Proposal of Insurance – Airport Liability

Daggett County

5397 S. Vine Street
Murray, UT 84107-6757

John Chino, Area Senior Vice President
18201 Von Karman Ave, Suite 200
Irvine, CA, 92612
949 349 9827
John_Chino@ajg.com

Presentation Date: October 1, 2024

Gallagher

Insurance | Risk Management | Consulting

Arthur J Gallagher Risk Management Services, LLC
AJG License Nos.IL 100292093 / CA 0D69293

Daggett County

Proposal Summary

We appreciate the opportunity to quote your business insurance. This proposal is a summary of policy terms and conditions.

- We have been able to achieve renewal goals by negotiating your renewal with the incumbent carrier.

This proposal provides coverage highlights along with the attached carrier quotations for the following coverages:

- Airport Liability

It is recommended that you consider purchasing coverage for the following, which are not included in your insurance program:

- Cyber Liability

We are not aware of any changes in your exposures to loss, nor are we aware of any changes in your business operations that would necessitate additional coverage options. Please notify us immediately if you are planning any new business operations.

The values and schedules are per the expiring policy or the information you have previously provided. It is your responsibility to notify us of all necessary changes to your schedules

Information contained in this proposal is intended to provide a brief overview of coverages. It should be used for reference purposes only. It is not intended to provide a full list of policy exclusions, limitations, and conditions. The provided quotes should be reviewed for further details. Coverage afforded to you is subject to all terms, conditions, and exclusions of the bound and issued policies.

To Bind Coverage:

Please refer to the attachment document titled, ***"Client Authorization to Bind Coverage":***

- Note any changes you desire to be made
- Place a check mark next to the coverage(s) you wish to accept
- Date and Sign
- Return prior to the effective date of coverage

Thank you for allowing Gallagher to service your insurance needs. We appreciate your business and look forward to working with you in the coming year. Please contact me if you have any questions.

Sincerely,
Stefanie Salazar

Stefanie Salazar
Client Service Supervisor

Enclosure

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Premium Summary

The estimated program cost for the options are outlined in the following table:

Line of Coverage		Expiring	Renewal Option
		Old Republic Insurance Company	Old Republic Insurance Company
Airport Liability	Premium	$5,830.00	$5,830.00
	Estimated Cost*	**$5,830.00**	**$5,830.00**
	Change ($)		$0.00
	Change (%)		0.00%
Total Cost		**$5,830.00**	**$5,830.00**

*Estimated Cost includes all taxes, fees, surcharges and TRIA premium (if applicable)

Premiums are due and payable as billed and may be financed, subject to acceptance by an approved finance company. Following acceptance, completion (and signature) of a premium finance agreement with the specified down payment is required. Note: Unless prohibited by law, Gallagher may earn compensation for this optional value-added service.

Gallagher is responsible for the placement of the following lines of coverage: Airport Liability, Bond, Excess Crime, Crime, Aviation General Liability.

It is understood that any other type of exposure/coverage is either self-insured or placed by another brokerage firm other than Gallagher. If you need help in placing other lines of coverage or covering other types of exposures, please contact your Gallagher representative.

Named Insured

Named Insured	Airport Liability
Daggett County	X

Note: Any entity not named in this proposal may not be an insured entity. This may include affiliates, subsidiaries, LLCs, partnerships, and joint ventures.

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Market Review

We approached the following carriers in an effort to provide the most comprehensive and cost effective insurance program.

Line Of Coverage	Insurance Company ** (AM Best Rate/Financial Strength)	Market Response *	Admitted ***
Airport Liability	Old Republic Insurance Company (A+ XV)	Recommended Quote	Admitted

*If shown as an indication, the actual premium and acceptance of the coverage requested will be determined by the market after a thorough review of the completed application.

**Gallagher companies use AM Best rated insurers and the rating listed above was verified on the date the proposal document was created.

