

INSURANCE REQUIREMENTS

Certificates, Evidence of Insurance and Policies must reflect the following:

FIRST MORTGAGEE ENDORSEMENT:

Name of Lender
c/o Terrix Financial Corporation
9301 Wilshire Blvd., Suite 310
Beverly Hills, CA 90210-6128

A) STANDARD REQUIREMENTS FOR ALL INSURANCE POLICIES:

- 1) Insurance Company must have "A:IX" rating or better and licensed to do business in said state.
- 2) Original insurance policy or a "true and certified" copy **OR** original signed Certificate of Insurance to Lender.
- 3) Insured's name must be the same as the Borrower's. If tenant is supplying the insurance, the borrower is to be named as Additional Insured.
- 4) 30 day notice of cancellation and non-renewal to Lender.

B) HAZARD INSURANCE SPECIFIC REQUIREMENTS:

- 5) Policy must be on a Special Cause of Loss Form.
- 6) Real Property limits must be equal to the full replacement value.
- 7) a) Loss of Rents coverage equal to at least 12 months rent for all leases or sub-leases;
OR
 - 1) Business Interruption coverage in an amount sufficient to cover mortgage payments, real estate taxes, hazard insurance premiums, adequate cleaning, lighting and maintenance for a period of at least 12 months.
- 8) Mortgagee Clause in favor of Lender with correct address.
- 9) Standard Mortgage Clause must apply.
- 10) Lender's Loss Payable Clause for Loss of Rents
- 11) Replacement Cost or Restoration Endorsement with an Agreed Amount Endorsement.
- 12) Deductible (Maximum - \$5,000.00).
- 13) Statement of Values for our location (if blanket policy)
- 14) Personal Property Insurance (where required for operation) with limits acceptable to Lender.
- 15) Boiler and Machinery Endorsement (if there is a steam generated boiler or large HVAC system on premises).
- 16) Earthquake Endorsement (if applicable) (Maximum deductible - 20%).
- 17) Flood Insurance Endorsement (if applicable) with Real Property, Contents, Personal Property and Deductible amounts acceptable to Lender. Mortgagee Clause in favor of Lender.
- 18) Crime Coverage (hotels) acceptable to Lender.
- 19) Wind and Hail coverage acceptable to Lender (if applicable).
- 20) Terrorism Coverage. State specifically if included or excluded.

C) LIABILITY INSURANCE SPECIFIC REQUIREMENTS:

- 1) Liability coverage written on a Commercial General Liability form acceptable to Lender.
- 2) Liability limits of at least \$1,000,000 for each occurrence/ \$2,000,000 Annual Aggregate.
- 3) Lender listed as Additional Insured -Mortgagee, Assignee or Receiver (i.e. Endorsement CG 2018)
- 4) Waiver of Subrogation Endorsement.
- 5) Liquor Liability (if served) acceptable to Lender.

TERRIX FINANCIAL CORPORATION

9301 Wilshire Boulevard, Suite 310

Beverly Hills, California 90210-6128

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