

Little House
NPS Lease # L-ROCR-001-2025

EXHIBIT B: Insurance Requirements

During the term of this Lease, the Lessee must maintain the following insurance coverage (where applicable as determined by the Lessor) under the following general terms and conditions and under such specific terms and conditions as the Lessor may further require with respect to each particular insurance policy.

1. Types of Insurance (Non-Construction)

- (a) Property Insurance - An all risk or special form, including fire, vandalism and malicious mischief insurance. The amount of such insurance must be the full insurable value of the Premises. All such policies must specify that proceeds shall be payable whether or not any damaged or destroyed Improvements are actually rebuilt. All such policies must waive any requirement that a building or structure be replaced at its original site.
- (b) Boiler and Machinery Insurance – At full replacement cost. The policy must specify that proceeds will be payable whether or not any damaged or destroyed Improvements are actually rebuilt. The policy must include an endorsement that waives any provision of the policy that requires a building or structure to be replaced at its original site, provided that, such endorsement does not operate to increase the insurance company's liability under the policy.
- (c) Worker's Compensation and Employer's Liability Insurance - Worker's compensation insurance in the statutory amounts and coverage required under worker's compensation, disability and similar employee benefit laws applicable to the Premises and to the Lessee's use and occupancy of the Premises; and employer's liability insurance.
- (d) General Liability - Comprehensive Farm Liability and/or Commercial General Liability through one or more primary and umbrella liability policies against claims for bodily injury and property damage occurring on the Premises, the Improvements thereon, or the streets, curbs or sidewalks adjoining the Premises, with such limits as may be required by the Lessor, but in any event not less than Five Million Dollars (\$5,000,000) per incident and Six Million Dollars (\$ 6,000,000) aggregate for the Premises. Such insurance must insure the performance by the Lessee of its indemnity obligations under this Lease.
- (e) Business Interruption and Extra Expense Insurance - Business interruption and extra expense to cover the loss of income and continuation of fixed expenses in the event of damage to or loss of the Premises, including, with respect to the interests of the Lessor, the loss (or reduction) of Rent payments to the Lessor by the Lessee. Coverage amounts will be as required by the Lessor but in no event less than _____ (\$ _____) per incident and _____ (\$ _____) in the aggregate.
- (f) Other - All other insurance that the Lessee should maintain to adequately protect the Premises, the Lessor, and the Lessee.

2. Insurance During Construction

At all times during Construction, the Lessee at its sole expense, must obtain and keep in force for the benefit of the Lessee and the Lessor the following insurance coverages:

- (a) If requested by the Lessor at any time, performance and payment bonds approved by the Lessor,

which bonds must cover payment of all obligations arising under all contracts let in connection with a Construction and guaranteeing performance and payment under the applicable contracts, and payment in full of all claims for labor performed and materials supplied under such contracts. The bonds must be issued by a responsible surety company, licensed to do business in the state where the Park Area is located, in an amount not less than the amount of the respective contracts, including amounts for cost overruns, price increases, change orders, forced delays and the like, and must remain in effect until the entire work under the contracts is completed; and

(b) To the extent not covered by other property insurance maintained by the Lessee, comprehensive “all risk” or “special form” builder’s risk insurance, including vandalism and malicious mischief, covering the Construction, all materials and equipment stored at the Premises and furnished under a construction contract, and all materials and equipment that are in the process of fabrication at the Premises of any third party or that have been placed in due course of transit to the Premises when such fabrication or transit is at the risk of, or when title to or an insurable interest in such materials or equipment, has passed to the Lessee, such insurance to be written on a completed value basis in an amount not less than the full estimated replacement cost of the Construction.

3. Conditions of Insurance

(a) The policy or policies required under this section must provide that in the event of loss, the proceeds of the policy or policies will be payable to the Lessee to be used solely for the repair or replacement of the property damaged or destroyed, as approved and directed by the Lessor, with any balance of the proceeds not required for repair, replacement, or removal paid to the Lessor; provided, however, that the insurer, after payment of any proceeds to the Lessee, will have no obligation or liability with respect to the use or disposition of the proceeds by the Lessee.

(b) All property and liability insurance policies must name the United States of America, on behalf of the National Park Service, as an additional insured.

(c) All of the insurance required by this section and all renewals must be issued by one or more companies of recognized responsibility licensed to do business in the state in which the Park Area is located with a financial rating of at least a Class B+ (or equivalent) status, as rated in the most recent edition of Best’s Insurance Reports (or equivalent) or as otherwise acceptable to the Lessor.

(d) All insurance policies must provide that such policies may not be cancelled, terminated, or altered without thirty (30) days prior written notice to the Lessor. The Lessee must provide to the Lessor a copy of each policy and a certificate of the policy executed by a properly qualified representative of the insurance company evidencing that the required insurance coverage is in full force and effect on or before the Commencement Date, and annually thereafter. The Lessee must maintain all policies provided throughout the Lease Term and the Lessee must renew such policies before the expiration of the term of the policy.

(e) The Lessee and the Lessee’s agents may not do anything, or permit anything to be done, in or about the Premises or on adjacent or nearby property that would invalidate or be in conflict with the provisions of any fire or other insurance policies covering the Premises or result in a refusal by insurance companies of good standing to insure the Premises in the amounts required under this Exhibit.