

EXHIBIT B**INSURANCE PROCURED BY MANAGEMENT COMPANY****Section 1. Insurance Requirements.**

In accordance with Section 3.23 of the Agreement, the Management Company, on behalf of the Owner and at the Owner's expense, must procure the insurance coverages set forth in this Exhibit so that they are in full effect as of the Commencement Date and must maintain them throughout the Term of the Agreement. All cost(s) and expense(s) incurred by Management Company in procuring the following insurance coverages will be Operating Costs (as applicable) paid from the Operating Special Accounts. Such insurance will be primary and non-contributory with any programs of self-insurance maintained by the Owner.

No act of the Management Company, its employees, agents, contractors, or representatives may impair any or all insurance coverage provided for the benefit of or evidenced to the Owner. The Management Company must provide the Owner with immediate written notice of any material changes or cancellation of coverage or policy terms on all liability, property, and workers' compensation insurance policies.

The amounts of insurance, limits of liability, and coverage terms included herein are not intended as a limitation of the Management Company's responsibility or liability under the Management Agreement, but rather an indication as to the types, amounts, and scope of insurance the Owner considers necessary to allow the Management Company to operate the Hotel. If the Management Company purchases insurance, with non-Owner funds, in addition to the limits set forth herein, the Owner will receive the benefit of the additional amounts of insurance.

Either the Management Company or the Owner, by notice to the other, will have the right, subject to the other party's concurrence in certain circumstances, as described below, to require an increase in the amount of insurance maintained with respect to the Hotel under this Exhibit to make such insurance comparable with prudent industry standards and to reflect increases in liability exposures, taking into account the size and location of the Hotel. If such increases result in increased premiums that exceed the budget line item for insurance in the Operating Budget, the other party (acting reasonably) must concur with such increase before it is made.

The Management Company must maintain the following liability and property coverages, all of which, unless noted herein, are to be written on an occurrence form of coverage. The Management Company may attain the liability limits specified below by means of supplementing the respective coverage(s) with excess or umbrella liability as explained below.

Section 2. Liability Insurance**(a) Commercial General Liability**

- (1) The Management Company must obtain coverage for bodily injury, property damage, managerial liability, personal and advertising injury liability, and products and completed operations liability. The Management Company must provide the following limits of liability:

Per Occurrence	\$5,000,000
Personal and Advertising Injury Liability	\$5,000,000
General Aggregate	\$6,000,000
Products and Completed Operations Aggregate	\$6,000,000
Medical Payments	\$1,000
Damage to Premises Rented to You	\$1,000

- (2) Policy must name the United States of America as an Insured or Additional Insured.

- (3) Policy must provide a Waiver of Subrogation in favor of the United States of America.
- (4) If the policy insures more than one location, the general aggregate limit must be amended to apply separately to each location and properly noted on the Certificate of Insurance.
- (5) Any endorsements that exclude or limit coverage must be scheduled on the Certificate of Insurance or supplement (i.e., ACORD 101) and must include endorsement name and form number.

(b) Automobile Liability

The Management Company must provide coverage for bodily injury and property damage arising out of the ownership, maintenance, or use of "any auto," Symbol 1. If Symbol 1 is unavailable, Symbols 2, 8 and 9 are acceptable. No other automobile liability coverages symbols will be accepted without Owner approval. Where there are no owned autos, coverage must be provided for "hired" and "non-owned" autos, "Symbols 8 & 9." The policy must provide a Waiver of Subrogation in favor of the United States of America.

Combined Single Limit Each Accident

\$3,000,000

Auto services activities such as repairing, storing, or parking non-owned automobiles must be covered by a Garagekeepers endorsement to the Business Automobile Policy, with a limit of liability that is appropriate to the types and values of automobiles in the Management Company's care, custody, or control.

(c) Excess Liability or Umbrella Liability

The Management Company is not required to provide excess liability or umbrella liability coverage but may use it to supplement any insurance policies obtained to meet the requirements of the Agreement. If procured, the Management Company must provide coverage for bodily injury, property damage, personal injury, or advertising injury liability more than scheduled underlying insurance. In addition, coverage must be at least as broad as that provided by underlying insurance policies and the limits of underlying insurance must be sufficient to prevent any gap between such limits and the attachment point of the coverage afforded under the Excess Liability or Umbrella Liability policy. The Certificate of Insurance must specifically state which policies are designed underlying policies. The Umbrella Liability and Excess Liability policies must include Additional Insured status consistent with the primary Commercial General Liability and Automobile policies.