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A Best's Financial Strength Rating is an independent opinion of an insurer's financial strength and ability to meet its ongoing insurance policy and contract obligations. It is not a warranty of a company's financial strength and ability to meet its obligations to policyholders. Best's Credit Ratings™ are under continuous review and subject to change and/or affirmation. For the latest Best's Credit Ratings™ and Guide to Best's Credit Ratings, visit the AM Best website at http://www.ambest.com/ratings.

***If coverage placed with a non-admitted carrier, it is doing business in the state as a surplus lines or non-admitted carrier, and is neither subject to the same regulations as an admitted carrier nor do they participate in any state insurance guarantee fund.

Gallagher companies make no representations and warranties concerning the solvency of any carrier, nor does it make any representation or warranty concerning the rating of the carrier which may change.

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Coverage Highlights

Airport Liability

	Recommended Quote
Policy Term	**10/10/2024 - 10/10/2025**
Carrier Information	Old Republic Insurance Company
Payment Plan	Annual and due upon receipt
Payment Method	Agency Bill
Premium & Exposures	
Airport Liability Premium	$5,830.00
Terrorism – TRIA (Additional)	$583.00
Estimated Cost	**$6,413.00**
Exposure	40U and 33U Manila Airport and Dutch John Airport
Auditable /Frequency	Not Auditable
Core Airport Liability Coverages	
Bodily Injury and Property Damage Liability	
• Each Occurrence Limit	$5,000,000
Malpractice Aggregate Limit	Premises Limit
Fire Damage Limit Any One Fire	$50,000
Medical Expense Limit Any One Person	$5,000
Medical Expense Limit Any One Occurrence	$10,000
Form Type	Occurrence
Endorsements including but not limited to:	
Significant policy endorsements include, but are not limited to, those listed on the attached quote/policy form/endorsements.	
Exclusions including but not limited to:	
Significant policy exclusions include, but are not limited to, those listed on the attached quote/policy form/endorsements.	
Airport Liability Deductibles / Retention	
Each and Every Loss as respects to Hangarkeepers	NIL
Annual Aggregate	NIL
Other Significant Terms and Conditions / Restrictions	
War/Extended Coverage Is Available For Additional Premium - $583.00	
15% Commission – 100% payable to Aerospace Specialty Group	
Binding Requirements	
Subject To:	
The insured not taking possession of any aircraft and not engaging in direct operations for moving, taxiing, towing or fueling of aircraft that does not belong to the insured.	
There being no changes in operations/exposures since last application on file.	
No losses from date quoted until date bound	
Signed Acceptance or Rejection of Terrorism Insurance Coverage Form	

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Claims Reporting By Policy

Immediately report all claims. Each insurer requires notice of certain types of claims depending on the potential exposure or particular injury types. It is important to thoroughly review your policy to ensure you are reporting particular incidents and claims, based upon the insurer's policy requirements.

If you are using a third party administrator ("TPA"), your TPA may or may not report claims to an insurer on your behalf. Although we will assist you where requested, it is important that you understand whether your TPA will be completing this notification.

Reporting Direct to Carrier [Only When Applicable]

Coverage(s): Airport Liability	Immediately report claims directly to:
Insurer: Old Republic Insurance Company **Policy Term:** 10/10/2024 - 10/10/2025	Insurer/TPA Name: Old Republic Insurance Company Phone: 770-590-3830 Fax: 877-223-3830 Email: claims@oraero.com Web: www.OldRepublicAerospace.com

Reporting to Gallagher or Assistance in Reporting

Coverage(s): Airport Liability	Immediately report claims directly to:
Gallagher Claim Center **Policy Term:** 10/10/2024 - 10/10/2025	Phone: 855-497-0578 Fax: 225-663-3224 Email: ggb.nrcclaimscenter@ajg.com

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Proposal Disclosures

The following disclosures are hereby made a part of this proposal. Please review these disclosures prior to signing the Client Authorization to Bind or e-mail confirmation.

