
 - c. For prepaid amounts spent for activities away from the covered location which are lost because other comparable accommodations within a reasonable distance from your covered location are unavailable.
- 3. We will pay you for the reimbursed expenses of the hotel guest for the time:
 - a. Beginning on the date the hotel guests prearranged accommodations at the covered location are:
 - i. Scheduled to begin; or
 - ii. Interrupted

Whichever is later; and
 - b. Ending on the earliest of the following dates:
 - i. The date the hotel guests prearranged hotel accommodations at the covered location are scheduled to end;
 - ii. The date the damaged property at the covered location should be repaired, rebuilt or replaced with reasonable speed or similar quality;

Or

 - iii. Fourteen (14) days after the date determined in A. above.
- 4. The most we will pay to you for the reimbursed expenses of your hotel guest in excess of the deductible is subject to the limit stated in Clause 3. Limits of Liability:
- 5. For the purpose of this endorsement hotel guest(s) means a person of persons holding valid confirmed reservations or prearranged hotel accommodations at a location shown on the schedule.

G. Tenant/Hotel Guest Emergency Evacuation:

- 1. We will reimburse you for the necessary expenses you incur to evacuate a covered location because of imminent danger to life or well-being of your tenants/guests caused by an external event or condition at the covered location when a civil authority having jurisdictional authority orders you to evacuate the covered location.
- 2. We will not reimburse you for the necessary expenses arising out of any planned evacuation drill.

3. The most we will pay in any one (1) occurrence and in the annual aggregate for the necessary expenses is subject to the limit stated in Clause 3. Limits of Liability.

H. Increased Tax Liability

This Policy covers the loss sustained by the Insured in the event that the tax treatment of loss recoveries under any provision of this Policy differs from the tax treatment that would have been experienced by the Insured had no direct physical loss, damage or destruction by a peril insured by this Policy occurred.

I. Incentives

This Policy insures renewable energy credits which would have otherwise been due to the Insured or any other similar credits or incentives lost or reduced because of an **Occurrence** to which no exclusion in this Policy applies.

9. Loss Provisions Applicable to Clauses 7.B., 7.C., 7.F., 7.G., 7.H. and 8.

A. Period of Recovery

The length of time for which loss may be claimed is referred to as the period of recovery and:

1. shall commence with the date of such loss or damage and shall not be limited by the date of expiration of this policy;
2. shall not exceed such length of time as would be required with the exercise of due diligence and dispatch to rebuild, repair, or replace the property that has been destroyed or damaged;

and

3. such additional length of time to restore the Insured's business to the condition that would have existed had no loss occurred, commencing with the later of the following dates:
 - (a) the date on which the liability of the **Insurer** for loss or damage would otherwise terminate; or
 - (b) the date on which repair, replacement or rebuilding of the property that has been damaged is actually completed and the Insured has resumed normal operations.

but in no event for more than three hundred and sixty-five (365) consecutive days thereafter from said later commencement date;

4. with respect to alterations, additions, or property while in the course of construction, erection, installation, or assembly, due consideration shall be given to the level of production or level of business operations that would reasonably have been achieved after construction and start up would have been completed had no loss or damage occurred.

B. If the Insured can reduce the loss resulting from the interruption of business:

1. by a complete or partial resumption of operations of the property insured, whether damaged or not; or
2. by making use of stock, merchandise, or other property insured herein;

Such reduction shall be taken into account in arriving at the amount of loss hereunder.

C. Expense to Reduce Loss:

This policy also insures such expenses as are necessarily incurred for the purpose of reducing any loss under this policy, even though such expenses may exceed the amount by which the loss under this policy is thereby reduced.

D. Experience of the Business:

In determining the amount of loss insured hereunder due consideration shall be given to the experience of the business before the date of loss or damage and to the probable experience thereafter had no loss or damage occurred.

10. Property Excluded

This policy does not insure loss or damage to:

- A. Watercraft over forty (40) feet only while waterborne, aircraft and motor vehicles licensed for highway use when not on the Insured's premises, except this exclusion shall not apply to contractor's equipment, nor to such property which constitutes stock or which is on exhibit or being repaired.
- B. Land, except as insured under Clause 15, Decontamination and Clean Up Expense. This exclusion shall not apply to the cost of reclaiming, restoring or repairing land improvements. Land improvements as described hereunder include, but are not limited to, any alteration to the natural condition of the land by grading, excavating, landscaping, earthen dikes or dams, as well as additions to land such as pavements, roadways, ponds, golf courses, or similar works;
- C. Currency, money, gold bullion, evidence of debt, except accounts receivable as defined in the policy, notes or securities except as otherwise defined in this policy.
- D. Growing crops, standing timber to be used for industrial processes, and live animals not used for research.

- E. Water, except as insured under Clause 8.A.3. Impounded Water, Clause 15. Decontamination and Clean Up Expense, or when contained in any form of piping system, processing system or holding tank or used in the manufacturing process.
- F. Export and import shipments after loading on board the oceangoing watercraft and during ocean **transit**, but coverage will attach after unloading at the destination port.
- G. Waterborne shipments via the Panama Canal.
- H. Waterborne shipments to and from Alaska, to and from Hawaii, and to and from Puerto Rico, Guam and the Virgin Islands.
- I. Bridges, tunnels, sea walls, docks, piers, wharves; precious metals; and air supported structures.
- J. Underground mines, any property therein, and mining property located below the surface of the ground.
- K. Offshore oil rigs, platforms and property contained thereon.
- L. Satellites and spacecraft while on launch pad or after time of launch.
- M. Dams or dikes.

11. Valuation

At time of loss, the basis of adjustment shall be as follows:

- A. On buildings and structures, at the replacement cost new; if not replaced, then at the actual cash value.
- B. On machinery, equipment, furniture, fixtures and improvements and betterments at the replacement cost new; if not replaced, then at the actual cash value.
- C. **Valuable Papers and Records and EDP Media** at the value blank plus the cost of labor, service and/or supplies for actually reconstructing, researching, gathering information, reproducing, recreating, transcribing or copying such papers, records and **EDP Media**.
- D. **Fine Arts** owned by the Insured at the cost of reasonably restoring the property to its condition immediately prior to the loss, or in the event that the property cannot be restored at the appraised value prior to the loss. In absence of such appraisal, at the market value at the time of loss, plus the Insured's costs.

Fine Arts, which is the property of others, at the Insured's option, either at the cost of reasonably restoring the property to its condition immediately prior to loss, or the Insured's contractual or legal liability.

- E. **Finished Stock** and other merchandise for sale, at the Insured's selling price less discounts to which the goods would have been subject had no loss occurred.
- F. Property of others and property leased by the Insured, or for which the Insured has agreed to insure, at the Insured's option either:
1. the replacement cost new, or;
 2. the amount stipulated in the lease agreement, or;
 3. Insured's contractual or legal liability.
- G. Stock in process (raw stock which has undergone any aging, seasoning, or other processing by the Insured, but which has not become **finished stock**) shall be valued at the Insured's selling price of **finished stock** at the time of loss, less any manufacturing expense not incurred by the Insured and less any discounts, rebates, and unincurred expenses to which the sales price would have been subject.
- H. On property designated as being historic properties:
1. if buildings or structures sustain loss, damage or destruction, this Policy will pay the cost to replace, repair or restore them using the same materials, workmanship and architectural features and details that existed before such loss, damage or destruction, provided they are available and including the use of skilled labor. However, if any materials or workmanship needed to replace, repair or restore a building or structure are not available, this Policy will pay the cost to use materials and/or workmanship that will permit the replacement, repair or restoration of the building or structure to a condition that most closely resembles the condition which existed immediately before the loss, damage or destruction occurred.
 2. if there is an ordinance or law in effect at the time of loss that regulates zoning, land use or construction of a building or structure, such as a Historic Preservation Act or other landmark regulation, and if that ordinance or law affects the repair or rebuilding of the loss or damaged building or structure and if the Insured:
 - a. repairs or rebuilds the building or structure as soon as reasonably possible, this Policy will pay the replacement value of the damaged and undamaged portions of the building, the cost to demolish and clear the site of the undamaged portion of the building, and the increased cost to repair or rebuild the building to the same general size in accordance with the minimum standards of such ordinance or law;
 - b. does not repair, rebuild or replace the building or structure, this Policy will pay the actual cash value of the damaged and undamaged portions of the building; and the cost to demolish and clear the site of the undamaged portion of the building.

Coverage afforded by item 2. does not apply to the costs associated with the enforcement of any ordinance or law that requires any Insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize or in any way respond to or assess the effects of pollutants or contaminants. In addition, nothing in this clause L shall increase the limit of liability of this Policy.

With respect to properties that qualify for "Historical Landmark Status," the Insured shall have the sole discretion as to the means by which said property shall be repaired, rebuilt or replaced, but not to exceed the actual costs which would have been incurred in order to comply with "Historical Landmark Status" requirements.

- I. All other property, not otherwise mentioned above, at the replacement cost new; if not replaced, then at the actual cash value.

It is understood and agreed that as respects replacement cost new, the Insured shall have the option of replacing with equipment having technological advantages and/or representing an improvement in function and/or forming part of a program of system enhancement provided that such replacement can be accomplished without increasing the **Insurer's** liability.

The Insured, using reasonable discretion, shall be the sole judge as to whether electrical and mechanical equipment are damaged and unusable. This **Insurer** shall be allowed to dispose of, as salvage, any non-proprietary property deemed unusable by the Insured.

As respects 11.A., 11.B. and 11.H., the Insured may elect not to replace the real and/or personal property lost, damaged, or destroyed and obtain loss settlement on a replacement cost basis if the proceeds of such loss settlement are expended in any other expenditures related to the Insured's operations.

As respects 11.A., 11.B. 11.H and 11.I., the Insured may elect not to replace the real and/or personal property lost, damaged, or destroyed and obtain loss settlement on a replacement cost basis if the proceeds of such loss settlement are expended in any other expenditures related to the Insured's operations.

Permission is granted for the Insured to replace the property with similar property at the same or another site within the territorial limits of the policy, but recovery is limited to what it would cost to replace on same site.

12. **Demolition and Increased Cost of Construction**

In the event of loss or damage insured under this policy that causes the enforcement of any law, ordinance or governmental directive regulating the construction, repair or use of the property, the **Insurer** shall be liable for:

- A. The cost of demolishing the undamaged property including the cost of clearing the site;
- B. The proportion that the value of the undamaged part of the property bore to the value of the entire property prior to loss;
- C. The increased cost of repair or reconstruction of the damaged and undamaged property on the same or another site and limited to the costs that would have been incurred in order to comply with the minimum requirements of such law, ordinance or governmental directive regulating the repair or reconstruction or use of the damaged property on the same site or another site. However, the **Insurer** shall not

be liable for any increased cost of construction loss unless the damaged property is actually rebuilt or replaced;

- D. The increase in loss, including, but not limited to, Business Interruption, Extra Expense, Rental Value, Leasehold Interest or Royalties or extensions thereof arising out of the additional time required to comply with said law, ordinance or governmental directive.
- E. In the event of loss or damage to insured property caused by a peril insured against, the Insurers shall be liable for loss as described below due to the enforcement of any law, ordinance or other governmental restrictions in effect prior to the insured loss or damage, which limits the Insured's ability to rebuild the damaged property to like kind and quality, density, use, size or number of floors in existence immediately prior to such loss or damage.

The **Insurers** limit of liability shall be limited to the sum of the replacement value of the real property which must be demolished or which is lost, damaged, destroyed or which may not be rebuilt, including loss of rents for the portions of the property which cannot be repaired or replaced due to the operation of the above described ordinances, laws, and regulations subject to the maximum amount payable under Clause 3. Limits of Liability. However, as respects loss of rents, the maximum period of indemnity is 12 (twelve) months.

13. Service Charges

This policy insures service charges and expenses of Fire Department, Police, Rescue Squad, and any government or authority charges incurred by the Insured because of an **Occurrence** of a peril insured by this Policy.

14. Debris Removal

This policy insures the necessary and reasonable expenses actually incurred by the Insured due to loss or damage as insured herein, occurring during the term of this policy, to remove, clean up and/or properly dispose of any debris remaining after any such loss or damage.

