



12700 Park Central Drive, Suite 2000
Dallas, TX 75251
Ph: 214-865-7200
www.rtspecialty.com

023574323B

QUOTATION SUMMARY

September 8, 2023

Swingle, Collins & Associates
Rick Crain
13760 Noel Road Suite 600
Dallas, TX 75240

FROM: Christian Mathas for Christian Mathas

Outlined below is a summary of the attached quotation obtained for the above noted Insured. The full quote terms, conditions, limitations and exclusions can be found on the attached quote. Please pay special attention to those items found on the quote, and note that in the event of any discrepancies between the information found on this summary and the quote itself, the quote supersedes our summary. As the broker with the direct relationship with the Insured, it is your responsibility to carefully review with the Insured all of the terms, conditions, limitations and exclusions in the quote, and to specifically reconcile with the Insured any differences between those quoted and those you requested. RT Specialty expressly disclaims any responsibility for any failure on your part to review or reconcile any such differences with the Insured.

NAMED INSURED:	Sago Capital, LLC 4501 Mills Park Circle, Suite 200 , tx 77845
PRIMARY RISK ZIP CODE:	77845
COVERAGE:	Professional Liability Full Program
INSURER:	Continental Casualty Company - Admitted
POLICY TERM:	9/11/2023 - 9/11/2024
ESTIMATED POLICY PREMIUM:	\$16,000.00
OPTIONAL TRIA:	NOT APPLICABLE
FEES:	Brokerage Fee \$300.00
	TOTAL FEES: \$300.00
TOTAL:	\$16,300.00
AGENT COMMISSION:	10%



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SPECIAL CONDITIONS / OTHER COVERAGES:

NO FLAT CANCELLATIONS
ALL FEES ARE FULLY EARNED AT INCEPTION

For RT Specialty to file the surplus lines taxes on your behalf, please complete the surplus lines tax document (per the applicable state requirements) and return with your request to bind. Due to state regulations, RT Specialty requires tax documents to be completed within 24 to 48 hours of binding. Please be diligent in returning tax forms.

SUBJECT TO UNDERWRITER REVIEW PRIOR TO BINDING:

1. **CNA Real Estate Supplemental application**
2. **In lieu of a warranty letter, we can accept the application, but it needs to be re dated at or just prior to inception (with the Knowledge Question checked "No")**



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HOME STATE FOR NON-ADMITTED RISKS

Taxes and governmental fees are estimates and subject to change based upon current rates of the Home State and risk information available at the date of binding. The Home State of the Insured for a non-admitted risk shall be determined in accordance with the Nonadmitted and Reinsurance Act of 2010, 15. U.S.C §8201, etc. ("NRRA"). Some states require the producing broker to submit a written verification of the insured's Home State for our records. The applicable law (if any) of the Home State governing cancellation or non-renewal of non-admitted insurance, including whether any such laws apply to non-admitted risks, shall apply to this Policy.

BINDING INSTRUCTIONS

We will only bind coverage in writing after we receive a written request from you to bind coverage. If coverage is requested, the following items must be submitted:

There are subjectivities that:

- must be complied with or resolved before the contract becomes binding
- apply both before or after inception, compliance with which is a condition of all or part of the coverage; and
- apply after the formation of the contract as conditions of continued coverage.

Failure to provide or comply with these subjectivities might result in a refusal to bind or cancellation of coverage, at the insurer's option. Please note that this is a quote only, and the Insurer reserves the right to amend or withdraw the quote if new, corrected or updated information is received. You must notify us of any material change in the risk exposure occurring after submission of the application. If the Insurer binds the risk following your written request, the terms of the policy currently in use by the Insurer will supersede the quote.

Any amendments to coverage must be specifically requested in writing or by submitting a policy change request form and then approved by the Insurer. Coverage cannot be affected, amended, extended or altered through the issuance of certificates of insurance. Underlying Insurers must be rated A- VII or better by A.M. Best.

This quote summary, the quote, the fees quoted and our advice, is confidential. This quote summary and the quote constitutes the entire understanding and supersedes any and all agreements and communications respecting the insurance offered. If you need further information about the quote, our fee or the Insurer that is proposing to provide your insurance, please contact us.



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PREMIUM FINANCE (If not included in the quote document)

If the insured and the insurer agree to bind coverage and the premium will be financed, we will need the following information and, upon binding, please instruct the premium finance company to send documents to our attention. Premium Finance funds should always be paid to RT Specialty:

Name of Premium Finance Company:	
Premium Finance Account Number:	

PRODUCER COMPENSATION:

In order to place the insurance requested we may charge a reasonable fee for additional services that may include performing a risk analysis, comparing policies, processing submissions, communication expenses, inspections, working with underwriters on the coverage proposal, issuing policies or servicing the policy after issuance. Third-party inspection or other fees may be separately itemized upon request. If the insured recommends an inspection company, we will endeavor to determine if it is approved by the Insurer. To the extent the insured paid us a fee for services, we represent the insured in performing those services. Our fees are fully earned and nonrefundable, except when required by applicable law. Our fees are applied to new policies, renewal policies, endorsements and certificates. Fees applicable to each renewal, endorsement and certificate will be explained in the quotes. In the event that the premium is adjustable upwards, our fees are adjustable as well and will be collected against any additional premium. The fee charged by us does not obligate the insured to purchase the proposed insurance or the Insurer to bind the proposed insurance. Our fee is not imposed by state law or the Insurer. This fee authorization shall remain operative until terminated by written notice. Depending upon the Insurer involved with your placement, we may also receive a commission from the Insurer.