Proposal Disclaimer

IMPORTANT: The proposal and/or any executive summaries outline certain terms and conditions of the insurance proposed by the insurers, based on the information provided by your company. The insurance policies themselves must be read to fully understand the terms, coverages, Exclusions including but not limited to:, limitations and/or conditions of the actual policy contract of insurance. Policy forms will be made available upon request. We make no warranties with respect to policy limits or coverage considerations of the carrier.

Compensation Disclosure

1. Gallagher Companies are primarily compensated from the usual and customary commissions, fees or, where permitted, a combination of both, for brokerage and servicing of insurance policies, annuity contracts, guarantee contracts and surety bonds (collectively “insurance coverages”) handled for a client’s account, which may vary based on market conditions and the insurance product placed for the client.

2. In placing, renewing, consulting on or servicing your insurance coverages, Gallagher companies may participate in contingent and supplemental commission arrangements with intermediaries and insurance companies that provide for additional compensation if certain underwriting, profitability, volume or retention goals are achieved. Such goals are typically based on the total amount of certain insurance coverages placed by Gallagher with the insurance company, not on an individual policy basis. As a result, Gallagher may be considered to have an incentive to place your insurance coverages with a particular insurance company. If you do not wish to have your commercial insurance placement included in consideration for additional compensation, contact your producer or service team for an Opt-out form.

3. Gallagher Companies may receive investment income on fiduciary funds temporarily held by them, or from obtaining or generating premium finance quotes, unless prohibited by law.

4. Gallagher Companies may also access or have an ownership interest in other facilities, including wholesalers, reinsurance intermediaries, captive managers, underwriting managers and others that act as intermediaries for both Gallagher and other brokers in the insurance marketplace some of which may earn and retain customary brokerage commission and fees for their work.

If you have specific questions about any compensation received by Gallagher and its affiliates in relation to your insurance placements, please contact your Gallagher representative for more details.

TRIA/TRIPRA Disclaimer

If this proposal contains options to purchase TRIA/TRIPRA coverage, the proposed TRIA/TRIPRA program may not cover all terrorism losses. While the amendments to TRIA eliminated the distinction between foreign and domestic acts of terrorism, a number of lines of coverage excluded under the amendments passed in 2005 remain excluded including commercial automobile, burglary and theft insurance; surety insurance, farm owners multiple perils and professional liability (although directors and officers liability is specifically included). If such excluded coverages are required, we recommend that you consider purchasing a separate terrorism policy. Please note that a separate terrorism policy for these excluded coverages may be necessary to satisfy loan covenants or other contractual obligations. TRIPRA includes a $100 billion cap on insurers' aggregate liability.

TRIPRA is set to expire on December 31, 2027. There is no certainty of extension, thus the coverage provided by your insurers may or may not extend beyond December 31, 2027. In the event you have loan covenants or other contractual obligations requiring that TRIA/TRIPRA be maintained throughout the duration of your policy period, we recommend that a separate ""Stand Alone"" terrorism policy be purchased to satisfy those obligations.

Property Estimator Disclaimer

These property values were obtained using a desktop Property Estimator software operated by non-appraisal professionals. These property values represent general estimates which are not to be considered a certified appraisal. These property values include generalities and assumptions that may produce inaccurate values for specific structures.

Terms and Conditions

It is important that we clearly outline the nature of our mutual relationship. The following terms and conditions (these "Terms") govern your relationship with Gallagher unless you have separately entered into a written services agreement with Gallagher relative to the policies and services outlined in this Proposal, in which case that services agreement will govern and control with respect to any conflicts with these Terms. These Terms will become effective upon your execution of the Client Authorization to Bind Coverage (the "**CAB**") included in this Proposal and shall survive for the duration of your relationship with Gallagher relative to the policies placed pursuant to the CAB or otherwise at your request.

Services

Gallagher will represent and assist you in all discussions and transactions with insurance companies relating to the lines of insurance coverage set forth in the CAB and any other lines of insurance coverage with which you request Gallagher's assistance. Gallagher will consult with you regarding any matters involving these or other coverages for which you have engaged Gallagher. You have the sole discretion for approving any insurance policies placed, as well as all other material decisions involving your risk management, risk transfer and/or loss prevention needs.