15. Decontamination and Pollutant Clean Up Expense

- a. We will pay up to the policy limits to remove pollutants or hazardous substances from covered property at a covered location if the pollution or contamination results from a covered peril, subject to the applicable limit of liability.
- b. We will pay up to the Hazardous Substance sublimit to remove pollutants or hazardous substances from covered property at a covered location, if the pollution or contamination results from an Equipment Breakdown.
- c. If pollution results from a covered peril, we will pay up to the Pollution Cleanup annual aggregate sublimit of liability:
 - i. To remove pollutants or hazardous substances from land, soil, surface or ground water upon, within, beneath or comprising a covered location; or,

- ii. For testing performed in the course of extracting the pollutants from land, soil, surface or ground water upon, within, beneath or comprising a covered location; or,
- iii. For emergency measures undertaken in order to mitigate any circumstances pertaining to Section i. above.

We will only pay these expenses if these expenses are reported to us in writing within three hundred sixty-five (365) days of the date of the covered loss.

The coverage extensions in this section override any endorsements attached to this policy that could potentially exclude or limit coverage as described in sections 15 a, b, and c.

16. Notice of Loss

The Insured shall report to the **Insurer** any loss or damage which may become a claim under this insurance policy as soon as may be practicable after it becomes known to the Director of the Risk Management Department (or the individual acting in a similar capacity) of the Insured.

17. Knowledge of Occurrence

It is agreed that knowledge of an **occurrence** by an agent, servant or employee of the Insured shall not in itself constitute knowledge by the Insured. Knowledge is understood to occur only when the Director of the Risk Management Department (or the individual acting in a similar capacity) of the Insured shall have received notice from its agent, servant or employee.

18. Proof and Payment of Loss

A detailed Proof of Loss shall be filed with the **Insurer** as soon as practicable. Loss shall be adjusted with the Risk Management Department of the Insured or assigned representatives, and all adjusted claims shall be paid to the Insured or its order within Thirty (30) days after filing a Proof of Loss.

19. Non-Reduction of Limits of Liability

Any loss hereunder shall not reduce the limit(s) of liability under this policy except for aggregate limits as described in Clause 3.

20. Subrogation and Subrogation Waiver

- A. It is agreed that upon payment of any loss, this **Insurer** is subrogated to all the rights of the Insured to the extent of such payment.

Any release or waiver of liability entered into by the Insured in the course of their business prior to loss (including but not limited to bills of lading and/or receipts from carriers, bailees, warehouseman, lighterman, processors, limiting or releasing their liability) hereunder shall not prejudice the Insured's rights of recovery under this policy.

- B. The right of subrogation against the Insured's subsidiary, affiliated, or associated corporations or companies, joint ventures, partnerships or individuals, or any other party required to be insured, or any other corporations or companies associated with the Insured through ownership or management is waived, and at the option of the Insured, subrogation is waived against any tenant or landlord of the Insured.
- C. In the event of any payment under this policy, except where subrogation rights have been waived, the **Insurer** shall be subrogated to the extent of such payment to all the Insured's rights of recovery therefore. The Insured shall execute all papers required and shall take reasonable and necessary action to secure such subrogation rights. The **Insurer** will act in concert with all other interests concerned, i.e., the Insured and any other company(ies) participating in the payment of any loss as primary or excess insurers, in the exercise of such rights of recovery. If any amount is recovered, after deducting the costs or recovery, such amount shall be divided between the interests concerned in the proportion of their respective interests. If there should be no recovery, all costs and expenses shall be borne by the party instituting the proceedings.

21. Sue and Labor

In case of actual or imminent loss or damage insured herein, it shall be lawful and necessary for the Insured, their factors, servants or assignees, to sue, labor and travel for, in and about the defense, safeguard and recovery of the property insured hereunder, or any part thereof, without prejudice of this insurance. Nor shall the acts of the Insured or these **Insurers** in recovering, saving, and preserving the property insured in case of actual or imminent loss or damage, be considered a waiver or acceptance of an abandonment. The **Insurer** will be responsible for all expenses. The deductible provision of this policy shall not apply to this clause. This provision does not increase the limit of liability of this policy.

22. Appraisal

In case the Insured and this **Insurer** shall fail to agree as to the amount of loss, then, on the written demand of either, each shall select a competent and disinterested appraiser and notify the other of the appraiser selected within Twenty (20) days of such demand. The appraisers shall select a competent and disinterested umpire; and, failing for Fifteen (15) days to agree upon such umpire, then on request of the Insured or the **Insurer**, such umpire shall be selected by a judge of a district court of a judicial district in accordance with the Jurisdiction and Suit clause of this policy. The appraisers shall then appraise the loss, separating the loss to each item; and, failing to agree, shall submit their differences only to the umpire. An award in writing, so itemized of any two when filed with the **Insurer**, shall determine the amount of loss. Each appraiser shall be paid by the party selecting each respective appraiser and the expenses of appraisal and umpire shall be paid by the parties equally. However, if the award is greater than the amount offered by the **Insurer** in payment of the loss at any time before the award is rendered, then the **Insurer** shall pay 100% of the fees and expenses for each appraiser and the umpire and for the appraisal.

23. Brands and Labels

In case of insured loss or damage to property bearing a brand or trademark or which in any way carries or implies the guarantee or the responsibility of the manufacturer or the Insured,

the salvage value of such damaged property shall be determined after removal in the customary manner, at the expense of the **Insurer**, of all such brands or trademarks or other identifying characteristics.

24. Control of Damaged Merchandise

The Insured shall have full right to the possession of all merchandise manufactured, sold or distributed by the **Insured** involved in any loss under this policy and shall retain control of all damaged merchandise. The Insured, exercising reasonable discretion, shall be the sole judge as to whether the merchandise involved in any loss under this policy are fit for consumption, sale or use and any merchandise so deemed by the Insured to be unfit for consumption, sale or use shall not be sold or otherwise disposed of except by the Insured or with the Insured's consent, but the Insured shall allow this **Insurer** any salvage proceeds obtained by the Insured on any sale or other disposition of such merchandise.

25. Salvage and Recoveries

Except as described in Clause 24, after expenses incurred in salvage or recovery are deducted, any salvage or other recovery, except recovery through subrogation proceedings and/or from underlying and/or excess insurance as described herein, shall accrue entirely to the benefit of this **Insurer** until the sum paid by the **Insurer** has been recovered.

26. Expediting Expense

This policy insures the reasonable extra cost of temporary repair or replacement and of expediting the repair or replacement of damaged property insured hereunder, including overtime and express freight or other rapid means of transportation.

27. Jurisdiction and Suit

It is hereby understood and agreed that:

- A. In the event of the failure of the **Insurer** to pay an amount claimed to be due hereunder, at the direction of the Insured, the **Insurer** will submit to the jurisdiction of any court of competent jurisdiction within the United States and will comply with all requirements necessary to give such jurisdiction. All matters arising hereunder shall be determined in accordance with the law and practice of such court.
- B. In any suit instituted against it under this policy, the **Insurer** will abide by the final decision of such court or any appellate court in the event of an appeal.

28. Pair and Set/Consequential Reduction in Value

In the event of insured loss or damage to personal property, this policy shall insure the resulting reduction in value of the remaining undamaged components or parts of products customarily sold as individual units or sold as pairs, sets or lots or ranges of sizes or colors.

29. Consequential/Sequential Damage

The policy insures consequential/sequential loss or damage caused by or resulting from the change in temperature or humidity caused by, but not limited to, interruption of power, heat, light, air conditioning, refrigeration, telephone or telegraphs, supply water or telecommunications to property/equipment or plants used to provide refrigeration, cooling, humidifying, dehumidifying, air conditioning, heating, generating, converting power, or telephone or telegraphs, or telecommunications, including all connections and supply from transmission lines and pipes, power generating equipment, utility plants or sources, whether or not such equipment is on or off the premises of the Insured.

30. Permits

Permission is hereby granted for any building(s) to be and remain vacant and unoccupied without limit of time and without prejudice to the Insured's right of recovery for claim under this policy.

Any change in occupancy or use of the premises or any increase in hazard shall not prejudice the Insured's right of recovery for claim under this policy.

31. Contributing Insurance

Permission is granted for other policies written upon the same terms, conditions, and provisions irrespective of limit or attachment point as those contained in this policy. This policy shall contribute to the total of each loss otherwise payable herein to the extent of the participation of this policy in the total limit of liability stated herein.

32. Excess Insurance

Permission is granted for the Insured to have excess insurance over the limit of liability in this policy without prejudice to this policy and the existence of such insurance, if any, shall not reduce any liability under this policy.

33. Underlying Insurance

Permission is granted for the Insured to purchase insurance on all or any part of the deductible and against all or any of the coverage provided by this policy. The existence of such underlying insurance shall not prejudice or affect any recovery otherwise payable under this policy.

34. Other Insurance

Except as referred to in Clause 31, 32 and 33, if any property included in the terms of this policy shall, at the time of any loss, be more specifically insured with insurance purchased by the **Insured**, this policy shall extend to cover such property only so far as related to any excess of insured values not covered by such other insurance, and this policy shall be liable on such specifically insured property only for such loss as shall be in excess of the amount payable by or recoverable from such more specific insurance.

35. Coinsurance Waiver

This policy is not subject to Coinsurance or Average Clause.

36. Errors & Omissions

No inadvertent error, omission or failure in making reports or other data hereunder shall prejudice the Insured's right of recovery but shall be corrected when discovered. It is further understood and agreed that any error in description of locations, or values of projects insured or to be insured by this policy shall not invalidate or reduce the policy limit of liability, or otherwise prejudice any recovery under this policy.

37. Liberalization

If during the period that insurance is in force under this policy, any authorized endorsement or filed rules or regulations affecting the same are revised by statute or otherwise so as to broaden the insurance without additional premium charge, such extended or broadened insurance shall inure to the benefit of the Insured hereunder.

38. Titles of Paragraphs

The several titles of the various paragraphs of this policy (and of Endorsements and Supplemental Policies, if any, which are attached to this policy) are inserted solely for convenience or reference and shall not be deemed in any way to limit or affect the provisions to which they relate.

39. Waiver of Company Conditions - Deleted

40. Certificates of Insurance

All parties to whom a Certificate of Insurance has been issued are automatically added to this policy upon issuance of said certificates, either as Additional Insureds, Mortgagees or as Loss Payees, or any, in accordance with the terms and conditions of this policy unless otherwise agreed to by the **Insurer**. Permission is granted for Lockton Companies to issue Certificates on the **Insurer's** behalf.

41. Partial Payment of Loss

It is understood and agreed that this **Insurer** will make partial payments of claims subject to the policy provisions and the normal policy adjustment provisions.

To obtain said partial claim payment, the Insured shall submit a partial Proof of Loss with supporting documentation.

42. Loss Payee and Mortgagee Clause

- A. The Company will pay for loss to specified property insured under this Policy to each specified Loss Payee as its interest may appear, and to each specified Mortgagee as its interest may appear, under all present or future mortgages upon such property, in order of precedence of the mortgages.

B. The interest of the Loss Payee or Mortgagee (as the case may be) in property insured under this Policy will not be invalidated by:

- 1) any act or neglect of the debtor, mortgagor, or owner (as the case may be) of the property.
- 2) foreclosure, notice of sale, or similar proceedings with respect to the property.
- 3) change in the title or ownership of the property.
- 4) change to a more hazardous occupancy.

The Loss Payee or Mortgagee will notify the Company of any known change in ownership, occupancy, or hazard and, within 10 days of written request by the Company, may pay the increased premium associated with such known change. If the Loss Payee or Mortgagee fails to pay the increased premium, all coverage under this Policy will cease.

C. If this Policy is cancelled at the request of the Insured or its agent, the coverage for the interest of the Loss Payee or Mortgagee will terminate 10 days after the Company sends to the Loss Payee or Mortgagee written notice of cancellation, unless:

- 1) sooner terminated by authorization, consent, approval, acceptance, or ratification of the Insured's action by the Loss Payee or Mortgagee, or its agent.
- 2) this Policy is replaced by the Insured, with a policy providing coverage for the interest of the Loss Payee or Mortgagee, in which event coverage under this Policy with respect to such interest will terminate as of the effective date of the replacement policy, notwithstanding any other provision of this Policy.