We may also have an agreement with the Insurer that we are proposing for this placement that may pay us future additional compensation. This compensation is in addition to any fees and/or commissions that we have agreed to accept for placing this insurance. This compensation could be based on formulas that consider the volume of business placed with the Insurer, the profitability of that business, how much of the business is retained for the Insurer's account each year, and potentially other factors. The agreements frequently consider total eligible premium from all clients placed during a calendar year and any incentive or contingent compensation is often received at a future date, including potentially after the end of the following calendar year. Because of variables in these agreements, we often have no accurate way at the time of placement to determine the amount of any additional compensation that might be attributable to any Insured's placement. The broker with the direct relationship with the Insured must comply with all applicable laws and regulations related to disclosure of compensation, including disclosure of potential incentive or contingent compensation and the criteria for receiving such compensation, and informing the Insured that it may request more information about producer or broker compensation that might be paid in connection with the Insured's placement. RSG affiliates may also earn investment income on accounts temporarily held as fiduciary funds, and compensation as a broker, underwriting manager, reinsurance intermediary, premium finance company, claims adjuster, consultant or service provider. If you need additional information about the compensation arrangements for services provided by Ryan Specialty, LLC (RSG) affiliates, please contact your RSG representative.

RT Specialty is a division of RSG Specialty, LLC. RSG Specialty, LLC is a Delaware limited liability company and a subsidiary of Ryan Specialty, LLC. In California: RSG Specialty Insurance Services, LLC (License # 0G97516).

Unless this quote is amended or withdrawn it is valid for 30 days from the date shown above, or the proposed effective date, whichever is earlier. This quote can be amended or withdrawn at any time prior to acceptance by the insured. If the quote included with this letter provides otherwise, or in any way conflicts with this letter, the terms of



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the quote shall govern and control.

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QUOTATION FOR INSURANCE

New Business Submission

8/23/2023

Quotation No.: **6319380802**

Applicant:

Sago Capital, LLC
4501 Mills Park Cir # 200
College Station, TX 77845

Producer Information:

RSG SPECIALTY, LLC (RT SPECIALTY)
12404 PARK CENTRAL DR STE 2000
DALLAS, TX 75251-1800

Subject to the terms and conditions contained herein, Continental Casualty Company agrees to issue to the above-named Applicant:

Proposed Policy Period: 9/1/2023 to 9/1/2024

Policy Form: CNA-88734-XX 04/01/2018 Investment Management Liability Solutions
General Terms And Conditions

Option 1

Aggregate Limit of Liability: \$1,000,000

Limit:

Investment Adviser Professional Liability Coverage Part : \$ 1,000,000

Investment Adviser Management Liability Coverage Part : \$ 1,000,000

Fund Management and Professional Liability Coverage Part : \$ 1,000,000

Retention:

Investment Adviser Professional Liability Coverage Part : \$ 100,000

Investment Adviser Management Liability Coverage Part : \$ 100,000

Fund Management and Professional Liability Coverage Part : \$ 100,000

Premium: ~~\$17,500~~ \$16,000

Surcharges/Taxes:

Amount:

N/A

N/A

Extended Reporting Period: 365 days @ 150% of Annual Premium

Prior or Pending Litigation Date: 9/1/2023 (or Inception)

New Fund Threshold: 25%

Shareholder Derivative Demand Investigation Costs Sublimit of Liability (exclusive of **Defense Costs** and subject to the Aggregate Limit of Liability): \$250,000



Endorsements:

CNA-88891-TX 06 18 Amendatory Endorsement - Texas
CNA-88892-TX 04 18 Conditional Renewal Endorsement-Texas
CNA-88845-XX 04 18 Private Company Endorsement
CNA-92639-XX 07 18 Vital Executive Expenses Endorsement
CNA-88764-XX 04 18 Amend Advancement Of Defense Costs Endorsement (Advancement No Later Than 60 Days)
CNA-93562-XX 08 18 Amend Conduct Exclusion Endorsement (Add Personal Qualifier and Foreign Jurisdiction)
CNA-97460-XX 01 20 Amend Bodily Injury/Property Damage Exclusion Endorsement (Carve-Out for Libel, Slander, or Defamation)
CNA-104124-XX 05 22 Professional Services Real Estate Amendatory Endorsement (**Vertically Integrated Firms - Scheduled Funds**)

CNA-97673-XX 01 20 Schedule of Private Funds Endorsement:

- **Sago Raleigh Industrial, LLC**
- **Sago Columbia Office, LLC**
- **Dividend Drive Industrial, LLC**
- **Sago Gray Fox, LLC**
- **Limit Street Industrial, LLC**
- **Sago Valley Park, LLC**
- **Seventh Otis Office, LLC**
- **Pring Valley Industrial, LLC**
- **Tolle Lane Industrial, LLC**

CNA-91182-XX 04 18 Pre Claim Expenses Endorsement(Sublimit)
CNA-81753-XX 03 15 Cap On Losses From Certified Acts Of Terrorism Endorsement
CNA-81758-XX 01 21 Notice Offer Of Terrorism Coverage Disclosure Of Premium Confirmation Of Acceptance
CNA-97490-TX 01 20 Texas Policy Holders Notice

This Quotation is subject to the receipt, review and acceptance of the following Conditions prior to binding:

- 1. CNA Real Estate Supplemental application**
- 2. In lieu of a warranty letter, we can accept the application, but it needs to be re-dated at or just prior to inception (with the Knowledge Question checked "No")**

This Quotation expires on 9/1/2023. If between the date of Quotation and the Effective Date of the policy there is a significant adverse change in the condition of Applicant or occurrence of an event which could substantially change the underwriting evaluation of the Applicant, then, at the Company's option, this Quotation may be withdrawn by written notice thereof to Applicant. The Company also reserves the right to modify the final terms and conditions upon review of the information received in satisfaction of the aforementioned conditions.