Although you are responsible for notifying applicable insurance companies directly in connection with any claims, demands, suits, notices of potential claims or any other matters as required by the terms and conditions of your policies, Gallagher will assist you in determining applicable claim reporting requirements.

Treatment of Information

Gallagher understands the need to protect the confidentiality and security of your confidential and sensitive information and strives to comply with applicable data privacy and security laws. Your confidential and sensitive information will be protected by Gallagher and only used to perform services for you; provided that Gallagher may disclose and transfer your information to our affiliates, agents or vendors that have a need to know such information in connection with the provision of such services (including insurance markets, as necessary, for marketing, quoting, placing and/or servicing insurance coverages). We may also disclose such information as required by applicable data protection laws or the order of any court or tribunal, subject to our providing you with prior notice as permitted by law.

We will (i) implement appropriate administrative, physical and technical safeguards to protect personal information; (ii) timely report security incidents involving personal information to affected parties and/or regulatory bodies; (iii) create and maintain required policies and procedures; and (iv) comply with data subjects' rights, as applicable. To the extent applicable under associated data protection laws, you are a "business" or "controller" and Gallagher is a "service provider" or "data processor." You will ensure that any information provided to Gallagher has been provided with any required notices and that you have obtained all required consents, if any and where required, or are otherwise authorized to transfer all information to Gallagher and enable Gallagher to process the information for the purposes described in this Proposal and as set forth in Gallaher's Privacy Policy located at https://www.ajg.com/privacy-policy/. Gallagher may update its Privacy Policy from time to time and any updates will be posted to such site.

Dispute Resolution

Gallagher does not expect that it will ever have a formal dispute with any of its clients. However, in the event that one should arise, we should each strive to achieve a fair, expedient and efficient resolution and we'd like to clearly outline the resolution process.

A. If the parties have a dispute regarding Gallagher's services or the relationship governed by this Proposal ("**Dispute**"), each party agrees to resolve that Dispute by mediation. If mediation fails to resolve the Dispute, you and Gallagher agree to binding arbitration. Each party waives all rights to commence litigation in court to resolve a Dispute, and specifically waives all rights to pursue relief by class action or mass action in court or through arbitration. However, the parties do not waive the ability to seek a court order of injunction in aid of the mediation and arbitration required by these Terms.

B. The party asserting a Dispute must provide a written notice ("**Notice**") of the claim to the other party and to the American Arbitration Association ("**AAA**") in accordance with its Commercial Arbitration Rules and Mediation Procedures. All Dispute resolutions will take place in Chicago, IL, unless you and Gallagher agree to another location. The parties will equally divide all costs of the mediation and arbitration proceedings and will each pay their own attorneys' fees. All matters will be before a neutral, impartial and disinterested mediator or arbitrator(s) that have at least 20 years' experience in commercial and insurance coverage disputes.

C. Mediation will occur within sixty (60) days of filing the Notice with the AAA. Mediation results will be reduced to a memorandum of understanding signed by you, Gallagher and the mediator. A Dispute that is not resolved in mediation will commence to binding arbitration. For Disputes in excess of $500,000, either party may elect to have the Dispute heard by a panel of three (3) arbitrators. The award of the arbitrator(s) must be accompanied by a reasoned opinion

prepared and signed by the arbitrator(s). Except as may be required by law, neither you, Gallagher, nor a mediator or arbitrator may disclose the existence, content or results of any Dispute or its dispute resolution proceeding without the prior written consent of both you and Gallagher.

Electronic Delivery

In lieu of receiving documents in paper format, you agree, to the fullest extent permitted by law, to accept electronic delivery of any documents that Gallagher may be required to deliver to you (including, but not limited to, insurance policies and endorsements, account statements and all other agreements, forms and communications) in connection with services provided by Gallagher. Electronic delivery of a document to you may be made via electronic mail or by other electronic means, including posting documents to a secure website.