D. The Company may cancel this Policy and/or the interest of the Loss Payee or Mortgagee under this Policy, by giving the Loss Payee or Mortgagee written notice 90 days prior to the effective date of cancellation, if cancellation is for any reason other than non-payment. If the debtor, mortgagor, or owner has failed to pay any premium due under this Policy, the Company may cancel this Policy for such non-payment, but will give the Loss Payee or Mortgagee written notice 10 days prior to the effective date of cancellation. If the Loss Payee or Mortgagee fails to pay the premium due by the specified cancellation date, all coverage under this Policy will cease.

E. The Company has the right to invoke this Policy's SUSPENSION clause (if any). The suspension of insurance will apply to the interest of the Loss Payee or Mortgagee in any machine, vessel, or part of any machine or vessel, subject to the suspension. The Company will provide the Loss Payee or Mortgagee at the last known address a copy of the suspension notice.

F. If the Company pays the Loss Payee or Mortgagee for any loss, and denies payment to the debtor, mortgagor or owner, the Company will, to the extent of the payment made to the Loss Payee or Mortgagee be subrogated to the rights of the Loss Payee or Mortgagee under all securities held as collateral to the debt or mortgage. No

subrogation will impair the right of the Loss Payee or Mortgagee to sue or recover the full amount of its claim. At its option, the Company may pay to the Loss Payee or Mortgagee the whole principal due on the debt or mortgage plus any accrued interest. In this event, all rights and securities will be assigned and transferred from the Loss Payee or Mortgagee to the Company, and the remaining debt or mortgage will be paid to the Company.

- G. If the Insured fails to render proof of loss, the Loss Payee or Mortgagee, upon notice of the Insured's failure to do so, will render proof of loss within 60 days of notice and will be subject to the provisions of this Policy relating to APPRAISAL, SETTLEMENT OF CLAIMS, and SUIT AGAINST THE COMPANY.
- H. Other provisions relating to the interests and obligations of the Loss Payee or Mortgagee may be added to this Policy by agreement in writing.

43. Cancellation

- A. This policy may be canceled at any time at the request of the first named Insured, or it may be canceled by the **Insurer** by mailing via registered or certified mail to G6 Hospitality located at 4001 International Parkway, Carrollton, TX 75007 and with copies provided to Lockton Companies located at 2100 Ross Avenue, Suite 1400, Dallas, TX 75201, during the term of this policy, written notice stating when no less than Ninety (90) days thereafter, except Ten (10) days for nonpayment of premium, such cancellation shall be effective.

This insurance may be canceled at any time by the Insured by surrender of this policy to the **Insurer** or by mailing or delivery to the **Insurer** written notice stating when thereafter such cancellation shall take effect. Return premium shall be allowed the Insured on a pro rata basis if the **Insurer** cancels and also on a pro rata basis if the Insured cancels.

Payments or tender of any unearned premium by the **Insurer** shall not be a condition precedent to the effectiveness of cancellation, but such payment shall be made as soon as practicable.

- B. The mailing of notice as described in A. above shall be sufficient proof of notice and 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 Insured or by this **Insurer** shall be equivalent to mailing.
- C. Cancellation shall not affect coverage on any shipment in **transit** on the date of cancellation. Coverage will continue in full force until such property is safely delivered and accepted at place of final destination.

44. Inspection and Audit

This **Insurer** shall be permitted, but not obligated, to inspect the Insured's property at any reasonable time. Neither the **Insurer's** right to make inspections, nor the making thereof, nor

any report thereon, shall constitute an undertaking, on behalf of or for the benefit of the Insured or others, to determine or warrant that such property is safe.

45. Loss Adjustment Expenses

This policy is extended to insure expenses incurred by the Insured, or by the Insured's representatives for assessing, for preparing and/or certifying details of a claim resulting from a loss which would be payable under this policy. However, this policy does not insure the expenses of Public Adjustors.

46. Lost Key/Alternative Key Systems

This policy is extended to cover the consequential loss to keys and locks if a master key or grand master key is lost or damaged directly resulting from an insured peril. The policy will provide payment for the actual cost to replace keys, adjustment of locks to accept new keys, or if required, new locks including the cost of their installation. Further, the policy is extended to cover loss or damage directly resulting from an insured peril to alternative key system, such as mechanically or electronically coded key cards, including card-programmer, card-readers, computers, related alarms, transreceivers, power supplies and any other electronic or mechanical apparatus needed to make the card keys operate.

47. Severability of Interest

Each of the Insureds insured by this policy will have the same protection and obligations as if the policy has been issued individually to each of them, except as respects the obligations associated with Clause 43. **Cancellation.** However, the inclusion of more than one Insured will not operate to increase the limit of liability of the **Insurer** beyond the limit of liability stated in this policy.

48. Extortion

Recovery under this Policy shall not be affected by the refusal of the Insured to comply with any extortion demand.

49. Loss Adjustors

It is hereby understood and agreed that each and every loss will be adjusted on behalf of the Insurers by Michael S. Beach of McLarens, 1200 Roosevelt Road, Glen Ellyn, IL 60137 or equivalent as otherwise agreed by the Insured and the **Insurer**. The cost of these services will be borne by the Insurer.

50. Loss Payable

Loss, if any, shall be adjusted with and payable to G6 Hospitality, LLC or order.

51. Definitions

The following terms whenever used in this policy shall mean:

A. Accidental Occurrence

A sudden and accidental **occurrence** which does not result from physical loss or damage.

However, accidental occurrence does not include, under any circumstances, coverage for hostile or warlike action, nuclear reaction or radiation or pollution and contamination as excluded in Clauses 6.A., 6.B. and 6.F.

B. Architect Fees and Engineering Fees

Any cost associated with the preparation of plans for the repair or reconstruction of the damaged property.

C. Attraction Properties

Properties, not owned or operated by the Insured, which attract potential customers to the vicinity of the Insured's location.

D. CFC Refrigerants

The Company will pay for the additional cost to repair or replace covered property that is physically damaged because of the use or presence of a refrigerant containing CFC (chlorinated fluorocarbon) substances. This means the additional expense to do the least expensive of the following:

- (1) Repair the damaged property and replace any lost CFC refrigerant;
- (2) Repair the damaged property, retrofit the system to accept a non-CFC refrigerant and charge the system with a non-CFC refrigerant; or
- (3) Replace the system with one using a non-CFC refrigerant.

Additional costs mean those beyond what would have been required had no CFC refrigerant been involved

E. Earthquake

Quaking, vibratory or undulating movement of a portion of the earth's crust, produced by underground volcanic forces or by breaking and shifting of rock beneath the earth's crust. It is understood and agreed that, wherever used in this policy, the term "loss caused by" or "loss arising from" **Earthquake** shall be restricted exclusively to the actual, specific cracking, rupturing, shifting or toppling of property and shall not include ensuing loss or damage, if any, resulting from other loss or damage insured. Such ensuing loss shall be construed to have been of the same **occurrence**, but of a different proximate cause.

F. EDP Systems

Electronic Data Processing Systems shall include, but not be limited to, transferring equipment, computer systems, telecommunications systems or electronic control equipment and component parts.

G. EDP Media

All forms of data, converted data, electronically converted data and/or programs and/or applications and/or instructions and/or media vehicles employed.

H. Equipment Breakdown

The term "Equipment Breakdown" is defined solely for the determination of the limits of liability and/or deductible(s) and application of the sue and labor and suspension section only. The term "Equipment Breakdown" shall not limit or define the perils or coverages provided elsewhere in this policy.

A. The term "Equipment Breakdown" shall mean:

- (1) Any condition or occurrence within boilers or fired or unfired vessels owned by, operated by, or under the control of the Insured and subject to pressure or vacuum including piping or apparatus attached to and forming a part thereof, except that the words "any condition or occurrence" shall not include explosion, other than explosion of the parts of a steam boiler containing steam or water, steam piping, steam turbines, or steam engines;
- (2) Mechanical breakdown of any machine or apparatus arising out of any condition or occurrence within such machine or apparatus;
- (3) Electrical injury or disturbance to electrical appliances, devices, fixtures, wiring, or other electrical or electronic equipment caused by electrical currents artificially generated.

However, the term "Equipment Breakdown" does not include:

- (1) loss or damage from fire or from the use of water or other means to extinguish fire; and
- (2) the normal operation of any safety or protective device;

B. The term "Equipment Breakdown" shall not apply to the following property:

- (1) property in transit;
- (2) property while in the course of construction, erection, installation, or assembly;
- (3) electronic data processing systems used for administrative, statistical, or accounting purposes;

- (4) any sewer piping, any piping forming a part of a fire protective system, or any water piping other than the following:
 - (a) boiler feed water piping;
 - (b) boiler condensate return-piping;
 - (c) water piping used in a heat transfer system for cooling, humidifying, or space heating purposes;
- (5) any vehicle, aircraft, or self-propelled equipment or floating vessel;
- (6) any elevator, crane, ladle or bucket, hoist, power shovel, drag line, excavator, scale, or conveyor, but not excluding any pressure vessel, gears, engines or electrical equipment used with a machine.

I. Fine Arts

Fine Arts shall include, but not be limited to, bona fide works of art, works of rarity, works of historical value, works of artistic merit, photographs, (positives and negatives) lithographs, illustrations, galley proofs, original records.

J. Finished Stock

Stock manufactured by the Insured which, in the ordinary course of the Insured's business, is ready for packing, shipment or sale.

K. Fire Brigade Charges/Fire Extinguishing Materials and Expenses

Firefighting and/or containment charges and/or fire department service charges and other extinguishing expenses.

L. Flood

Waves, tide or tidal water, tsunami, rapid accumulation of surface waters, or the rising (including overflowing or breaking of boundaries) of lakes, reservoirs, rivers, streams or other bodies of water. It is understood and agreed that, whenever used in this policy, the term "loss caused by" or "loss arising from" flood shall not include ensuing loss or damage, if any resulting from other loss or damage insured. Such ensuing loss shall be construed to have been of the same **occurrence**, but of a different proximate cause.

Storm Surge as a result of **Named Windstorm** is not considered **Flood** and will be subject to the **Named Windstorm** Limit of Liability.

M. Fraudulent or Dishonest Acts

Fraudulent or dishonest acts committed by the Insured or the Insured's employees with the manifest intent to:

1. cause the Insured to sustain such loss; and
2. obtain financial benefit for the Insured, Insured's employee, or for any other person or organization intended by the Insured or the employee to receive such benefit for such fraudulent or dishonest act or acts.

N. Lease Interest

The excess rent paid for the same or similar replacement property over actual rent payable plus cash bonuses or advance rent paid (including any maintenance or operating charges) for each month during the unexpired term of the Insured's lease; and/or

The rental income earned by the Insured from sublease agreements, to the extent not insured under any other section of this policy, over and above the rental expenses specified in the lease between the Insured and the lessor.

O. Named Windstorm

The term "Named Windstorm" shall mean a weather condition that has been declared by the U.S. National Weather Service to be a hurricane, typhoon, tropical storm, or cyclone that results in loss or damage to Insured Property directly or indirectly caused by:

- (1) the force of wind caused by or resulting from a Named Windstorm; or
- (2) any material, object or debris that is carried, propelled or in any manner moved by a Named Windstorm; or
- (3) hail, lightning, or tornado(es) that are a result of actions or effects of a Named Windstorm; or rain or water, whether the rain or water is driven by wind or not, that enters the covered building or structure through an opening(s) created by the force of wind from a Named Windstorm; or
- (4) water inundation, storm surge, or **Flood** as defined herein, if covered by this policy, including loss or damage from the destruction or breaching of any levee, dam, or dike as a result of actions or effects of a Named Windstorm.

P. Net Lease Interest

That sum which placed at 3% interest compounded annually would equal the Lease Interest (less any amounts otherwise payable hereunder).