QUOTATION FOR INSURANCE

New Business Submission

8/23/2023

Quotation No.: 6319380801

Applicant:

Sago Capital, LLC
4501 Mills Park Cir # 200
College Station, TX 77845

Producer Information:

RSG SPECIALTY, LLC (RT SPECIALTY)
12404 PARK CENTRAL DR STE 2000
DALLAS, TX 75251-1800

Subject to the terms and conditions contained herein, Continental Casualty Company agrees to issue to the above-named Applicant:

Proposed Policy Period: 9/1/2023 to 9/1/2024

Policy Form: CNA-88734-XX 04/01/2018 Investment Management Liability Solutions
General Terms And Conditions

Option 2

Aggregate Limit of Liability: \$3,000,000

Limit:

Investment Adviser Professional Liability Coverage Part : \$ 3,000,000

Investment Adviser Management Liability Coverage Part : \$ 3,000,000

Fund Management and Professional Liability Coverage Part : \$ 3,000,000

Retention:

Investment Adviser Professional Liability Coverage Part : \$ 100,000

Investment Adviser Management Liability Coverage Part : \$ 100,000

Premium: \$32,500

Surcharges/Taxes:

Amount:

N/A

N/A

Extended Reporting Period: 365 days @ 150% of Annual Premium

Prior or Pending Litigation Date: 9/1/2023

New Fund Threshold: 25%

Shareholder Derivative Demand Investigation Costs Sublimit of Liability (exclusive of **Defense Costs** and subject to the Aggregate Limit of Liability): \$250,000



Endorsements:

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- 1. CNA Real Estate Supplemental application**
- 2. In lieu of a warranty letter, we can accept the application, but it needs to be re-dated at or just prior to inception (with the Knowledge Question checked "No")**

This Quotation expires on 9/1/2023. If between the date of Quotation and the Effective Date of the policy there is a significant adverse change in the condition of Applicant or occurrence of an event which could substantially change the underwriting evaluation of the Applicant, then, at the Company's option, this Quotation may be withdrawn by written notice thereof to Applicant. The Company also reserves the right to modify the final terms and conditions upon review of the information received in satisfaction of the aforementioned conditions.



INVESTMENT MANAGEMENT LIABILITY SOLUTIONS

GENERAL TERMS AND CONDITIONS

In consideration of the premium, and in reliance upon the **Application**, the Insurer and **Insureds** agree as follows:

I. COVERAGE PARTS

A Coverage Part is included within this Policy and affords coverage only if the Coverage Part is purchased as indicated by a corresponding Limit of Liability for that Coverage Part in Item 6.b. of the Declarations.

The terms and conditions in each Coverage Part apply only to such Coverage Part and shall not apply to any other Coverage Part.

If any provision in these General Terms and Conditions is inconsistent with the terms and conditions of any applicable Coverage Part, the terms and conditions of such Coverage Part shall control.

II. DEFINITIONS

Any defined word not found in the General Terms and Conditions shall have the meaning assigned to it in the applicable Coverage Part.

Additional Insured means any natural person who is:

1. a past, present or future advisory board or committee member, acting in his/her capacity on behalf of an **Insured Entity**;
2. an independent contractor, provided that such person is acting on behalf and at the specific direction of an **Insured Entity**, and only to the extent that such person is indemnified by an **Insured Entity**; or
3. added by endorsement.

Application means any signed application, whether the Insurer's or otherwise, including attachments to such applications, any public documents filed by an **Insured Entity** with the Securities and Exchange Commission ("SEC") within twelve (12) months prior to the inception of this Policy, and any other materials or representations provided to the Insurer by or on behalf of the **Insured** in connection with the underwriting or negotiation of the terms and conditions of this Policy.

Claim means:

1. a written demand (excluding a subpoena) for monetary, non-monetary, injunctive, or declaratory relief;
2. a written request for arbitration, mediation, or other alternative dispute resolution;
3. a written request to toll or waive a statute of limitations;
4. a civil, criminal, administrative, or regulatory proceeding commenced by the earlier of: (a) the return of service of a complaint or indictment upon an **Insured**; (b) the filing of an indictment or information with respect to an **Insured**, or (c) the arrest or detainment of an **Insured Person**;
5. an **Extradition**; or
6. a **Formal Investigation**,

against an **Insured** for a **Wrongful Act**, including any appeal therefrom. **Claim** shall also include an **Informal Investigation**. **Claim** shall not include a **Shareholder Derivative Demand**.

Unless specifically articulated otherwise herein, a **Claim** shall be deemed first made on the earliest of the date on which the **Claim** is first made against, served upon, or first received by any **Insured**, or the applicable notice or order is filed or entered.

Clean-Up Costs mean any fees, costs, or expenses, including legal and professional fees, incurred in testing for, monitoring, cleaning up, removing, containing, treating, neutralizing, detoxifying, or assessing the effects of **Pollutants**.

Defense Costs mean reasonable and necessary fees, costs, and expenses, incurred by an **Insured** in the investigation, defense, or appeal of any covered **Claim**, including the premium for appeal, attachment, or similar bonds arising out of a covered judgment. **Defense Costs** shall not include: **Shareholder Derivative Demand**



Investigation Costs, Non-Party Witness Fees or salaries, wages, fees, overhead, or benefit expenses of any **Insured Person**.

Domestic Partner means any person qualifying as such under any federal, state, or local law or under an **Insured Entity's** employee benefit plans.

Employee means any past, present, or future full-time, part-time, seasonal, or temporary employee, or any volunteer of an **Insured Entity**. **Employee** shall not include any **Executive**.

ERISA, COBRA or any Similar Act means the Employee Retirement Income Security Act of 1974, (including the Consolidated Omnibus Budget Reconciliation Act of 1985)(COBRA), as amended or any other similar federal, state, or local statutory or regulatory law in the United States.