(d) Liquor Liability

The Management Company must provide coverage for bodily injury and property damage including damages for care, loss of services, or loss of support arising out of the selling, serving, or furnishing of any alcoholic beverage.

Each Common Cause Limit

\$ 5,000,000

Aggregate Limit

\$ 6,000,000

(h) Workers' Compensation and Employers' Liability

The Management Company must obtain coverage for itself as employer that complies with the statutory requirements of the state(s) in which the Management Company operates. The employer's liability limits are: \$500,000.

(i) Cyber Liability

The Management Company must maintain Cyber Liability insurance to cover unauthorized release or exposure of customers' and employee' personally indefinable information because of a breach of the Management Company's electronic systems.

Each Occurrence Limit	\$1,000,000
Aggregate Limit	\$2,000,000

Section 3. PROPERTY INSURANCE

(a) Building(s) and Contents Coverage

Amount of insurance (buildings): Full replacement value as listed in Exhibit E without deduction.

Amount of insurance (contents): Full replacement value without deduction.

Amount of insurance (inventory): Full replacement value without deduction.

- (1) Insurance must cover buildings, structures, improvements and betterments, and contents for all structures and related areas managed by the Management Company, as more specifically described in Exhibit E of this Management Agreement.
- (2) Coverage must apply on an "all risks" or "special coverage" basis and must include earthquake coverage if the structures are located within Seismic Zones Orange or Red.
- (3) The policy must provide for loss recovery on a replacement value basis without deduction.
- (4) The amount of insurance must represent no less than 100% of the replacement cost value of the insured property. The Management Company must insure inventory for 100% of the replacement cost of the products held for sale.
- (5) The vacancy restriction and unoccupied restriction, if any, must be eliminated for all property that will be vacant beyond any vacancy or unoccupied time period specified in the policy.
- (6) The Management Company must maintain flood coverage at least at the maximum limit available in the National Flood Insurance Program (NFIP) or the total replacement cost of the property, whichever is less, if the structures and related areas are partially or fully within a Special Flood Hazard Area (Flood Zones A or V as identified by the Federal Emergency Management Agency).
- (7) The Management Company must maintain earthquake coverage at the maximum limit available not to exceed 100% replacement value, without a deductible greater than 5% of the property value, or its equivalent in whole dollars if the structures and related areas are located in Seismic Zones Orange or Red.
- (8) The coinsurance provision, if any, must be waived or suspended by an agreed amount clause.
- (9) The Management Company must obtain coverage on a blanket basis for real and personal property.
- (10) Ordinance or law, demolition, and increased cost of construction. The Management Company must maintain coverage with a limit of not less than 30% of the building replacement costs listed in Exhibit E, each for the increased cost of construction and for the cost to replace the undamaged portion of a building ordered torn down by the appropriate authorities.

(b) Boiler and Machinery/Equipment Breakdown Coverage

- (1) Insurance must apply on the comprehensive basis of coverage including structures and related areas, which have boilers and machinery.
- (2) The policy must provide a limit at least equal to the full replacement cost for all covered objects in the highest valued structures location, plus 20% on a replacement cost basis.

- (3) No coinsurance clause shall apply.
- (4) The Management Company must provide coverage on a blanket basis.
- (5) If insurance is written with a different insurer than the building(s) and contents insurance, both the property and boiler insurance policies must be endorsed with a joint loss agreement.
- (6) The Management Company must maintain ordinance or law, demolition, and increased cost of construction coverage.

(c) Builders Risk Coverage

- (1) Insurance must cover buildings or structures under construction pursuant to the terms of the Agreement and include coverage for property that has or will become a part of the project while such property is at the project site, at temporary off-site storage, and while in transit. Coverage also must apply to temporary structures such as scaffolding and construction forms.
- (2) Coverage must apply on an "all risks" or "special coverage" basis.
- (3) The policy must provide for loss recovery on a replacement cost basis.
- (4) The amount of insurance should represent no less than 100% of the replacement value of the property in the process of construction.
- (5) No coinsurance clause shall apply.
- (6) Any occupancy restriction must be eliminated.
- (7) Any collapse exclusion must be eliminated.