Q. New Madrid is defined as property located in the following counties:

Arkansas	Clay, Craighead, Crittenden, Cross, Greene, Jackson, Lawrence, Mississippi, Poinsett, Randolph, Sharp
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Illinois	Alexander, Bond, Clinton, Franklin, Hardin, Jackson, Jefferson, Johnson, Madison, Massac, Monroe, Perry, Pope, Pulaski, Randolph, Saline, St. Clair, Union, Washington, Williamson
Indiana	Gibson, Pike, Posey, Vanderburgh, Warrick
Kentucky	Ballard, Calloway, Carlisle, Fulton, Graves, Hickman, Livingston, Marshall, McCracken
Mississippi	Bolivar, Coahoma, De Soto, Marshall, Tate, Tunica
Missouri	Bollinger, Butler, Cape Girardeau, Dunklin, Franklin, Iron, Jefferson, Madison, Mississippi, New Madrid, Pemiscot, Perry, Reynolds, St. Charles, St. Francois, St. Genevieve, St. Louis, Scott, Stoddard, Warren, Washington, Wayne
Tennessee	Crockett, , Dyer, Fayette, Gibson, Hardeman, Haywood, Lake, Lauderdale, Madison, Obion, Shelby, Tipton

R. Object

Means any boiler, fired or unfired vessel subject to pressure or vacuum, including piping or apparatus attached thereto and forming a part thereof, and any mechanical or electrical machine or apparatus used for the generation, transmission or utilization of mechanical or electrical power.

S. Occurrence

Loss, or a series of losses or several losses, which are attributable directly or indirectly to one cause or disaster or to one series of similar causes or disasters arising from a single event. All such losses shall be added together and the total amount of such losses shall be treated as one **occurrence** irrespective of the period of time or area over which such losses occur.

When the term applies to **Named Windstorms**, it shall be defined as the sum total of all losses arising out of or caused by the same atmospheric disturbance during any period of 72 consecutive hours. The Insured shall have the right to elect the moment from which the 72-hour period shall be deemed to have commenced, provided always that no elected period of 72 hours shall commence within the period of any previous occurrence. However, it is further understood and agreed that any loss from **Named Windstorm** and resulting loss and damage can be considered more than one occurrence if the duration of the **Named Windstorm** exceeds 72 hours. The storm cell shall no longer be considered a Named Windstorm once it is downgraded to a Tropical Depression.

When the term applies to **Earthquake**, it shall be defined as the sum total of all the Insured's losses sustained during any period of 168 consecutive hours by reason of one **Earthquake** or a series of **Earthquakes**. The Insured may elect the moment from which the 168-hour period shall be deemed to have commenced, provided always that no elected period of 168 hours shall commence within the period of any previous **occurrence**.

When the term applies to **Flood**, it shall be defined as the sum total of all losses sustained by reason of one **Flood** or a series of **Floods**.

When the term applies to theft, the sum total of all losses insured herein resulting from one or more **Fraudulent or Dishonest Acts** committed by a person(s) acting alone or in collusion with others shall constitute one **occurrence**.

As respects, riot, civil commotion, looting, arson, vandalism and malicious mischief, occurrence shall mean all losses, not otherwise excluded, sustained by the Insured during a continuous period of 168 hours and such additional losses occurring beyond such period of 168 hours but during the continued occupation of the location by strikers provided such occupation commenced during the said period of 168 hours.

T. Ordinary Payroll

Ordinary Payroll is the entire payroll expense for all employees of the Insured except officers, executives, employees under contract, and other critical employees.

U. Pacific Northwest is defined as property located in the following counties:

Washington	Clallam, Jefferson, King, Kitsap, Mason, Pierce, San Juan, Skagit, Snohomish, Thurston, Whatcom
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V. Soft Costs

This policy shall cover soft costs, as hereinafter defined, incurred by the Insured caused by loss, damage, or destruction by any of the perils covered herein during the term of this policy to property as covered herein.

- a) The term "Soft Costs" shall include but not be limited to:
 - i) Additional interest costs on money used to finance construction or repair;
 - ii) Additional real estate and property taxes incurred for the period of time that construction extends beyond the projected completion date;
 - iii) Additional legal and accounting fees; and
 - iv) Additional advertising and promotional expenses which become necessary as a result of an insured loss.
 - v) Commission Expense
 - vi) Insurance Premium
 - vii) Project Administration Expense
- b) This company shall pay soft costs incurred from the date that the building, structure or improvement would have been completed had no physical damage occurred until such time that it is completed. As soon as practicable after any loss, the Insured shall utilize every available means to reduce the amount of loss including but not limited to:
 - i) partial or complete resumption of construction, business or operations;

- ii) making use of materials, equipment, supplies, or other property at the Insured's premises or elsewhere; or
- iii) making use of substitute facilities or services where practical;

such reduction will be taken into account in arriving at the amount of such loss.

W. "Special Flood Hazard Area" or "SFHA"

Locations within areas of 100-year flooding as defined by the Federal Emergency Management Agency (FEMA).

X. Specified Perils

Direct Physical loss or damage caused by or resulting from fire, lightning, aircraft, explosion, riot, civil commotion, smoke, vehicles, wind or hail, malicious mischief, leakage or accidental discharge from automatic fire protection systems, and collapse.

Y. Tier 1 Counties are defined as:

Alabama	Baldwin, Mobile;
Florida:	Entire State
Georgia:	Bryan, Camden, Chatham, Glynn, Liberty, McIntosh
Hawaii	Entire State
Louisiana:	Cameron, Iberia, Jefferson, Lafourche, Orleans, Plaquemines, St. Mary, St. Bernard, St. Tammany, Terrebonne, Vermilion
Mississippi	Hancock, Harrison, Jackson;
North Carolina	Beaufort, Brunswick, Carteret, Craven, Dare, Hyde, New Hanover, Onslow, Pamlico, Pender
South Carolina	Beaufort, Berkley, Charleston, Colleton, Georgetown, Horry, Jasper
Texas:	Aransas, Brazoria, Calhoun, Cameron, Chambers, Galveston, Harris, Jackson, Jefferson, Kenedy, Kleberg, Matagorda, Nueces, Orange, Refugio, San Patricio, Victoria, Willacy
Virginia:	Accomack, Chesapeake, Gloucester, Hampton City, Lancaster, Mathews, Middlesex, Newport News, Norfolk City, Northampton, Northumberland, Poquoson City, Portsmouth City, Suffolk City, Virginia Beach City, York

Z. Transit

Shipments within and between the territorial limits of this policy, including the coastal waters thereof, by any means of conveyance, from the time the property is moved for purpose of loading and continuously thereafter while awaiting and during loading and unloading and in temporary storage including temporary storage on any conveyance intended for use for any outbound or used for inbound shipment, including during deviation and delay, until safely delivered and accepted at place of final destination.

AA. Underlying Policy

An insurance policy issued to the Insured which is similar as respects the terms and conditions of this policy and issued for limits below the attachment point or deductible of this policy.

BB. Valuable Papers and Records

Written, printed or otherwise inscribed documents, and records including but not limited to books, maps, films, drawings, abstracts, deeds, mortgages, mortgage files, manuscripts and micro or electronically/magnetically inscribed documents, but not including the monetary value of monies and/or securities.

CC. Insurer

Independent Specialty Insurance Company – 16.00%

Interstate Fire & Casualty Company – 52.00%

Certain Underwriters at Lloyds (Consortium #9226) – 32.00%

Authorized Signature/Insurer

Endorsement #1

Mold and Fungus Exclusion

In consideration of the premium charged, it is hereby understood and agreed that this policy is amended as follows.

The Company shall not be liable for any loss or damage in the form of, caused by, arising out of, contributing to, or resulting from fungus, mold(s), mildew or yeast; or any spores or toxins created or produced by or emanating from such fungus, mold(s), mildew or yeast;

- a. fungus includes, but is not limited to, any of the plants or organisms belonging to the major group fungi, lacking chlorophyll, and including mold(s), rusts, mildews, smuts and mushrooms;
- b. mold(s) includes, but is not limited to, any superficial growth produced on damp or decaying organic matter or on living organisms, and fungi that produce mold(s);
- c. spores means any dormant or reproductive body produced by or arising or emanating out of any fungus, mold(s), mildew, plants, organisms or microorganisms,

regardless of any other cause or event that contributes concurrently or in any sequence to such loss.

This exclusion shall not apply to any loss or damage in the form of, caused by, contributed to or resulting from fungus, mold(s), mildew or yeast, or any spores or toxins created or produced by or emanating from such fungus, mold(s), mildew or yeast which the **Insured** establishes is a direct result of a Covered Loss not otherwise excluded by the Policy, provided that such fungus mold(s), mildew or yeast loss or damage is reported to the Company within twelve months from the expiration date of the Policy. Coverage provided by this endorsement is subject to the limit stated in Clause 3. Limits of Liability.

All other terms, conditions definitions, exclusions, limitations and provisions of the Policy remain the same.

Endorsement #2

DROP DOWN AND PRIORITY OF PAYMENTS

It is hereby agreed that the policy is amended as follows:

In determining the amount of any one loss, disaster or casualty for which this policy is excess, the total loss for all coverages caused by any combination of perils, one or more of which is insured against under the primary and any underlying policies, shall be used even though all such perils and/or property and/or coverages are not insured against under this excess policy.

1. Any recoveries made under the primary and any underlying policies shall be considered as first applying to those perils and/or property and/or coverages not insured against by this policy. Upon exhaustion of the primary and any **underlying policy** limits, this policy shall drop down and be liable for the loss in excess of the amount attributed to the primary and any underlying policies as respects those perils and/or property and coverages insured hereunder subject to the limit and attachment point of this policy.
2. In the event the Annual Aggregate limits provided for **Flood** and/or **Earthquake** in any primary or any underlying policies are diminished or exhausted in any one policy year and those perils are covered by this policy, the coverage provided under this policy shall respond as excess of the remaining limits.

In such event, the applicable amount of the deductible provision of the primary policy shall apply to the combination of all policies.

In no event shall anything in this endorsement be construed to increase the sublimits detailed in the primary or any underlying policies.

Endorsement #3

ELECTRONIC DATA ENDORSEMENT

1. Electronic Data Exclusion

Notwithstanding any provision to the contrary within the Policy or any endorsement thereto, it is understood and agreed as follows:-

- a) This Policy does not insure loss, damage, destruction, distortion, erasure, corruption or alteration of ELECTRONIC DATA from any cause whatsoever (including but not limited to COMPUTER VIRUS) or loss of use, reduction in functionality, cost, expense of whatsoever nature resulting therefrom, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

ELECTRONIC DATA means facts, concepts and information converted to a form useable for communications, interpretation, or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software, and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

COMPUTER VIRUS means a set of corrupting, harmful or otherwise unauthorised instructions or code including a set of maliciously introduced unauthorised instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature. COMPUTER VIRUS includes but is not limited to 'Trojan Horses', 'worms' and 'time or logic bombs'.

- b) However, in the event that a peril listed below results from any of the matters described in paragraph a) above, this Policy, subject to all its terms, conditions and exclusions, will cover physical damage occurring during the Policy period to property insured by this Policy directly caused by such listed peril.

Listed Perils

Fire

Explosion

Sprinkler Leakage

2. Electronic Data Processing Media Valuation

Notwithstanding any provision to the contrary within the Policy or any endorsement thereto, it is understood and agreed as follows:-

Should electronic data processing media insured by this Policy suffer physical loss or damage insured by this Policy, then the basis of valuation shall be the cost to repair, replace or restore such media to the condition that existed immediately prior to such loss or damage, including the cost of reproducing any ELECTRONIC DATA contained thereon, providing such media is repaired, replaced or restored. Such cost of reproduction shall include all reasonable and necessary amounts, not to exceed the limit stated in Clause 3. Limits of Liability in any one loss, incurred by the Assured in recreating, gathering and assembling such ELECTRONIC DATA. If the media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank media. However this Policy does not insure any amount pertaining to the value of such ELECTRONIC DATA to the Assured or any other party, even if such ELECTRONIC DATA cannot be recreated, gathered or assembled.

- 3.** If a loss occurs as a result of the perils described in Section 1.a. of this endorsement, the policy will provide coverage up to the limit stated in Clause 3. Limits of Liability.