Executive means any:

1. natural person who is a past, present, or future duly elected or appointed director, officer, trustee, governor of a corporation, management committee member of a joint venture, member of the board of managers of a limited liability company (or holder of a functionally equivalent position in a foreign jurisdiction), general partner or managing partner, of an **Insured Entity**;
2. natural person who is a past, present, or future In-House General Counsel or Risk Manager of the **Named Insured**; or
3. holder of such functionally equivalent position to those included in paragraph 1. above in an **Outside Entity** while serving at the specific request or direction of the **Named Insured**.

Executive shall not include an **Employee**.

Extended Reporting Period means the additional period of time purchased by an **Insured** after termination or cancellation (except for non-payment of premium) of this Policy within which to report a **Claim** subject to the provisions of Section VIII, Extended Reporting Period.

Extradition means a formal process by which an **Executive** located in any country is surrendered, or requested to surrender, to another country to respond to a criminal accusation, commenced by an arrest, detainment, or incarceration of an **Executive** by any foreign jurisdiction law enforcement authority outside of the United States.

Extradition Costs means reasonable and necessary fees, costs, and expenses incurred by an **Executive** in lawfully opposing or defending an **Extradition**. **Extradition Costs** shall not include salaries, wages, fees, overhead, or benefit expenses associated with any **Insured Person**.

Facilitation Costs means reasonable and necessary fees, costs, and expenses (including loan interest) incurred by an **Executive** in connection with a covered **Claim**, solely to facilitate the return of amounts required to be repaid by such **Executive** pursuant to a court ordered, statutory mandated, or settlement negotiated reimbursement of any amount to which such **Executive** was not legally entitled. **Facilitation Costs** shall not include the actual amounts required or sought to be repaid, reimbursed, disgorged, or otherwise surrendered by such **Executive**.

Financial Insolvency means:

1. the appointment of a receiver, conservator, liquidator, trustee, rehabilitator, or similar official, or creditors' committee to take control of, supervise, manage, or liquidate an **Insured Entity** or **Outside Entity**; or
2. the **Named Insured** becoming a debtor in possession under United States bankruptcy law.

Formal Investigation means any formal investigation of an **Insured** by a **Regulatory Body** alleging violations of securities laws or **ERISA, COBRA or any Similar Act** by such **Insured**, evidenced by a subpoena, grand jury subpoena, formal order or formal notice of investigation, search warrant, civil investigative demand, Wells Notice or target letter (within the meaning of Title 9, §11.151 of the United States Attorney's Manual), or SEC form 1661 or 1662, from a **Regulatory Body** identifying the nature of the investigation and specific allegations of **Wrongful Acts** against the **Insured**.

Fund means a **Registered Fund** or **Private Fund**.

Inadequate Consideration Claim means a **Claim** alleging that the price or consideration paid or proposed to be paid for the acquisition or completion of the acquisition of all or substantially all the ownership interest in or assets of an entity or an **Insured Entity** is inadequate.



Informal Investigation means:

1. any informal administrative or regulatory investigation of an **Insured Person** by a **Regulatory Body**, commenced by the **Insured Person's** receipt of:
 - (a) a written notice to produce documents that are solely in the possession and control of such **Insured Person** and relate to the **Insured Entity's** business activities; or
 - (b) a request for testimony or a request for an interview issued by a **Regulatory Body** directed to such **Insured Person** in his/her capacity as such; or
2. an **Internal Investigation**.

Informal Investigation shall not include any routine examinations, routine inspections, "sweep" examinations, general requests for information, or any other similar reviews, inquiries, or investigations.

Insured means any **Insured Person** or any **Insured Entity**.

Insured Person means an **Executive**, **Employee**, or **Additional Insured**.

Internal Investigation means any investigation commenced by or on behalf of the board of directors (or functionally equivalent management body) of an **Insured Entity**, against an **Executive**, in his/her capacity as such, to determine whether to bring a **Shareholder Derivative Suit** against such **Executive**. An **Internal Investigation** will be deemed commenced upon the **Executive's** receipt of a written communication indicating the initiation of the investigation.

Interrelated Wrongful Acts mean any **Wrongful Acts** that are causally connected by reason of any common fact, circumstance, situation, transaction, or event or series of common facts, circumstances, situations, transactions, or events.

Investment Banking Services means any advice or service relating to any aspect of corporate mergers, acquisitions, securities offerings, restructuring, divestitures, or investment banking.

Management Control means:

1. owning or controlling interests of an entity representing more than fifty percent (50%) of the right to control or manage such entity as evidenced by the present power to elect, designate or appoint the majority of the board of directors, management committee members, management board members, general partners, or managing partners of such entity, or
2. with respect to an entity having the present right, pursuant to written contract or an **Organizational Document**, to elect, designate or appoint the majority of the board of directors, management committee members, management board members, general partners, or managing partners of such entity.

Named Insured means the entity named in Item 1. of the Declarations, including such entity as a debtor in possession under United States bankruptcy law.

Non-Indemnifiable Loss means any **Loss** incurred by an **Insured Person** that an **Insured Entity** fails or refuses to pay, advance, or indemnify:

1. due to **Financial Insolvency**; or
2. because such indemnification is not permitted pursuant to law.

Non-Party Witness Fees means reasonable and necessary fees, costs, and expenses incurred by a non-party **Insured Person** when providing witness testimony in a covered **Claim**. **Non-Party Witness Fees** shall not include salaries, wages, fees, overhead, or benefit expenses associated with any **Insured Person**.

Organizational Document means the articles of incorporation or association, certificate of incorporation, charter, by-laws, offering memorandum, limited liability company agreement, partnership agreement, operating agreement, subscription agreement, advisory or management agreement, separate indemnification agreement, and all other similar documents, instruments or certificates executed, adopted, or filed in connection with the creation, formation, organization, or governance of an **Insured Entity**, including any amendments thereto.

Outside Entity means any charitable not-for-profit entity exempt from federal income taxation, or any entity specifically included as an **Outside Entity** by endorsement to this Policy, provided that such entity is not an **Insured Entity**.



