

CSCDA INSURANCE REQUIREMENTS

Section 1 - Owner Insurance Coverage Requirements – CSCDA Community Improvement Authority (Owner) shall procure or shall have Administrator procure, at Owner's sole cost and expense, and keep in full force and effect insurance coverage of the types and minimum limits as follows during the term of this Agreement.

Property Coverage

Property Insurance. Insurance against loss customarily included in "All Risk" policies including vandalism, malicious mischief and such other insurable hazards as, under good insurance practices, from time to time are insured against for other property and buildings similar to the Property and Building Equipment in nature, use, location, height, and type of construction. Such insurance policy shall also insure the additional expense of demolition and provide coverage for contingent liability from Operation of Building Laws, Demolition Costs and Increased Cost of Construction Endorsements and containing an "Ordinance or Law Coverage" endorsement. The amount of such "All Risk" insurance shall be not less than one hundred percent (100%) of the replacement cost value of the Property and the Building Equipment. The replacement cost for purposes of this Contract shall mean the estimated total cost of construction required to replace the Improvements with a substitute of like utility, and using modern materials and current standards, design, and layout.

Terrorism Insurance. Terrorism insurance throughout the term of the Loan in amounts and in form and substance satisfactory to CSCDA Community Improvement Authority. Terrorism Insurance coverage may be provided under the Terrorism Risk Insurance Act (TRIA) or its equivalent or a stand-alone Terrorism & Sabotage.

Business Income Insurance. Business Income insurance in an amount equal to at least twelve (12) months actual loss sustained with a limit of liability enough to avoid any co-insurance penalty. Business income limit must provide proceeds which will cover the actual loss of profits, rents, and any extra expenses sustained during the period of at least twelve (12) months following the date of casualty plus a 365-day extended period of indemnity.

Boiler and Machinery Insurance. Boiler and machinery insurance (equipment breakdown) covering all mechanical and electrical equipment against physical damage and any resulting business income loss sustained. Boiler and machinery should be added as a covered peril up to the full policy limits for building, business personal property, and business income.

Flood Insurance. If any portion of the Property is located within an area designated as "flood prone" or a "special flood hazard area" (as defined under the regulations adopted under the National Flood Insurance Act of 1968 and the Flood Disaster Protection Act of 1973), flood insurance shall be

provided, in an amount no less than the maximum limit of coverage available under the Federal Flood Insurance Plan.

Liability Coverage

Commercial General Liability. ISO Form CG0001 covering commercial general liability (CGL) on an “occurrence” basis, including products and completed operations, property damage, bodily injury, personal injury, and advertising injury with limits no less than \$1,000,000 per occurrence. If a general aggregate applies, either the general aggregate shall apply separately to this project or location (ISO CG2503 or CG2504) or the general aggregate limit shall be \$2,000,000.

Automobile Liability: ISO Form CA0001 covering Symbol 1(any auto) with limits no less than \$1,000,000 combined single limit per accident for bodily injury and property damage. Symbols 8 and 9 (hired and non-owned auto) are also acceptable if there are no owned autos.

Umbrella Liability. Provided follow form to the underlying liability coverages with limits no less than \$10,000,000 per occurrence and in the aggregate.

All policies shall name CSCDA Community Improvement Authority as a named insured, shall provide that all insurance loss proceeds be payable to CSCDA Community Improvement Authority and the trustee as applicable in Section 5.15 of the Indenture.

Section 2 - Property Manager and Administrator Insurance Coverage Requirements.

Commercial General Liability. ISO Form CG0001 covering commercial general liability (CGL) on an “occurrence” basis, including products and completed operations, property damage, bodily injury, personal injury, and advertising injury with limits no less than \$1,000,000 per occurrence. If a general aggregate applies, either the general aggregate shall apply separately to this project or location (ISO CG2503 or CG2504) or the general aggregate limit shall be \$2,000,000.

Automobile Liability: ISO Form CA0001 covering Symbol 1(any auto) with limits no less than \$1,000,000 combined single limit per accident for bodily injury and property damage. Symbols 8 and 9 (hired and non-owned auto) are also acceptable if there are no owned autos.