Endorsement #4

Joint Loss Agreement

In the event that this policy is either a boiler and machinery/equipment breakdown, all risk, named peril, difference in conditions, terrorism, or an earthquake property insurance policy, which covers the same property or the same location(s), as one or more of the other policies, it is agreed that:

If there is a disagreement between the **Insurers** under this policy and such other policies either as to:

- 1) whether such damages or destruction is insured against by the boiler and machinery/equipment breakdown, all risk, named peril, difference in conditions, or an earthquake insurance policy, or
- 2) the extent of participation of this policy and such other policies in a loss which is insured against, partially or wholly, by any one of all of said policies;

this **Insurer** shall, upon written request of the **Insured**, pay to the **Insured** its proportional share of the loss which is in disagreement, but in no event more than this Insurer would have paid if the other said policies had not been in effect, subject to the following conditions:

- 1) the amount of the loss which is in disagreement, after making provisions for any undisputed claims payable under the said policies and after the amount of the loss is agreed upon by the **Insured** and the **Insurers**, is limited to the minimum amount remaining payable under this policy and such other policy(ies);
- 2) the **Insurers** underwriting each policy in disagreement shall simultaneously pay to the **Insured** their proportional share of said amount which is in disagreement;
- 3) the payments by the **Insurers** hereunder and acceptance of the same by the **Insured** signify the agreement of the **Insurers** to submit to and proceed with arbitration within ninety days of such payments.

One arbitrator shall be appointed by each **Insurer**, and one additional arbitrator shall be appointed by consent of the others. The decision by the arbitrators shall be binding on the **Insurers** and that judgment upon such award may be entered in any court of competent jurisdiction;

- 4) the **Insured** agrees to cooperate in connection with such arbitration, but not to intervene therein;
- 5) these provisions shall not apply unless each of the said policies in disagreement are similarly endorsed;

acceptance by the **Insured** of sums paid pursuant to these provisions, including an arbitration award, shall not operate to alter, waive, surrender or in any way affect the rights of the **Insured** against any of the **Insurer Endorsement #5**

Endorsement #5

Cancellation Endorsement

It is hereby agreed that if the Insurer's rating from Standard and Poor's and/or A.M. Best is downgraded below the rating on the date this policy incepts, any minimum premium requirement or short rate cancellation penalty is waived.

Endorsement #6

Quarterly Adjustment Endorsement

It is hereby agreed that changes in values will be submitted quarterly. Additional or return premiums will be calculated annually using rates to be agreed upon, subject to a total change in values of more than 5% of the Total Insurable Values on file with **Insurer** at time of policy inception. If total values do not increase or decrease more than 5%, due solely to the addition or deletion of locations, there will be no additional or return premium due.

Endorsement #7

Third Party Deductible Requirements

1. In cases where the Named Insured is required by a written contract with a third party to have in effect property insurance subject to a lesser deductible than the applicable deductible as set forth in the Policy, upon the request of Named Insured, the Company will permit the Named Insured's representative, i.e., the Broker that placed this Policy with the Company on behalf of the Named Insured (the "Broker") to issue a Certificate of Insurance ("Certificate") confirming the issuance of the Policy and reflecting the deductible amount required by the written contract if lesser than the Policy Deductible, but in no event shall the deductible shown on the Certificate be lesser than \$10,000.
2. The Named Insured, for itself and all the other parties that are insured under the policy, agrees that the Company's undertaking set forth in Paragraph 1, above, is not an amendment to the Policy and, in no way changes the obligations of the parties to the Policy in any regard, including as respects the Policy Deductible(s). Accordingly, the Named Insured, regardless of the content of any Certificate, for itself and all other parties insured by the Policy, agrees that it will be responsible in the first instance to absorb or to pay (as the case may be) any and all loss amounts falling below the Policy Deductible(s) and will save the Company harmless from ever having to advance to the Named Insured or any person or entity any amounts whatsoever which are below the applicable Policy Deductible(s).
3. Further, in the event the Company is ever required to make any payment(s) to third parties for loss amounts beneath the applicable Policy Deductible(s), the Named Insured, for itself and all other parties insured by the Policy, agrees to forthwith indemnify the Company for such payments and all costs the Company incurs attendant thereto.

Endorsement #8

Upgrade to Green

This endorsement modifies insurance provided by the policy:

The coverages and valuation provisions by this endorsement only apply if direct physical loss or damage to covered real and/or personal property is caused by any of the perils covered by this policy and replacement cost valuation applies. This coverage does not apply to: (1) personal property of others in the Insured's care, custody and control, (2) leased personal property, and/or (3) finished or unfinished stock.

In no event, does this endorsement increase or change the per occurrence limit of liability shown in the declarations or the annual aggregate for specified perils;

1. Notwithstanding the Valuation Provision of this policy or limits of liability applicable to specific locations or perils, if replacement cost valuation applies to real and/or personal property, then the Company's liability for loss applicable to this endorsement shall be the cost to repair or replace the covered damaged property subject to the applicable limit of liability, plus the greater of the following amounts:
 - A. The reasonable and necessary amount to upgrade to green the covered damaged property as described in Coverage Section A – Non-LEED® Certified Coverage or as described in Coverage Section B – LEED® Certified Coverage, whichever is applicable; or
 - B. An additional 25% of the applicable limit of liability for the building and/or business personal property shown in the Statement of Values or similar schedule to upgrade to green; or
 - C. The limit stated in Clause 3. Limits of Liability

At the Insured's sole discretion, the Insured may elect not to upgrade to green any or all property for which upgrade to green coverage is provided under this endorsement. In such case, the Company will adjust the claim in accordance with the standard provisions of the policy, as modified by all other applicable endorsements.

Subject to the greater of A., B., or C. above, if business interruption coverage is provided as part of this policy, if necessary, the Period of Restoration shall be increased to allow for additional time to upgrade to green the damaged property plus an additional two week period to meet the requirements set forth in 4.B.

2. **COVERAGE SECTION A: NON-LEED CERTIFIED COVERAGE**

In the event of direct physical loss or damage by any of the perils covered by the policy to a building that is not LEED certified at the time of the loss, or to the personal property within such a building, the Company will pay to repair or replace damaged or destroyed:

A. Loss Settlement for Personal Property

- (1) “Appliances” or “Office Equipment” with products of like kind and quality that have been identified as “ENERGY STAR®” or equivalent products of such energy efficiency. If there are no such products available at the time of the loss, this upgrade to green coverage does not apply.
- (2) “system Furniture” or “Seating”, with products of like kind and quality that are certified as GREENGUARD Indoor Air Quality Certified® or products with similar emissions characteristics. If there are no such products available at the time of the loss, this upgrade to green coverage does not apply.

B. Loss Settlement for Your Building

(1) Interior Finish Materials Upgrade

a. Lower Emissions Products Upgrade Coverage

“Defined Building Materials” with products of like kind and quality that have “Lower Emissions”. If there are no such products available at the time of the loss, this upgrade to green coverage does not apply.

b. Environmentally Preferable Products Upgrade Coverage

Interior wood, carpeting and flooring with products of like kind and quality that have “Lower Emissions”, are “Sustainably Produced”, are “Rapidly Renewable” or include “Recycled Content”. If there are no such products available at the time of the loss, this upgrade to green coverage does not apply.

(2) Interior Plumbing Systems Upgrade Coverage

Interior plumbing fixtures including, but not limited to, toilets, shower heads and lavatory faucets with products of like kind and quality that are more “Water Efficient”. If there are no such products available at the time of the loss, this upgrade to green coverage does not apply. For damaged or destroyed faucets, the Company will also pay to install occupant sensors to reduce the potable water demand.

(3) Lighting Systems Upgrade Coverage

Lighting systems, with products of like kind and quality that have been identified as “Energy Star” or equivalent products of such energy efficiency. If there are no such products available at the time of the loss, this upgrade to green coverage does not apply. The Company will also pay

to repair or replace damaged light bulbs with light bulbs which have low mercury content.

(4) **Efficient Heating and Cooling Equipment Upgrade Coverage**

“Heating and cooling equipment” with products of like kind and quality that have been identified as “ENERGY STAR” or equivalent products of such energy efficiency. If there are no such products available at the time of the loss, this upgrade to green coverage does not apply.

(5) **Building Reconstruction Following Total Loss**

a. Solely with respect to a “Total Loss” to a building, the Company will pay to replace the building on its existing foundation using the most cost effective techniques, products and materials that should satisfy the prerequisites and earn the minimum number of points required to qualify to LEED Silver certificate using the LEED New Construction (LEED NC®) Rating System.

b. **Certification Expenses**

(i) The Company will pay the reasonable and necessary registration and certification charged by the United States Green Building Council (USGBC) that the Insured incurs should the Insured decide to seek LEED Silver certification. However, the Company will not pay to modify the reconstructed structure if it is not certified.

3. **COVERAGE SECTION B: LEED CERTIFIED COVERAGE**

In addition to all Coverages provided in Coverage Section A (With the exception of 2.B.(5) Building Reconstruction Following a Total Loss) and in the event of direct physical loss or damage by any of the perils covered by the policy to a building that is LEED certified at the time of the loss, or to the personal property within such building, the Company will pay to repair or replace damaged or destroyed:

A. **Loss Settlement for Trees, Shrubs, and Vegetative Roofs**

- (1) Trees and shrubs planted specifically to secure the Heat Island Effect: Non-Roof point as described in LEED NC. For the purposes of this coverage only, notwithstanding any other provision of the policy to the contrary, trees and shrubs are Covered Property.
- (2) Vegetative roofs on LEED certified buildings. Notwithstanding any other provision of the policy to the contrary, vegetative roofs are Covered Property.

B. **Loss Settlement for Your Building**

(1) **Recertification Expenses**

- a. In the event of direct physical loss or damage by any of the perils covered by the policy that necessitates recertification of the damaged building, the Company will pay the reasonable and necessary registration and certification fees charged by the USGBC that the Insured incurs as a result of the recertification process.

(2) **Building Reconstruction Following a Total Loss**

- a. Solely with respect to a "Total Loss" to a building that is LEED certified at the time of the loss, the Company will pay to replace the building on its existing foundation using the most cost effective techniques, products and materials that would satisfy the prerequisites and should earn the minimum number of points required to qualify for LEED certification at one level above the certification in effect at the time of the loss using the LEED NC Rating System.

b. **Certification Expenses**

- (i) The Company will pay the reasonable and necessary registration and certification fees charged by the USGBC that the Insured incurs should the Insured decide to seek LEED certification. However, the Company will not pay to modify the reconstructed structure if it is not certified.

4. **COVERAGES INCLUDED WITHIN COVERAGE SECTIONS A OR B AND APPLICABLE TO LEED® AND NON-LEED® CERTIFIED BUILDINGS**

In the event of direct physical loss or damage by any of the perils covered by the policy to a LEED and Non-LEED certified building:

A. **Recycling Expenses**

- (1) The Company will pay the Insured's expenses to clean-up, sort, segregate, and transport debris from the Insured's damaged building to recycling facilities, if such debris can be recycled.
- (2) Any income or remuneration derived from recycling shall be used to reduce the loss.

B. **Air Testing and Outdoor Air Ventilation of Reconstructed Space**

- (1) In accordance with the requirements for the Construction IAQ Management Place: Before Occupancy Credit as described in the LEED NC rating system (hereafter, "Construction IAQ"), the Company will pay

to conduct air testing and a building flush-out (if required because of a failure to meet air quality standards set forth in the Construction IAQ) and follow-up air testing for a total period of time not to exceed two weeks.

- (2) After the two week period of increased outdoor air ventilation of the reconstructed space, the Company will pay to replace the filtration media with new media.

C. Professional Services

The Company will pay reasonable and necessary expenses to hire a LEED Accredited architect or engineer to participate in the design and/or construction administration of the damaged portion of the building or the entire building, whichever is applicable.

D. Building Commissioning Expenses

- (1) In the event of direct physical damage to mechanical, electrical, or electronic building systems, by any of the perils covered by the policy which necessitates the commissioning or re-commissioning of these systems, the Company will pay reasonable and necessary expenses of a Professional Engineer to commission or re-commission those damaged systems in accordance with LEED protocols.