Policy Period means the period from the effective date of this Policy to the Policy expiration date stated in Item 2. of the Declarations, or its earlier termination or cancellation date. **Policy Period** shall also include the **Extended Reporting Period**, if purchased.

Pollutants mean any substance exhibiting hazardous characteristics as defined on any list of hazardous substances issued by the United States Environmental Protection Agency or any state, local, or foreign counterpart. **Pollutants** also mean, without limitation, any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, or waste (including materials to be recycled, reconditioned or reclaimed), as well as any air emission, odor, waste water, oil or oil products, infectious or medical waste, asbestos, or asbestos products, or any noise.

Portfolio Company means any entity in which a **Fund** owns or controls (or previously owned or controlled) outstanding debt or equity securities of such entity.

Private Fund means any:

1. investment company:
 - (a) created or sponsored by an **Insured Entity** as of the effective date of this Policy which is listed on the Schedule of Private Funds attached to this Policy; or
 - (b) that has been terminated, merged, sold, or dissolved, including any series or portfolios of such investment company, but only for **Wrongful Acts** that occurred while such **Private Fund** was owned or managed by the **Insured Entity**;
2. affiliated parallel funds, master funds, feeder funds, blocker funds, special purpose entities, limited purpose entities, investment holding companies, or other entities created for the purpose of holding investments in the name or right of an investment company that is described in 1(a) or 1(b) above; or
3. entity general partner or entity managing general partner of a partnership, or entity managing member of a limited liability company, of an investment company that is described in 1(a) or 1(b) above.

Professional Services Client means a customer or client that has received, or has been rendered **Professional Services** by an **Insured**.

Registered Fund means any:

1. investment company registered under the Investment Company Act of 1940:
 - (a) as of the effective date of this Policy which is listed on the Schedule of Registered Funds attached to this Policy; or
 - (b) that has been terminated, merged, sold, or dissolved, including any series of portfolios of such investment company, but only for **Wrongful Acts** that occurred while such **Registered Fund** was sponsored or managed by the **Insured Entity**; or
2. series of portfolios of any investment company described in 1(a) above.

Regulatory Body means the SEC, Department of Justice, Attorney General, Commodities Futures Trading Commission, or a similar federal, state, local, or foreign government authority or any self-regulatory organization of which the **Insured** is a member.

Responsible Person means any past, present, or future Chairman, President, Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, In-House General Counsel, or Chief Compliance Officer while holding such position or any holder of any functionally equivalent position in the **Named Insured**.

Securities Claim means that portion of a **Claim**:

1. brought by:
 - (a) any person or entity alleging, arising out of, based upon or attributable to the purchase or sale or offer or solicitation of an offer to purchase or sell any securities of an **Insured Entity**; or
 - (b) a security holder of an **Insured Entity** with respect to such security holder's interest in securities of such **Insured Entity**, or
2. brought as a **Shareholder Derivative Suit**.

Shareholder Derivative Demand means any written demand letter by one or more shareholders of an **Insured Entity** upon the board of directors (or functionally equivalent management body) of such **Insured Entity** to commence an **Internal Investigation** or to bring a **Shareholder Derivative Suit**.



Shareholder Derivative Demand Investigation Costs mean reasonable and necessary fees, costs, and expenses incurred by an **Insured Entity** (including its board of directors or any committee of its board of directors) in connection with the investigation of or responding to a **Shareholder Derivative Demand**. **Shareholder Derivative Demand Investigation Costs** shall not include salaries, wages, fees, overhead, or benefit expenses associated with any **Insured Person** or any costs, fees, or expenses incurred in a **Securities Claim**.

Shareholder Derivative Suit means a lawsuit brought derivatively on behalf of an **Insured Entity** by a shareholder of such **Insured Entity** against:

1. an **Executive** of such **Insured Entity**; or
2. the **Insured Entity** as a nominal defendant.

Subsidiary means an entity in which the **Named Insured** has **Management Control** directly or indirectly through one or more other **Subsidiaries**:

1. on or before the effective date of this Policy; or
2. after the effective date of this Policy by reason or being created or acquired by an **Insured Entity** after such date, subject to paragraph 1.(a) in Section XI, Change of Control or Status of Insureds. **Subsidiary** does not include any **Fund** or **Portfolio Company**.

Takeover means:

1. the acquisition by another entity or person, or group of entities or persons acting in concert, of the:
 - a. ownership or control of voting stock of the **Named Insured** resulting in such entity, person, or group owning or controlling more than fifty percent (50%) of the voting stock of the **Named Insured**;
 - b. ownership or control of the **Named Insured** as evidenced by the present power to elect, designate, or appoint the majority of the board of directors, management committee members, management board members, general partners, or managing partners of the **Named Insured**; or
 - c. assets of the **Named Insured** resulting in such entity, person, or group owning more than fifty percent (50%) of the total consolidated assets of the **Named Insured** as of the date of the **Named Insured's** most recent audited consolidated financial statement prior to such acquisition;
2. the merger of the **Named Insured** into another entity such that the **Named Insured** is not the surviving entity; or
3. the consolidation of the **Named Insured** with another entity.

Whistleblower Activity means the lawful activities of an **Insured Person** who causes information to be provided to, or otherwise assists in an investigation of, with respect to any alleged wrongdoing by an **Insured**, the attention of a government or law enforcement agency provided such activities are protected by statute with rights and remedies for retaliation recognized under federal, state, or local statutory or regulatory law.