Miscellaneous Terms

Gallagher is engaged to perform services as an independent contractor and not as your employee or agent, and Gallagher will not be operating in a fiduciary capacity.

Where applicable, insurance coverage placements and other services may require the payment of federal excise taxes, surplus lines taxes, stamping or other fees to the Internal Revenue Service, various State(s) departments of revenue, state regulators, boards or associations. In such cases, you will be responsible for the payment of the taxes and/or fees, which Gallagher will separately identify on related invoices.

The Proposal and these Terms are governed by the laws of the State of Illinois, without regard to its conflict of law rules.

If an arbitrator/court of competent jurisdiction determines that any provision of these Terms is void or unenforceable, that provision will be severed, and the arbitrator/court will replace it with a valid and enforceable provision that most closely approximates the original intent, and the remainder of these Terms will remain in effect.

Except to the extent in conflict with a services agreement that you may enter into with Gallagher, these Terms and the remainder of the Proposal constitute the entire agreement between you and Gallagher with respect to the subject matter of the Proposal, and supersede all prior negotiations, agreements and understandings as to such matters.

Bindable Quotations & Compensation Disclosure Schedule

Client Name: Utah Counties Indemnity Pool

Coverage	Insurance Company	Wholesaler, MGA, or Intermediary Name[1]	Est. Annual Premium[2]	Comm. % or Fee[3]	Gallagher U.S. Owned Wholesaler, MGA, or Intermediary % and/or Fee
Airport Liability	Old Republic Insurance Company	Gallagher Aerospace Specialty Group	$5,830.00	0%	15%

1 We were able to obtain more advantageous terms and conditions for you through an intermediary/ wholesaler.

2 If the premium is shown as an indication: The premium indicated is an estimate provided by the market. The actual premium and acceptance of the coverage requested will be determined by the market after a thorough review of the completed application.

* A verbal quotation was received from this carrier. We are awaiting a quotation in writing.

3 The commission rate is a percentage of annual premium excluding taxes & fees.

* Gallagher is receiving ___% commission on this policy. The fee due Gallagher will be reduced by the amount of the commissions received.

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Client Authorization to Bind Coverage

After careful consideration of Gallagher's proposal dated 10/1/24, we accept the following coverage(s). Please check the desired coverage(s) and note any coverage amendments below:

	Coverage/Carrier	TRIA	Description/Major Differences
☐ **Accept** ☐ **Reject**	**Airport Liability** Old Republic Insurance Company	☐ **Accept** ☐ **Reject**	**$5,830.0** **TRIA (Additional): $583.00**
		☐ **Accept** ☐ **Reject**	**War/Extended Coverage Premium (Additional): $583**

*For this coverage, TRIA cannot be rejected

Additional Recommended Coverages

Gallagher recommends that you purchase the following additional coverages for which you have exposure. By checking the box(es) below, you are requesting that Gallagher provide you with a Proposal for this coverage. By not requesting a Proposal for this coverage, you assume the risk of any uncovered loss.

☐ Cyber Liability

The above coverage(s) does not necessarily represent the entirety of available insurance products. If you are interested in pursuing additional coverages other than those listed in the Additional Recommended Coverages, please list below:

_____

_____

Other Services to Consider

☐ Yes ☐ No - **CORE**360™ STEP

☐ Yes ☐ No – eRiskHub

Coverage Amendments and Notes:

_____

_____

Exposures and Values

You confirm the payroll, values, schedules, and any other information pertaining to your operations, and submitted to the underwriters, were compiled from information provided by you. If no updates were provided to Gallagher, the values, exposures and operations used were based on the expiring policies. You acknowledge it is your responsibility to notify Gallagher of any material change in your operations or exposures.