5. ADDITIONAL DEFINITIONS

- A. "Appliances" means products including, but not limited to, dishwashers, refrigerators, freezers, ovens, microwave ovens, room air conditioners, room air cleaners and water heaters.
- B. "Defined Building Materials" means (1) all carpet and floor coverings, including adhesives to affix them to the floor, (2) all interior paints, architectural coatings, primers, undercoatings, adhesives, sealants, and (3) permanently installed composite wood fixtures, including, counters, cabinets, and partitions.
- C. "ENERGY STAR" means any product that has been identified by the United States Government Department of Energy, Environmental Protections Agency as ENERGY STAR qualified at the time of the loss.
- D. "Heating and Cooling Equipment" means products including, but not limited to, heat pumps, boilers, central air conditioning, ceiling fans, dehumidifiers, exhaust fans, furnaces thermostats, and ventilating fans.
- E. "Lower emissions" means:
 - (1) With respect to adhesive and sealant products, such as, general construction adhesives, flooring adhesives, fire-stopping sealants, caulking, duct sealants, plumbing adhesives, and cove base adhesives, products that meet the requirements of South Coast Air Quality Management District

(SCAQMD) Rule # 1168; with respect to aerosol adhesives, products that meet Green Seal Standard GS-36 requirements;

- (2) With respect to architectural paints, coatings, and primers, products that do not exceed the volatile organic compound (VOC) content limits established in Green Seal Standard GS-11, with respect to anti corrosive and anti-rust paints, products that do not exceed the VOC content limits established in the Green Seal Standard GS-03; and the respect to clear wood finishes, floor coatings, stains, and shellacs, products that do not exceed the VOC content limits established by SCAQMD Rule # 1113;
 - (3) With respect to carpet and carpet cushion, products that meet the requirements of the Carpet and Rug Institute's Green Label Plus Program; and
 - (4) With respect to composite wood and agrifiber products such as particleboard, medium density fiberboard (MDF), plywood, wheatboard, strawboard, panel substrates and door cores as well as laminating adhesives used to fabricate on-site and shop-applied composite wood and agrifiber assemblies, products that contain no added urea-formaldehyde resins.
- F. "Office Equipment" means electronic products including, but not limited to, desktop computers, laptop computers, monitors, printers, fax machines, scanners, copiers, and telephones.
- G. "Recycled Content" means those products that contain at least 20% post-consumer recycled content.
- H. "Rapidly Renewable" means products that are made from plant resources that are harvested within a ten-year cycle or shorter, including, but not limited to, bamboo, eucalyptus, wheat straw, sunflower hulls, cork oak, wheatboard, linoleum, and sorghum.
- I. "Seating" means task and guest chairs used with "System Furniture".
- J. "Sustainably Produced" means those products certified by the Forest Stewardship Council ("FSC").
- K. "System Furniture" means either a panel-based workstation comprised of modular interconnecting panels, hang-on components and drawer/filing components of a freestanding grouping of furniture items and their components that have been designed to work in concert.
- L. "Total Loss" means:
- (1) The covered building is completely destroyed regardless of whether any damage is done to the foundation or slab, or

- (2) The covered building is in such condition after the loss that the standard method of rebuilding or repairing the covered building is to raze the structure except for the foundation or slab or including all or part of the foundation or slab and rebuild the entire structure, whether such structure is actually rebuilt or not.

- M. "Water Efficient" means dry fixtures such as composting toilet systems and non-water using urinals, flush toilets using no more than 1.6 gallons of water per flush, and shower heads and faucets with a flow rate not more than 2.2 gallons per minute.

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

Endorsement #9

Notice of Cancellation to Third Parties

If we cancel this policy for any reason other than nonpayment of premium, a written notice of cancellation that is required by written contract, will be sent to the person(s) or organization(s) listed in the "Schedule" that you or your representative create or maintain by allowing your representative to send such notice to such person(s) or organization(s).

In no event does the notice exceed the notice to the first named insured. This advanced notification of pending cancellation of coverage is intended as a courtesy only and does not provide any legal obligation of any kind to such person(s) or organization(s). Failure to provide such advanced notification will not extend the policy cancellation date nor negate cancellation of this policy.

We will only be responsible for sending such notice to your representative, and your representative will in turn send a 30 day notice to the person(s) or organization(s) listed in the Schedule on file with your representative.

This Endorsement does not apply in the event that you cancel the Policy.

All other terms and conditions of this policy remain unchanged.

Endorsement # 10

SFHA Flood Locations

This endorsement modifies insurance provided by the policy:

It is hereby understood and agreed that the following locations are considered to be wholly or partially within Special Flood Hazard Areas (Areas of 100-year flooding as defined by the Federal Emergency Management Agency):

Loc #	Street Address	Bldg.	Flood Zone	City	State	Zip Code	County
1251	1101 Shoreway Rd.	1,2,3,4,5	AE	Belmont	CA	94002	San Mateo
14	2424 Hotel Circle N.	1,2	AE	San Diego	CA	92108	San Diego
1244	1445 Bayshore Dr.	1,2	AE	Coos Bay	OR	97420	Coos
1369	1368 N. McDowell Blvd.	1,2,3	AE	Petaluma	CA	94954	Sonoma
413	8202 South Padre Island Dr.	1	AE	Corpus Christi	TX	78412	Nueces
1370	140 Kern St.	1,2	AE	Salinas	CA	93901	Monterey
55	1801 State Road 84	1,2	AH	Ft. Lauderdale	FL	33315	Broward
1085	72562 Twentynine Palms Hwy.	1	AO	Twentynine Palms	CA	92277	San Bernardino
1113	2476 Beach Blvd.	1	AE	Biloxi	MS	39531	Harrison
343	7404 Avenue J Brdwy.	1,2,3,4	AE	Galveston	TX	77554	Galveston
364	281 US Hwy 41 Bypass N.	1	A12	Venice	FL	34292	Sarasota
1017	12266 Central Avenue	1,2,3	A	Chino	CA	91710	San Bernardino
1007	2081 N. First St.	1	AO	San Jose	CA	95131	Santa Clara
79	4951 W. Stamford St.	1,2,3,4,5	AE	Abilene	TX	79603	Taylor
395	2615 Commercial Way	1	AO	Rock Springs	WY	82901	Sweetwater
104	78100 Varner Rd.	1	AO	Palm Desert	CA	92211	Riverside
4	298 Atascadero Rd.	1,2	AE	Morro Bay	CA	93442	San Luis Obispo
25	6110 Monterey Highway	1	AH	Gilroy	CA	95020	Santa Clara
369	42899 Big Bear Boulevard	1	A	Big Bear Lake	CA	92315	San Bernadino
1114	424 West Beale Street	1, 2	AE	Kingman	AZ	86401	Mohave

Flood zone determination for any locations added after the inception of this policy will be determined at the time of loss.

All other terms and conditions remain unchanged.

Endorsement # 11

Asbestos Endorsement

- A. This Policy only insures asbestos physically incorporated in an insured building or structure, and then only that part of the asbestos which has been physically damaged during the period of insurance by one of the Listed Perils:

fire; lightning; explosion; windstorm or hail; "Named Windstorm"; smoke; direct impact of vehicle, aircraft or vessel; riot or civil commotion; vandalism or malicious mischief; leakage or accidental discharge of fire protection equipment; collapse; falling objects; weight of snow, ice or sleet; theft; water damage; Equipment Breakdown; sudden and accidental discharge, leakage, backup or overflow of liquids or molten material from confinement within piping, plumbing systems, tanks, equipment or other containment located at the insured location; Earthquake, Flood and during the course of transit.

This coverage is subject to each of the following specific limitations:

1. The said building or structure must be insured under this Policy for damage by that Listed Peril.
2. The Listed Peril must be the immediate, sole cause of the damage of the asbestos.
3. The Assured must report to Underwriters the existence and cost of the damage as soon as practicable after the Listed Peril first damaged the asbestos. However, this Policy does not insure any such damage first reported to the Underwriters more than 12 (twelve) months after the expiration, or termination, of the period of insurance.
4. Insurance under this Policy in respect of asbestos shall not include any sum relating to:
 - (i) any faults in the design, manufacture or installation of the asbestos;
 - (ii) asbestos not physically damaged by the Listed Peril including any governmental or regulatory authority direction or request of whatsoever nature relating to undamaged asbestos.

- B. Except as set forth in the foregoing Section A, this Policy does not insure asbestos or any sum relating thereto.

14/09/2005

LMA5019 (amended)

Form approved by Lloyd's Market Association

All other terms and conditions remain unchanged.

Endorsement 12

Building Owner Loss Payee and Contract of Sale Loss Payee Endorsement

This endorsement only applies as required by written contract.

A. Building Owner Loss Payee

1. This Item A applies to any Building Owner Loss Payee when named as such in a certificate of insurance on file with the Company, which was been issued in accordance with all certificate of insurance provisions contained in the policy, as respects the buildings which they own as described on such certificate of insurance in which the Insured is a tenant.
2. The Company will adjust losses to the described building with, and pay, the Building Owner Loss Payee. Any loss payment made to the Loss Payee will satisfy the Insureds claims against the Company for the owner's property.
3. The Company will adjust loss to tenant's improvements and betterments with, and pay, the Insured, unless the lease provides otherwise.

B. Contract of Sale Loss Payee (Escrow)

1. This Item B applies to any Contract of Sale Loss Payee named in this policy or when named as such (or when named just as Contract of Sale interest) in a certificate of insurance on file with the Company, which has been issued in accordance with all certificate of insurance provisions contained in the policy, as respects the property listed on such certificate for which the Insured has entered into a contract for sale with the Contract of Sale Loss Payee.
2. For property insured under this policy which both the Insured and the Contract of Sale Loss Payee have an insurable interest, the Company will:
 - a. adjust losses with the Insured; and
 - b. pay the amount of covered claim under this policy jointly to the Insured and the Contract of Sale Loss Payee, as their interests may appear.
3. This policy's Other Insurance Provisions shall be amended such that for property insured hereunder that is the subject of a contract of sale, the Insured's other insurance includes the Contract of Sale Loss Payee's other insurance on the same property. **The Insured's policy shall be primary.**

Nothing herein contained will be held to vary, alter, waive or change any of the terms, limits or conditions of the Policy, except as hereinabove set forth.

Endorsement 13

Contingent Interest Endorsement

Notwithstanding the Other Insurance clause in this policy, this coverage extension shall apply when Property Damage Insurance, or Property Damage and Rents Insurance provided by others on the scheduled property of the Insured (by *written* agreement) is determined to be inadequate or not collectible for any reason. Automatic coverage is extended to Contingent Interest Property.

- a) The Insured shall assist by requiring other coverage on the property.
- b) The Insured shall use all reasonable and necessary means to collect the full amount of any claims that may be collectible from the Property Damage insurance coverage maintained by the Lessee.
- c) This coverage extension shall not inure to the benefit of any party other than the Insured; and does not provide any rights or benefits to any other party.
- d) The Company shall be subrogated to all of the Insured's rights of recovery against any party or organization to the extent not waived. The Insured shall execute and deliver required instruments and papers, or do whatever else is necessary, to secure such rights for the Company.
- e) The Insured shall do nothing after physical loss or damage to insured property to prejudice the Company's rights of recovery against any party or organization.

In case of a claim, the Company's liability for this coverage extension shall be limited to the actual recovery that would apply under this policy had there been no other insurance less the amount recovered from such other insurance. In each case of loss or damage covered by this coverage extension, the Company shall not be liable unless the Insured sustains physical loss or damage in a single occurrence greater than the Insured's Retentions as enumerated elsewhere in this policy.

Nothing herein contained will be held to vary, alter, waive or change any of the terms, limits or conditions of the Policy, except as hereinabove set forth.

SERVICE OF SUIT STATE OF Texas

THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY

To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. This endorsement does not change any other provision of the insurance policy to which it is affixed. This endorsement is a part of this insurance policy and takes effect on the effective date of this insurance policy unless another effective date is shown.