III. GENERAL POLICY EXCLUSIONS

The Insurer shall not be liable for **Loss** under this Policy in connection with any **Claim**:

1. Contractual Liability

for:

- (a) an **Insured's** alleged liability under any contract or agreement, including express warranties or guarantees; or
- (b) the liability of others an **Insured** assumes under any contract or agreement,

provided that this exclusion shall not apply to:

- i. an **Insured's** liability that exists in the absence of such contract or agreement;
- ii. any **Claim** against an **Insured** by a **Professional Services Client** with respect to the rendering of, or failure to render, **Professional Services**;
- iii. **Non-Indemnifiable Loss**; or
- iv. any **Claim** based upon, arising out of, or relating to any actual or alleged breach of any **Organizational Document**.

2. Employment Related



based upon, or arising out of, any employment related matter involving any **Insured Person** or any applicant for employment with an **Insured Entity**.

3. **ERISA/COBRA**

for any actual or alleged violation of the responsibilities, obligations, or duties imposed upon fiduciaries by **ERISA, COBRA or any Similar Act** in connection with an **Insured Entity's** pension, employee benefit, or welfare plans.

4. **Illegal Profits/Deliberate Acts**

based upon or arising out of:

- (a) an **Insured** gaining any profit, remuneration, or financial advantage to which such **Insured** was not legally entitled; provided that this exclusion shall not apply to **Loss** in a **Securities Claim** attributable to actual or alleged violations of Section 11, 12, or 15 of the Securities Act of 1933, as amended; or
- (b) the committing of any deliberate criminal, or fraudulent act or omission, or any willful violation of law or regulation by an **Insured**,

established by a final non-appealable adjudication in any underlying action or proceeding other than a coverage action to determine the rights and responsibilities of any party to this Policy.

For purposes of determining the applicability of this exclusion:

- i. the conduct of an **Insured Person** shall not be imputed to any other **Insured Person**; and
- ii. only the conduct of a **Responsible Person** shall be imputed to the **Named Insured**.

5. **Insured Entity vs. Insured**

- (a) brought or maintained by, or on behalf of, an Insured Entity against another Insured Entity, or
- (b) brought or maintained by, or on behalf of, any:
 - i. Insured Entity against any Insured Person, or
 - ii. **Outside Entity** against an **Insured Person** serving in his/her capacity for such **Outside Entity**;

provided that this exclusion 5(b) shall not apply to any:

- a. **Defense Costs** which constitute **Non-Indemnifiable Loss**;
- b. **Shareholder Derivative Suit**;
- c. **Claim** brought, or maintained, at the recommendation of independent counsel, (such counsel approved by the Insurer), and the failure to make such **Claim** would result in liability of the **Independent Directors**;
- d. **Claim** against an **Insured Person** no longer serving in his/her insured capacity;
- e. **Claim** brought or maintained by, or on behalf of, an **Insured Entity** or **Outside Entity** while in **Financial Insolvency**; or
- f. **Claim** brought and maintained outside the United States or any common law jurisdiction.

6. **Prior Notice**

based upon or arising out of any **Wrongful Act** or any matter, fact, circumstance, situation, transaction, or event that has been the subject of any notice accepted under any policy of which this Policy is a direct or indirect renewal or replacement.

7. **Prior or Pending**

based upon or arising out of, or attributable to the same facts, circumstances, situations, transactions, or events, or the same series of facts, circumstances, situations, transactions, or events underlying or alleged in, any written demand, request, action, proceeding, claim, or **Claim** commenced against any **Insured** on or prior to the Prior or Pending Date set forth in Item 8. of the Declarations.

IV. LIMIT OF LIABILITY/RETENTION/INDEMNIFICATION/ADVANCEMENT OF DEFENSE COSTS

1. **Limits of Liability**

(a) **Policy Aggregate Limit of Liability**

The amount set forth Item 6.a. of the Declarations as the Policy Aggregate Limit of Liability is the maximum aggregate limit of the Insurer's liability for all **Loss** under all Coverage Parts of the Policy arising from **Claims** or **Shareholder Derivative Demands** first made against the **Insureds** during the **Policy Period**.

Each Coverage Part Aggregate Limit of Liability shall be part of, and not in addition to, the amount stated in Item 6.a. of the Declarations as the Policy Aggregate Limit of Liability for all **Loss** arising from all **Claims** or **Shareholder Derivative Demands** first made against the **Insureds** during the **Policy Period**.

(b) **Coverage Part Aggregate Limit of Liability**

The amount stated in Item 6.b. of the Declarations as the Coverage Part Aggregate Limit of Liability with respect to each Coverage Part shall be the aggregate limit of liability of the Insurer under such Coverage Part for all **Loss** arising from all **Claims** or **Shareholder Derivative Demands** first made against the **Insureds** during the **Policy Period**.

In the event more than one Coverage Part applies to a **Claim**, the higher Limit of Liability available for such **Claim** shall apply. In the event more than one Insuring Agreement in a Coverage Part applies to a **Claim**, the higher Limit of Liability available for such **Claim** shall apply.

(c) **Shareholder Derivative Demand Investigation Costs Sublimit of Liability**

The **Shareholder Derivative Demand Investigation Costs** Sublimit of Liability set forth in Item 6.c. of the Declarations is the aggregate limit of the Insurer's liability for all **Shareholder Derivative Demand Investigation Costs** arising from all **Shareholder Derivative Demands**, regardless of the number of **Shareholder Derivative Demands**, or Coverage Parts affording such coverage. The **Shareholder Derivative Demand Investigation Costs** Sublimit of Liability shall be part of and not in addition to the Policy Aggregate Limit of Liability set forth in Item 6.a. of the Declarations.

2. **Retention**

(a) The Insurer shall only be liable for **Loss** that is in excess of the applicable Retention stated in Item 7. of the Declarations for the applicable Coverage Part. Any applicable Retention shall be uninsured and borne by the **Insured**.

(b) A single Retention shall apply to **Loss** arising from all **Claims** alleging the same **Wrongful Act** or **Interrelated Wrongful Acts**. In the event that more than one Retention applies to **Loss** arising from a **Claim**, the higher Retention shall apply.