Umbrella Liability. Provided follow form to the underlying liability coverages with limits no less than \$5,000,000 per occurrence and in the aggregate.

Worker's Compensation and Employer's Liability Insurance. Workers' Compensation insurance shall be provided as required by any applicable law or regulation. Employer's Liability insurance shall be provided with a limit no less than \$1,000,000 per accident or per employee for bodily injury, accident, or disease.

Employee Dishonesty and Computer Fraud. Employee Dishonesty and Computer Fraud coverage for Loss arising out of or in connection with any fraudulent or dishonest acts committed by the employees or affiliates or non-employee agents of manager, acting alone or in collusion with others, including the property and funds of others in their care, custody or control, in a minimum amount of \$1,000,000 or an amount to sufficiently provide coverage for the funds under management and name CSCDA Community Improvement Authority as Loss Payee.

Errors and Omissions Liability. Professional Liability or Errors and Omissions insurance coverage for the liability for financial loss due to error, omission, negligence of employees in an amount of no less than \$2,000,000 per claim with a deductible no greater than \$100,000 per occurrence.

Employment Practices Liability. Coverage shall be provided by the manager and administrator for all employment related claims in the amount of at least \$1,000,000 per claim, including third party discrimination claims.

Section 3 - General Insurance Provisions

Other Insurance. CSCDA Community Improvement Authority may procure at their sole discretion such other insurance with respect to the Property against loss or damage of the kinds from time to time customarily insured against and in such amounts as are generally required by institutional lenders on loans of similar amounts and secured by property comparable to, and in the general vicinity of, the Property.

Waiver of Subrogation. Manager and Administrator shall waive rights of subrogation against CSCDA Community Improvement Authority which any insurer may acquire by the payment of any loss. The Workers Compensation policy shall be endorsed with a waiver of subrogation in favor of CSCDA Community Improvement Authority for all work performed by the manager, administrator, it's employees, agents, and subcontractors.

Ratings of Insurers. Insurance coverage described this document, in all cases, with insurers reasonably acceptable to CSCDA Community Improvement Authority, having claims-paying-ability and financial strength ratings by A.M. Best of not less than "A-VII" and its equivalent by the other Rating Agencies. All insurers providing insurance required by this Agreement shall be authorized to issue insurance in the State in which the Property is located.

Form of Insurance Policies; Endorsements. All insurance policies shall be in such form and with such endorsements as are reasonably satisfactory to CSCDA Community Improvement Authority (and CSCDA Community Improvement Authority shall have the right to approve amounts, form, risk coverage, deductibles, loss payees and insureds). A certificate of insurance with respect to all the above-mentioned insurance policies shall be delivered to CSCDA Community Improvement Authority

and certified copies of all such policies shall be delivered to CSCDA Community Improvement Authority upon written request.

Certificates. Certificates of insurance with respect to all replacement policies shall be delivered to CSCDA Community Improvement Authority not less than fifteen (15) Business Days prior to the expiration date of any of the insurance policies required to be maintained hereunder which certificates shall bear notations evidencing payment of applicable premiums. CSCDA Community Improvement Authority may request that Manager or Administrator provides certified copies of such replacement insurance policies on or before the earlier to occur of (i) thirty (30) days after the effective date thereof and (ii) five (5) Business Days after CSCDA Community Improvement Authority's receipt thereof. Certificates shall include the trustee as a loss payee and an additional insured as applicable given the terms of the Indenture in Section 5.15. CSCDA Community Improvement Authority shall not, by the fact of approving, disapproving, accepting, preventing, obtaining or failing to obtain any insurance required in Section 2 of this agreement, incur any liability for or with respect to the amount of insurance carried, the form or legal sufficiency of insurance contracts, solvency of insurance companies, or payment or defense of lawsuits qualified at all times by the obligation of CSCDA Community Improvement Authority to cause the Project to be insured per Section 7.14 of the Indenture.

CSCDA Community Improvement Authority reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other circumstances.