- A. In the event of our failure to pay any amount claimed to be due under this Policy, we agree to submit to the jurisdiction of any court of competent jurisdiction within the United States in which a suit for those amounts may be brought. Nothing in this condition constitutes or should be understood to constitute a waiver of our right 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.
- B. Service of process in such suit may be made upon:

Interstate Fire & Casualty Company

Allianz Global Risks US Insurance Company
General Counsel's Office
225 West Washington Street
Chicago, Illinois 60606

Independent Specialty Insurance Company

Attn: Terry Ledbetter
1900 L. Don Dodson Drive
Bedford, TX 76021

Certain Underwriters Lloyds of London

Mendes & Mount
750 Seventh Avenue
New York, New York 10019-6829

or his or her representative, and that in any suit instituted against us with respect to this Policy, we will abide by the final decision of such court or of any appellate court in the event of an appeal.

- C. To the extent required by the express provisions of any statute of any state, territory, or district of the United States, we hereby designate the Superintendent, Commissioner or Director of Insurance, or other officer specified for that purpose in the statute, or his successor or successors in office as our true and lawful attorney upon whom may be served any lawful process in any action, suit, or proceeding instituted by you or on your behalf or any beneficiary hereunder arising out of this Policy, and we hereby designate the above named Counsel as the person to whom the said officer is authorized to mail such process or a true copy thereof.

NOTICE TO POLICYHOLDERS REGARDING THE U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL

THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY

To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. All other terms and conditions of this insurance policy remain unchanged. This endorsement is a part of your policy and takes effect on the effective date of your policy unless another effective date is shown

No coverage is provided by this notice. You should read your policy and review your declarations page for complete information on the coverages you are provided.

This notice provides information concerning your rights as a policyholder and payments to, from or with the Insured, additional insured, loss payee, or claimant, for insured loss or damage to covered property under this policy. Such payments may be affected by the administration and enforcement of U.S. economic embargoes, trade sanctions, or other directives issued by the Office of Foreign Assets Control ("OFAC") and/or possibly the U.S. Department of State.

OFAC is an office of the Department of the Treasury that administers and enforces sanctions policy under presidential wartime and national emergency powers, as well as authority granted by specific legislation, in order to impose controls on transactions and freeze foreign assets under U.S. jurisdiction. OFAC has identified and listed numerous foreign countries, foreign organizations, foreign agents, terrorist organizations, terrorists, and international narcotics traffickers and other named individuals, group and entities as "Specially Designated Nationals and Blocked Persons." This list and more in-depth information on OFAC is available at the following website: <http://www.treas.gov/ofac>.

In accordance with OFAC regulations, or any other applicable regulation promulgated by the U.S. Department of State, if it is determined that the Insured, additional insured, loss payee, or claimant has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, we must block or "freeze" property and payment of any funds transfers or transactions and report all blocks to OFAC with ten (10) days. We will not pay a claim, accept premium, or exchange monies or assets of any kind to, from or with individuals or entities, including but not limited to financial institutions, on the Specially Designated National and Blocked Person list. Additionally, we will not defend or provide any other benefits under your policy to, from or with individuals, groups or entities on the Specially Designated National and Blocked Person list. Other limitations on premiums and payments may also apply.

MANDATORY EXCLUSIONS

THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY

To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. This endorsement does not change any other provision of the insurance policy to which it is affixed. This endorsement is a part of your insurance policy and takes effect on the effective date of your insurance policy unless another effective date is shown.

The Insurer(s) and/or Company(s) does not insure for actual or alleged loss damage, cost or expense caused directly or indirectly by any of the following. Such loss, damage, cost or expense is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss or damage. These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area:

A. Nuclear, Chemical or Biological and Radiological

Nuclear reaction, nuclear radiation, nuclear detonation or radioactive contamination, however caused as well as all agents, products or substances whether engineered or naturally occurring, involved therein or released thereby. But if loss or damage by fire results, we will pay for that covered loss.

It is agreed that this insurance excludes covered losses of whatsoever nature directly or indirectly caused by, resulting from or in connection with the actual or threatened malicious use of pathogenic or poisonous biological or chemical materials regardless of any other cause or event contributing concurrently or in any other sequence thereto.

B. Pollution Contamination

The release, discharge or dispersal of Pollutants unless the release, discharge or dispersal is itself caused by any of the Specified Causes of Loss.

As used in this Exclusion, the term "Pollutants", means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.

As used in this Exclusion, "Specified Causes of Loss" means loss or damage caused by or resulting from the following:

- (1) Building glass breakage.

- (2) The actual, abrupt falling down of a building or part of a building. A collapse occurs only when a building or part of a building has actually and abruptly fallen down. Collapse does not include a threat of collapse, even if collapse is imminent, and collapse does not mean a condition of a building including cracking, bulging, sagging, bending, shifting, leaning, settling, shrinkage, or expansion, that could lead to or contribute to its actual, abrupt falling down.
- (3) Explosion, including the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass. This Specified Cause of Loss does not include loss or damage by:
 - (a) Rupture, bursting or operation of pressure relief devices; or
 - (b) Rupture or bursting due to expansion or swelling of the contents of any building or structure, caused by or resulting from water.
- (4) Falling objects.
- (5) Fire, lightning, or smoke. Smoke must cause sudden and accidental loss or damage and does not include smoke from agricultural smudging or industrial operations.
- (6) Leakage from fire protection equipment, meaning leakage or discharge of any substance from fire protection equipment, including collapse of a tank that is part of the system.
- (7) Riot or civil commotion, including:
 - (a) Acts of striking employees while occupying the covered premises; and
 - (b) Looting occurring at the time and place of a riot or civil commotion.
- (8) Sinkhole collapse, meaning loss or damage caused by the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
 - (a) The cost of filling sinkholes;
 - (b) Sinking, subsidence, or collapse of land into man-made underground cavities; or
 - (c) Mine subsidence which is earth movement caused by a failure initiated at the mine level of man-made underground mines, including but not limited to coal, clay, limestone or fluorspar mines.
- (9) Theft, meaning any act of stealing; or attempted theft.

(10) Vandalism, meaning the willful and malicious damage to, or destruction of covered property.

(11) Vehicles, meaning the physical contact of an automobile; motorcycle; motor truck; tractor; self-propelled machine; trailer or semi-trailer; aircraft; watercraft; or any similar means of transporting persons or property including an object thrown up by a vehicle. However, we will not pay for loss or damage caused by or resulting from vehicles you own or operate.

C. N/A

D. Microorganism

This Policy does not insure any loss, damage, claim, cost, expense or other sum directly or indirectly arising out of or relating to:

Mold, mildew, fungus, spores or other microorganism of any type, nature or description, including but not limited to any substance whose presence poses an actual or potential threat to human health.

This exclusion shall not apply if it is determined that mold, mildew, fungus, spores or other microorganisms are the result of loss or damage which has occurred during the policy period and is insured by this policy. Any ensuing loss or damage shall be subject to a per occurrence and annual aggregate limit of \$2.5M.

This exclusion replaces and supersedes any provision in the policy that provides insurance, in whole or in part.

E. Debris Removal Exclusion

As a result of a covered loss, we will pay the expense subject to the limit of insurance to remove debris that has been damaged or destroyed. However, in connection with the removal of debris, we will not pay the expense to:

- (1) Extract contaminants or pollutants from the debris;
- (2) Extract contaminants or pollutants from land or water;
- (3) Remove, restore or replace contaminated or polluted land or water;
- (4) Remove or transport any property or debris to a site for storage or decontamination required because the property or debris is affected by pollutants or contaminants,

whether or not such removal, transport, or decontamination is required by law or regulation.

It is a condition precedent to recovery under this insurance that we shall have paid or will pay a Covered Loss and that you shall give written notice to us of your intent to claim for the cost of removal of debris or cost to clean up not later than 180 days after the date of such physical loss or damage to your property.

F. Authorities Exclusion

Fines or penalties incurred or sustained by or imposed on you at the order of any government agency, court or other governmental authority arising from any cause whatsoever, and any seizure or destruction of property by order of any government agency, court or governmental authority. But we will pay for acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this Policy.

G. War and Terrorism Exclusion

(1) Regardless of any other cause or event contributing concurrently or in any other sequence to the loss:

- (a) war;
- (b) invasion;
- (c) acts of foreign enemies;
- (d) hostilities or warlike operations (whether war be declared or not);
- (e) civil war;
- (f) rebellion;
- (g) revolution, insurrection;
- (h) civil commotion assuming the proportions of or amounting to an uprising; or
- (i) military or usurped power; and
- (j) Terrorism.

(2) This Policy also excludes covered losses of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in

controlling, preventing, suppressing or in any way relating to (a) through (j), inclusive, above.

(3) If we allege that by reason of this exclusion F, any covered losses are not covered by this Policy, the burden of proving the contrary shall be upon you to demonstrate that coverage under this insurance applies.

(4) For the purpose of this exclusion F, "Terrorism" means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

(5) Application of Other Exclusions

The terms and limitations of any terrorism exclusions, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any covered loss which would otherwise be excluded under this Policy.

H. N/A

I. Electronic Date Recognition Exclusion

This Policy does not cover any loss, damage, cost, claim or expense, whether preventative, remedial or otherwise, directly or indirectly arising out of or relating to:

- (1) the calculations, comparison, differentiation, sequencing or processing of data involving any date change, including leap year calculations, by any computer system, hardware, program or software and/or any microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the Insured or not; or
- (2) any change, alteration or modification involving any other date change, including leap year calculations, to any such computer system, hardware, program or software and/or any microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the Insured or not.

This clause applies regardless of any other cause or event that contributes concurrently or in any sequence to the loss, damage, cost, claim or expense.

J. Cyber Exclusion

This policy does not cover Damage or Consequential loss directly or indirectly caused by, consisting of, or arising from:

- (1) Any functioning or malfunctioning of the internet or similar facility, or of any intranet or private network or similar facility,
- (2) Any corruption, destruction, distortion, erasure or other loss or damage to data, software, or any kind of programming or instruction set,
- (3) Loss of use or functionality whether partial or entire of data, coding, program, software, any computer or computer system or other device dependent upon any microchip or embedded logic, and any ensuing liability or failure of the Insured to conduct business.

This Endorsement shall not exclude subsequent damage or Consequential loss, not otherwise excluded, which itself results from a Defined Peril. Defined Peril shall mean: Fire, Lightning, Earthquake, Explosion, Falling Aircraft, Flood, Smoke, Vehicle Impact, Windstorm, Hail or Accident to an Object.

Such Damage or Consequential loss described in 1, 2, or 3 above is excluded regardless of any other cause that contributed concurrently or in any other sequence.

All other terms and conditions, insured coverage and exclusions of this insurance Policy remain unchanged, including applicable limits, sublimits and deductibles, and apply in full force and effect to the coverage provided by this Policy.

MINIMUM EARNED AND SPECIAL CATASTROPHE MINIMUM EARNED PREMIUM

THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY

To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. This endorsement does not change any other provision of the insurance policy to which it is affixed. This endorsement is a part of this insurance policy and takes effect on the effective date of this insurance policy unless another effective date is shown.

1. In the event of cancellation of this Policy or reduction of coverage by the Insured, a minimum premium of 35% of the original Policy premium shall become earned; any conditions of the Policy to the contrary notwithstanding.

Failure of the Insured to make timely payment of premium shall be considered a request by the Insured for the Insurer(s) and/or Company(s) to cancel. In the event of such cancellation by the Insurer(s) and/or Company(s) for non-payment of premium, the minimum premium shall be due and payable; provided, however, such non-payment cancellation shall be rescinded if the Insured remits the full premium due within 10 days of receiving it.

2. In the event of any other cancellation by the Insurer(s) and/or Company(s), the earned premium shall be computed pro rata, subject to the minimum premium.
3. N/A
4. N/A
5. N/A
6. The provisions of this endorsement are in addition to and do not alter any minimum earned premium provisions in the Policy or its attachments.
7. N/A

All other terms and conditions, insured coverage and exclusions of this insurance Policy remain unchanged, including applicable limits, sublimits and deductibles, and apply in full force and effect to the coverage provided by this Policy.