(c) If the **Insured Entity** is indemnifying an **Insured Person** for **Non-Party Witness Fees**, the applicable Retention shall apply.

(d) No Retention applies with respect to:
i. **Non-Indemnifiable Loss**; or
ii. a **Shareholder Derivative Demand**.

3. **Presumptive Indemnification and Advancement of Defense Costs**

It is agreed that each **Insured Entity** shall fulfill its indemnification obligations to each **Insured Person** to the fullest extent permitted by law.



The Insurer shall advance **Defense Costs** on a current basis, but no later than ninety (90) days after receipt and review of the legal bills and any supporting documentation reasonably requested by the Insurer. In the event that an **Insured Person** makes a written request for indemnification from an **Insured Entity** and the **Insured Entity** fails to respond, or refuses to indemnify an **Insured Person** within sixty (60) days of such request, then the Insurer, shall advance **Defense Costs**. Such advancement will continue until such time that the **Insured Entity** accepts the **Insured Person's** request for indemnification or the applicable Limit of Liability set forth in the Declarations has been exhausted, whichever occurs first.

The Insurer reserves all rights to recoupment with respect to any advancement of **Defense Costs**. Any such advancement of **Defense Costs** shall be repaid to the Insurer by the **Insureds**, severally according to their respective interests, if and to the extent it is determined that such **Defense Costs** are not insured under this Policy. The Insurer shall not seek repayment from an **Insured** of advanced **Defense Costs** that are uninsured pursuant to Exclusion 4, Conduct, in Section III, Exclusions, unless established by a final, non-appealable adjudication as specified therein.

Any advancement of **Defense Costs** by the Insurer shall reduce the respective Limit of Liability set forth in the Declarations. If the Insurer recovers any such **Defense Costs** paid, the amount of such **Defense Costs**, less all costs incurred by the Insurer to obtain such recovery, shall be applied to the applicable Coverage Part Limit of Liability.

V. COOPERATION/ CONSENT/DUTY TO DEFEND/ ALLOCATION

1. Cooperation

Each **Insured** shall, as a condition precedent to obtaining coverage under the Policy, give the Insurer full cooperation, assistance, and information as the Insurer may reasonably request. The **Insureds** shall do nothing that in any way increases the Insurer's liabilities or prejudices the Insurer's potential or actual rights of recovery. The failure of any **Insured Person** to give the Insurer cooperation, assistance, and information as required hereunder shall not impair the rights of any other **Insured Person** under this Policy.

2. Insurer's Consent

Subject to the next paragraph, the **Insureds** shall not agree to any settlement, make any offer of settlement, stipulate to any judgment, incur any **Defense Costs**, **Loss**, **Shareholder Derivative Investigative Costs**, **Extradition Costs**, **Facilitation Costs**, **Non-Party Witness Fees**, or any similar cost or expense, or admit any liability or assume any contractual obligation, without the Insurer's prior written consent, such consent not to be unreasonably withheld.

Notwithstanding the above, if the **Insureds** are able to settle all **Claims**, including all **Interrelated Wrongful Acts**, for an aggregate amount, including **Defense Costs**, not exceeding the applicable Retention, the Insurer's consent shall not be required for the settlement of such **Claims**.

3. Duty to Defend

The **Insureds** shall have the duty to defend under this Policy. The Insurer shall be entitled to effectively associate in the defense and the negotiation of any settlement of any **Claim**, payment of any **Loss**, costs, or expenses that appears reasonably likely to exceed the applicable Retention.

4. Allocation

The Insurer and the **Insureds** shall use their best efforts to determine a fair and proper allocation between **Loss** and any amount that is not covered **Loss** or any other amount, based on the relative legal and financial exposures of the covered parties to the covered matters. Failure of the Insurer and the **Insured** to agree to an allocation determination shall not preclude the Insurer from advancing **Defense Costs** in accordance with paragraph 3 in Section IV, Limit of Liability/Retention/Indemnification/ Advancement of Defense Costs.

If the **Insureds** and the Insurer cannot, after exerting their best efforts, agree on an allocation of insured and uninsured **Defense Costs**, the Insurer then shall advance the percentage of **Defense Costs** which the



Insurer states to be fair and proper until a different allocation is agreed upon or determined pursuant to the provisions of this Policy and applicable law.

Any allocation or advancement of **Defense Costs** shall not apply to or create any presumption with respect to the allocation of other **Loss**.

VI. SUBROGATION

To the extent it pays any **Loss**, the Insurer shall be subrogated to all the **Insureds'** rights of recovery, including any right to indemnification from any entity, insurer, or other source. The **Insureds** shall cooperate and assist in securing such rights of recovery and indemnification.

VII. NOTICE AND INTERRELATED CLAIMS

1. Notice of Claim

The **Insureds** shall, as a condition precedent to the obligations of the Insurer under this Policy, give written notice to the Insurer of each **Claim** as soon as practicable after a **Responsible Person** first becomes aware of such **Claim**, but in no event later than:

- (a) ninety (90) days after the termination or expiration of the **Policy Period** or Coverage Part, provided that the Policy has not been renewed by the Insurer or extended by purchase of an **Extended Reporting Period**; or
- (b) the expiration of the **Extended Reporting Period**.

2. Notice of Circumstances

Should a **Responsible Person** elect to provide notice of circumstances which may reasonably be expected to give rise to a **Claim**, such notice shall be in writing and include the basis of the potential **Claim**, the alleged or potential **Wrongful Acts**, the remedy and potential damages sought, the parties involved, and when the **Insured** first became aware of such circumstances or allegations. Any **Claim** otherwise covered pursuant to this Policy that is subsequently made and that arises out of such notice of circumstances shall be deemed to have been first made during the **Policy Period** in which such written notice was received by the Insurer.