Additional Terms and Disclosures

Gallagher is not an expert in all aspects of your business. Gallagher's Proposals for insurance are based upon the information concerning your business that was provided to Gallagher by you. Gallagher expects the information you provide is true, correct and complete in all material respects. Gallagher assumes no responsibility to independently investigate the risks that may be facing your business, but rather have relied upon the information you provide to Gallagher in making our insurance Proposals.

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Gallagher's liability to you arising from any of Gallagher's acts or omissions will not exceed $20 million in the aggregate. The parties each will only be liable for actual damages incurred by the other party, and will not be liable for any indirect, special, exemplary, consequential, reliance or punitive damages. No claim or cause of action, regardless of form (tort, contract, statutory, or otherwise), arising out of, relating to or in any way connected with the Proposal, any of Gallagher's services or your relationship with Gallagher may be brought by either party any later than two (2) years after the accrual of the claim or cause of action.

Gallagher has established security controls to protect Client confidential information from unauthorized use or disclosure. For additional information, please review Gallagher's Privacy Policy located at https://www.ajg.com/privacy-policy/.

You have read, understand and agree that the information contained in the Proposal and all documents attached to and incorporated into the Proposal, is correct and has been disclosed to you prior to authorizing Gallagher to bind coverage and/or provide services to you. By signing below, or authorizing Gallagher to bind your insurance coverage through email when allowed, you acknowledge you have reviewed and agree with terms, conditions and disclosures contained in the Proposal.

By: _____

Print Name (Specify Title)

_____

Company

_____

Signature

Date: _____

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OLD REPUBLIC INSURANCE COMPANY

Daggett County
2024 / 2025 Premises Liability Quotation

Date: 9/11/2024

To: **Brenda Habermehl**
Arthur J. Gallaghuer
brenda_habermehl@ajg.com

From: **Sean McGillicuddy**
Senior Underwriter
smcgillicuddy@oraero.com
555 S. Renton Village Place, Ste 550
Renton, WA 98057
Office: (425) 277-4707
Fax: (425) 277-0112

RE: Daggett County
Policy Number: PR 00182024
Expiration Date: October 10, 2024
Renewal

Attached is our quotation on the above captioned insured. Please review and advise if any changes and/or questions. The quotation is based on current information in our file, no losses and no change in exposure.

Our quotation includes the Date Recognition Exclusion Endorsement form 2000a. If the insured would like the option for the limited write back of coverage Form 2002A, please contact your underwriter.

Also note that you do not have the authority to bind the above insurance. Please contact us if you wish to bind this insurance.

Agent Commission: 15.0%

Regards,

Sean McGillicuddy
Senior Underwriter

OLD REPUBLIC AEROSPACE, INC.

Daggett County
2024 / 2025 Premises Liability Quotation

TYPE	Airport Operator's Liability Insurance
INSURER	OLD REPUBLIC INSURANCE COMPANY
NAMED INSURED	Daggett County
ADDRESS	P.O. Box 219 Manila, UT 84046
POLICY PERIOD	October 10, 2024 To October 10, 2025 Both at 12:01 a.m. Local Time at the address of the Named Insured.
POLICY NUMBER	Renewal of PR 00182024
AIRPORT LOCATION	40U and 33U Manila Airport and Dutch John Airport

LIMITS OF INSURANCE

Bodily Injury and Property Damage Liability

Each Occurrence Limit	$ 5,000,000
Products - Completed Operations Aggregate Limit	Not Covered
Malpractice Aggregate Limit	Premises Limit
Personal / Advertising Injury Aggregate Limit	Not Covered
Fire Damage Limit Any One Fire	$ 50,000
Medical Expense Limit Any One Person	$ 5,000
Medical Expense Limit Any One Occurrence	$ 10,000
Hangarkeepers Limit Any One Aircraft	Not Covered
Hangarkeepers Limit Any One Occurrence	Not Covered
Non-owned Aircraft Liability	Not Covered

DEDUCTIBLE

NIL Each and Every Loss as respects to Hangarkeepers
NIL Each Occurrence NIL Annual Aggregate