(d) Business Interruption and/or Expense

- (1) Business interruption insurance is required on all property policies and Boiler and Machinery policies. Business interruption insurance and extra expense insurance covers the loss of income and continuation of fixed expenses in the event of damage to or loss of any part of or all of the Hotel. Extra expense insurance covers the extra expenses above normal operating expenses to continue operations in the event of damage or loss to covered property.
- (2) Any policies providing for business interruption insurance must name the Management Company as loss payee with respect to the Management Fees.

(f) Required Clauses

Loss Payable Clause: A loss payable clause, similar to the following, must be added to Buildings and Contents, Boiler and Machinery, and Builders Risk policies:

"In accordance with VEIA Management Agreement No. ____ dated ____, between the United States of America and [the Management Company] payment of insurance proceeds resulting from damage or loss of structures insured under this policy is to be disbursed directly to the Management Company without requiring endorsement by the United States of America, unless the damage exceeds \$1,000,000."

Section 4. Construction and Project Coverage

When the Management Company enters into contracts with third parties for various construction projects, including major renovation projects, rehabilitation projects, additions or new structures it must ensure that all

contractors retained for such work maintain an insurance program that adequately covers the construction project.

The insurance maintained by the construction and construction-related contractors must comply with the insurance requirements stated in the Agreement including this Exhibit (for commercial general liability, automobile liability, workers compensation and, if professional services are involved, professional liability). Except for workers compensation insurance, the interests of the Management Company and the United States must be covered in the same fashion as required in this Exhibit. The amounts and limits of the required coverages will be determined in consultation with the Owner taking into consideration the scope and size of the project.

Section 5. Insurance Company Minimum Standards

All insurance companies providing the above-described insurance coverages must meet the minimum standards set forth below:

- (1) All insurers for all coverages must be rated no lower than A- by the most recent edition of Best's Key Rating Guide (Property-Casualty edition), unless otherwise authorized by the Owner.
- (2) All insurers for all coverages must have a Best's Financial Size Category of at least VII according to the most recent edition of Best's Key Rating Guide (Property-Casualty edition), unless otherwise authorized by the Owner.
- (3) Insurance placed with any property and casualty insurance carrier not rated AM Best must be related A or better by such financial rating organization.

Section 6. Third Party Insurance

When entering into contracts with third parties for various services or activities that the Management Company is not capable of providing or conducting, Management Company must ensure that each third party retained for such work maintains an insurance program that adequately covers the activity and complies with all the requirements applicable to that party's own insurance.

Section 7. Insurance Policy(s)

- (1) All policies of insurance provided for under this Exhibit B must be carried in the name of the Management Company and name the United States of America as an additional insured.
- (2) The Management Company must deliver to the Owner copies of insurance policies, including all endorsements, together with duly executed certificates of insurance. The Management Company must maintain at the Hotel, or at Management Company's corporate offices, copies of all current policies, including existing, additional, and renewal policies.
- (3) All certificates of insurance required by this Agreement must include sufficient detail to allow easy identification of the coverages, limits, deductibles, self-insured retentions, and coverage amendments that are described in this Exhibit B. The certificates also must accurately list the insurance companies along with their A.M. Best Identification Number ("AMB#"). The name, address, and telephone number of the issuing insurance agent or broker must be clearly shown on the certificate of insurance as well.
- (4) The certificate of insurance must contain a notation by the Management Company's insurance representative that the insurance coverage represented therein complies with the provisions of the Agreement, including this Exhibit.

Section 8. Statutory Limits

In the event that a statutorily required limit exceeds a limit required herein, the Management Company must maintain the higher statutorily required limit, In the event that the statutorily required limit is less than the limits required herein, the limits required herein apply.

Section 9. Blanket Coverage Allocation

The Management Company may place all or any of the foregoing insurance coverages under blanket insurance policies carried by the Management Company and/or its Affiliates for other properties, in which event the Management Company will allocate premiums for such coverage on a fair and equitable basis, consistently applied, among all hotels participating in such blanket insurance coverage.