OCCURRENCE LIMIT OF LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY

To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. This endorsement does not change any other provision of the insurance policy to which it is affixed. This endorsement is a part of this insurance policy and takes effect on the effective date of this insurance policy unless another effective date is shown.

It is understood and agreed that the following special terms and conditions apply to this Policy:

1. The limit of liability or amount of insurance shown on the face of this Policy, or endorsement onto this Policy, is the total limit of the Insurer(s) and/or Company(s) liability applicable to each occurrence, as hereafter defined. Notwithstanding any other terms and conditions of this Policy to the contrary, in no event shall the liability of the Insurer(s) and/or Company(s) exceed this limit or amount irrespective of the number of locations involved.

The term "occurrence" shall mean any one loss, disaster, casualty or series of losses, disasters, or casualties, arising out of one event at a location covered by the Policy.

- a. When the term applies to loss or losses from the perils of tornado, cyclone, hurricane, windstorm, hail, flood, volcanic eruption, riot, riot attending a strike, civil commotion, and vandalism and malicious mischief, one event shall be construed to be all losses arising during a continuous period of 72 hours. When filing proof of loss, the Insured may elect the moment at which the 72 hour period shall be deemed to have commenced, which shall not be earlier than when the first loss to the covered property occurs.
 - b. When the term applies to loss from the peril of earthquake, one event shall be construed to be all loss arising during a continuous period of 168 hours. When filing proof of loss, the Insured may elect the moment at which the 168 hour period shall be deemed to have commenced, which shall not be earlier than when the first loss to the covered property occurs.
2. The premium for this Policy is based upon the statement of values on file with the Insurer(s) and/or Company(s), or attached to this Policy. In the event of loss hereunder, liability of the Insurer(s) and/or Company(s), subject to the terms of

paragraph one (1) above, shall be limited to the least of the following:

- a. The actual adjusted amount of loss, less applicable deductible(s).
- b. N/A
- c. The limit of liability or amount of insurance shown on the face of this Policy or endorsed onto this Policy.

All other terms and conditions, insured coverage and exclusions of this insurance Policy remain unchanged, including applicable limits, sublimits and deductibles, and apply in full force and effect to the coverage provided by this Policy.

CLAIMS REPORTING INFORMATION NOTICE

THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY

To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. This endorsement does not change any other provision of the insurance policy to which it is affixed. This endorsement is a part of this insurance policy and takes effect on the effective date of this insurance policy unless another effective date is shown.

To All Velocity Risk Underwriters, LLC ("VRU") Insured(s):

All claims shall be reported to VRU Claims (email is preferable for quickest response):

(1) **E-Mail:** business.claims@velocityrisk.com

Or

(2) **Phone:** 1-844-VRU-CLMS (1-844-878-2567)

and/or its adjusters assigned to the respective claim(s). The costs of such adjustments shall be borne by the Insurer(s) and/or Company(s) in proportion to its pro-rata participation in this Policy.

Many occurrences result in damages which require immediate attention in order to prevent further loss. Please contact VRU Claims at the e-mail address listed above as soon as possible to report the claim. Please try to have the following information available:

- Insured name and policy number
- Exact location of the occurrence
- Detailed description of the occurrence
- Type of loss
- A contact number for someone at the location of the occurrence

ALLOCATION ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY

To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. This endorsement does not change any other provision of the insurance policy to which it is affixed. This endorsement is a part of this insurance policy and takes effect on the effective date of this insurance policy unless another effective date is shown.

In consideration of the premium charged for this Policy as outlined by the Insurer(s) and/or Company(s) in the declarations, the applicable participation of each Insurer(s) and/or Company(s) as a percentage (%) of the limit of liability shown in the Policy is as follows:

Perils (As Per Policy)	Insurer	Contract	Policy Number	Participation (as a %)
ACC	Independent Specialty Insurance Company	ISIC2020	VIS-CN-0002150-01	16.00%
ACC	Certain Underwriters at Lloyds (Consortium #9226)	B6121VEL2020	VPC-CN-0002150-01	32.00%
ACC	Interstate Fire & Casualty Company	IFC2020	VRX-CN-0002150-01	52.00%

The contracts herein cover mutually exclusive perils. The maximum limit of liability is not to exceed the per occurrence participation stated in the Policy, regardless of whether multiple perils and multiple contracts are involved. Recognition of liability by either of the contracts reduces the limit of liability of any corresponding contract.

The liability otherwise determined to exist under the terms and conditions of this Policy shall be borne by the contract covering the proximate cause of loss identified in the allocation of security. Covered perils shall be defined by the applicable forms attached to this Policy.

Symbols Used Herein:

<u>Peril</u>	<u>Symbol</u>	<u>Insurer</u>	<u>Symbol</u>
All Covered Causes of Loss excluding Equipment Breakdown and Cyber Coverage	ACC	Independent Specialty Insurance Company	ISIC
Equipment Breakdown	EBD	Interstate Fire & Casualty Company	IFC
Cyber Coverage	CC	Certain Underwriters at Lloyd's, London	Lloyds

The Insurer's and/or Company's liability under this Policy for covered losses is several and not joint with other insurers party to this contract. The Insurer and/or Company is liable only for the proportion of liability it has underwritten. The Insurer and/or Company is not jointly liable for the proportion of liability underwritten by any other insurer. Nor is the Insurer and/or Company otherwise responsible for any liability of any other insurer that may underwrite this Policy.

The Insurer's and/or Company's liability may not be increased in the event that any other insurer or other party to this contract who for any reason does not satisfy all or part of its obligations.

This contract shall be constructed as a separate contract between the Insured and each of the Insurers. This evidence of coverage consists of separate sections of a composite insurance for all Underwriters at Lloyd's combined and separate policies issued by the insurance company(ies), all as identified above. This evidence of coverage does not constitute in any manner or form a joint certificate of coverage by Underwriters at Lloyd's with any other insurance company(ies).

All other terms and conditions, insured coverage and exclusions of this insurance Policy including applicable limits and deductibles remain unchanged and apply in full force and effect to the coverage provided by this insurance Policy.

**NOTICE TO POLICYHOLDERS REGARDING THE
U.S. Terrorism Risk Insurance Act of 2002 As Amended by the Terrorism Risk
Insurance Program Reauthorization Act of 2015**

THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY

To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. This endorsement does not change any other provision of the insurance policy to which it is affixed. This endorsement is a part of this insurance policy and takes effect on the effective date of this insurance policy unless another effective date is shown.

This notice applies to the type(s) of insurance provided under this policy that are subject to the Terrorism Risk Insurance Act, as amended ("The Act"). You are hereby notified that under The Act, you have a right to purchase insurance coverage for losses arising out of certified acts of terrorism, as defined in Section 102(1) of The Act: The term certified act of terrorism means any act or acts that are certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, as amended, to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property; or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of an air carrier or vessel or the premises of a United States mission; and 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.

YOU SHOULD KNOW THAT WHEN COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 85% THROUGH 2015; 84% BEGINNING ON JANUARY 1, 2016; 83% BEGINNING ON JANUARY 1, 2017; 82% BEGINNING ON JANUARY 1, 2018; 81% BEGINNING ON JANUARY 1, 2019 AND 80% BEGINNING ON JANUARY 1, 2020 OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURER'S LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEEDS \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

Our records indicate that you previously rejected coverage for losses arising out of certified acts of terrorism, as defined by The Act, when we provided you a quote for insurance. Accordingly, your policy does not currently provide this coverage. However, The Act requires that we again make an offer at this time. If you wish to change your decision and purchase terrorism coverage, you must contact your agent or broker representing Interstate Fire & Casualty Company and Independent Specialty Insurance Company; and request coverage so we can provide you with a new quote. If you do not do so, it will be presumed that you have rejected this offer of terrorism coverage.

Please note that any coverage mandated by applicable laws in your state will not be affected by your rejection of terrorism coverage.

This offer of coverage for losses due to terrorist acts, as defined by The Act, if accepted, will be subject to the limit(s), terms and conditions of any policy or endorsement subsequently issued. If

you have any questions about this or any other insurance matter, please contact your agent or broker representing Interstate Fire & Casualty Company, Independent Specialty Insurance Company and Certain Underwriters at Lloyd's.

SEVERAL LIABILITY CLAUSE

THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY

To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. This endorsement does not change any other provision of the insurance policy to which it is affixed. This endorsement is a part of this insurance policy and takes effect on the effective date of this insurance policy unless another effective date is shown.

The liability of an insurer under this contract is several and not joint with other insurers party to this contract. An insurer is liable only for the proportion of liability it has underwritten. An insurer is not jointly liable for the proportion of liability underwritten by any other insurer. Nor is an insurer otherwise responsible for any liability of any other insurer that may underwrite this contract.

The proportion of liability under this contract underwritten by an insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown in this contract.

In the case of a Lloyd's syndicate, each member of the syndicate (rather than the syndicate itself) is an insurer. Each member has underwritten a proportion of the total shown for the syndicate (that total itself being the total of the proportions underwritten by all the members of the syndicate taken together). The liability of each member of the syndicate is several and not joint with other members. A member is liable only for that member's proportion. A member is not jointly liable for any other member's proportion. Nor is any member otherwise responsible for any liability of any other insurer that may underwrite this contract. The business address of each member is Lloyd's, One Lime Street, London EC3M 7HA. The identity of each member of a Lloyd's syndicate and their respective proportion may be obtained by writing to Market Services, Lloyd's, at the above address.

Although reference is made at various points in this clause to "this contract" in the singular, where the circumstances so require this should be read as a reference to contracts in the plural.

All other terms and conditions, insured coverage and exclusions of this insurance Policy remain unchanged, including applicable limits, sublimits and deductibles, and apply in full force and effect to the coverage provided by this Policy.

CERTAIN UNDERWRITERS AT LLOYD'S SYNDICATE LIST

THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY

To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. This endorsement does not change any other provision of the insurance policy to which it is affixed. This endorsement is a part of this insurance policy and takes effect on the effective date of this insurance policy unless another effective date is shown.

If Certain Underwriters at Lloyd's are listed as security on the Allocation Endorsement attached to the policy, the list of syndicates is shown below:

Account Number: 2020-9002150-01
UMR: B6121VEL2020
Policy Number: VPC-CN-0002150-01

Consortium Number
9226

Consortium Name
Velocity Property Consortium*

*Velocity Property Consortium is an LPSO registered consortium – registered with Lloyd's under the number 9226 , rather than a Lloyd's syndicate in its own right. The security for the consortium is 76.19% Syndicate 2357 and 23.81% Syndicate 1458.

All other terms and conditions, insured coverage and exclusions of this insurance Policy remain unchanged, including applicable limits, sublimits and deductibles, and apply in full force and effect to the coverage provided by this Policy.

PROPERTY CYBER AND DATA EXCLUSION

THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY

To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. This endorsement does not change any other provision of the insurance policy to which it is affixed. This endorsement is a part of this insurance policy and takes effect on the effective date of this insurance policy unless another effective date is shown.

- 1 Notwithstanding any provision to the contrary within this Policy or any endorsement thereto this Policy excludes any:
 - 1.1 Cyber Loss;
 - 1.2 loss, damage, liability, claim, cost, expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any Data, including any amount pertaining to the value of such Data; regardless of any other cause or event contributing concurrently or in any other sequence thereto.
- 2 In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.
- 3 This endorsement supersedes and, if in conflict with any other wording in the Policy or any endorsement thereto having a bearing on Cyber Loss or Data, replaces that wording.

Definitions

- 4 Cyber Loss means any loss, damage, liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any Cyber Act or Cyber Incident including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act or Cyber Incident.
- 5 Cyber Act means an unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any Computer System.

- 6 Cyber Incident means:
- 6.1 any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any Computer System; or
 - 6.2 any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any Computer System.
- 7 Computer System means:
- 7.1 any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility,
owned or operated by the Insured or any other party.
- 8 Data means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a Computer System.

All other terms and conditions, insured coverage and exclusions of this insurance Policy remain unchanged, including applicable limits, sublimits and deductibles, and apply in full force and effect to the coverage provided by this Policy.