ANNUAL PREMIUM $ 5,830 Excluding TRIA (Terrorism) and War/Extended Coverage

PLUS

OPTIONAL COVERAGE

$ 583 TRIA (Terrorism)
$ 583 War/Extended Coverage

CONDITIONS

Policy form: PR 201/202 (11/01) which includes, inter alia, the following exclusionary clauses: War, Hi-jacking and Other perils exclusion clause, Noise and Pollution and Other Perils exclusion clause, Radioactive Contamination exclusion clause

The following endorsements will be attached to the policy:

PR204 - Amendment of Noise and Pollution & Other Perils
PR212 - Fees and Expenses included within Deductible Endorsement
PR220 - Immunity Waiver Endorsement
PR223 - Deletion of Non-owned Aircraft Liability Coverage
PR231 - Coverage Limitation Endorsement
PR237 - Nuclear Risk Exclusion Clause
PR242 - Personal Injury Limitation Endorsement
PR248 - Volunteers Endorsement
PR258 - Airport Parachuting Exclusion
PR267 - Medical Expense Occurrence Limit

Daggett County
2024 / 2025 Premises Liability Quotation

PA313 - Asbestos Exclusion

Daggett County
2024 / 2025 Premises Liability Quotation

ENDORSEMENTS CONTINUED

2000a - Date Recognition Exclusion Endorsement
2002A - Date Recognition Limited Coverage Endorsement
PRCAN - Standard Cancellation Provisions
CTXGA - Exclusions of Certified Acts of Terrorism
PR228 - Cancellation Notification Change
PR407 - Crisis Response Coverage Extension Endorsement

QUOTATION SUBJECT TO

The insured not taking possession of any aircraft and not engaging in direct operations for moving, taxiing, towing or fueling of aircraft that does not belong to the insured.

There being no changes in operations/exposures since last application on file.

No losses from date quoted until date bound.

Old Republic Aerospace quotes and binders are based on our policy provisions, exclusions, conditions, limitations, definitions and endorsements.

Quote based on no losses from date quoted until date bound. Terms good for 30 days and contingent upon final review of all underwriting information and fully completed applications. State and municipal taxes are estimated, if applicable. We are not binding coverage at this time however we would be pleased to do so pending receipt of your firm order.

OLD REPUBLIC INSURANCE GROUP

OLD REPUBLIC INSURANCE COMPANY

POLICYHOLDER DISCLOSURE- OFFER OF TERRORISM INSURANCE COVERAGE

You are hereby notified that under the Terrorism Risk Insurance Act as amended, you have a right to purchase insurance coverage for losses resulting from acts of terrorism, *as defined in Section 102(1) of the Act*: 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 certain air carriers or vessels 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 WHERE 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 INSURERS' 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 EXCEED $100 BILLION, YOUR COVERAGE MAY BE REDUCED.

Acceptance or Rejection of Terrorism Insurance Coverage

FAILURE TO RETURN THIS SIGNED FORM PRIOR TO POLICY INCEPTION INDICATING AN ELECTION TO PURCHASE TERRORISM COVERAGE AS DEFINED BY THE ACT WILL BE DEEMED YOUR REJECTION OF TERRORISM COVERAGE. HOWEVER, PAYMENT OF THE TERRORISM COVERAGE PREMIUM PRIOR TO POLICY INCEPTION WILL BE DEEMED AN ACCEPTANCE OF THIS OFFER OF TERRORISM COVERAGE.

Please indicate your selection by an ☒:

☐ I hereby elect to purchase terrorism coverage for a prospective premium of $_____.

☐ I hereby decline to purchase terrorism coverage for certified acts of terrorism. I understand that I will have no coverage for losses resulting from certified acts of terrorism.

Name of Insured Old Republic Insurance Company	Policyholder/Applicant's Signature
Name of Insurer	Print Name
Policy Number	Date
Effective Date	Old Republic Aerospace, Inc. 2015 Vaughn Road, Suite 300 Kennesaw, GA 30144

OLD REPUBLIC AEROSPACE, INC.