3. Request for Specified Cost or Fees

In the event that the **Insured** seeks coverage for **Shareholder Derivative Demand Investigative Costs**, or **Non-Party Witness Fees**, the **Insured** must submit a written notice to the Insurer which provides:

- (a) the date the **Shareholder Derivative Demand** was first received and a copy of the demand, and if not contained within the demand: identification of the parties involved and the remedy sought; or
- (b) with respect to **Non-Party Witness Fees**, the circumstances for the **Non-Party Witness Fee** request, including when the **Insured** was first advised of the circumstances and the nature of the testimony sought.

Any **Claim** otherwise covered pursuant to this Policy that is subsequently made and that arises out of a noticed **Shareholder Derivative Demand** shall be deemed to have been first made during the **Policy Period** in which such written notice was received by the Insurer.

4. Interrelatedness

With respect to any **Claims** involving the same **Wrongful Act** or **Interrelated Wrongful Acts** such **Claims** shall be deemed one **Claim** which was first made on the earlier of:

- (a) the date on which the earliest such **Claim** was first made; or
- (b) the earliest date valid notice was given by an **Insured** to the Insurer under this Policy or under any prior policy of any **Wrongful Act** or any fact, circumstance, situation, event, or transaction that underlies any such **Claim**.

In no event shall an individual lawsuit or proceeding constitute more than one **Claim**.



5. **To Whom Notices are Sent**

The **Insureds** shall give written notice to the Insurer by regular mail or email sent to the addresses specified in the Declarations. With proof of mailing, the date the written notice was sent shall be deemed the effective date of notice.

VIII. EXTENDED REPORTING PERIOD

1. If this Policy, or one or more Coverage Part(s), is canceled, or terminates for any reason other than non-payment of premium, the **Insureds** shall have the right to purchase an **Extended Reporting Period** for the premium and time period stated in Item 5. of the Declarations. In the event one or more Coverage Part is canceled or terminated, any purchased **Extended Reporting Period** shall apply only to such canceled or terminated Coverage Part(s).
2. The right to an **Extended Reporting Period** shall lapse unless written notice of election to purchase such Extended Reporting Period, together with payment of the specified premium, is received by the Insurer within sixty (60) days after the effective date of cancellation or termination of the Policy, or Coverage Part. In the event the **Named Insured** elects not to purchase an **Extended Reporting Period** and an individual **Insured** or group of **Insureds** elects to purchase such **Extended Reporting Period**, such **Extended Reporting Period** shall only apply to **Claims** against such **Insured** or group of **Insureds**, subject to paragraph 3 below.
3. If an **Insured** elects to purchase an **Extended Reporting Period**, coverage otherwise afforded by this Policy shall apply, subject to all terms and conditions, provided that such coverage will extend only to **Claims** that are: (a) first made during the **Extended Reporting Period**; (b) reported in accordance with paragraph 1, Notice of Claim in Section VII, Notice and Interrelated Claims; and (c) for **Wrongful Acts** taking place before the effective date of such cancellation or termination.
4. Any **Extended Reporting Period** purchased shall become part of the **Policy Period** extending such **Policy Period** to the expiration of the time period stated in Item 5. of the Declarations.
5. The premium for the **Extended Reporting Period** shall be deemed fully earned at the inception of the **Extended Reporting Period**.
6. There is no separate or additional Limit of Liability for any **Extended Reporting Period**.

IX. TERMINATION OR CANCELLATION

The Policy shall terminate at the earliest of the following events:

1. expiration of the **Policy Period**;
2. termination by the Insurer only for nonpayment of premium, in which case the Insurer shall provide to the **Named Insured** written notice of such termination which shall be effective twenty (20) days after receipt by the **Named Insured**; or
3. cancellation by the **Named Insured** by providing notice to the Insurer stating when such cancellation shall be effective.

Any return of premium shall be computed on a pro rata basis.

X. REPRESENTATIONS AND SEVERABILITY OF THE APPLICATION

The **Insureds** represent and acknowledge that the statements, representations, and information in the **Application** are true and accurate. This Policy is issued in reliance upon the truth and accuracy of such statements, representations, and information.



The **Application** is deemed a separate request for coverage by each **Insured**. As such, with respect to any statements, representations, and information in the **Application**, no knowledge possessed by any **Insured Person** shall be imputed to any other **Insured Person**.

In the event the statements, representations, or information in the **Application** contain any actual or knowing misrepresentation or omission which materially affects either the acceptance of the risk or the hazard assumed by the Insurer under this Policy, there shall be no coverage for any **Loss** on account of any **Claim** alleging, arising out of, or based upon any such misrepresentations or omissions:

1. with respect to any **Insured Person** who knew of such misrepresentations or omissions. For purposes of this paragraph, the knowledge of any **Insured Person** shall not be imputed to any other **Insured Person**;
2. with respect to the **Insured Entity**, to the extent it indemnifies any **Insured Person** identified in paragraph 1. above as having knowledge of the such misrepresentations or omissions, and
3. with respect to the **Named Insured**, if any **Responsible Person** knew of such misrepresentations or omissions.

The Insurer shall not be entitled to rescind or void this Policy with respect to any **Insured**.

XI. CHANGE OF CONTROL OR STATUS OF INSURED

1. SUBSIDIARIES

(a) Acquisition or Creation of a Subsidiary

- i. Subject to paragraph ii. below, if before or during the **Policy Period** an **Insured Entity** acquires or creates **Management Control** of another entity, such that the acquired or newly created entity becomes a **Subsidiary**, then such **Subsidiary** and the **Insured Persons** thereof, shall be **Insureds** only with respect to **Wrongful Acts** occurring after such acquisition or creation.
- ii. If a **Subsidiary** is acquired or created during the **Policy Period** pursuant to paragraph i. above and the total assets of such **Subsidiary** exceed twenty-five percent (25%) of the total assets of the **Named Insured** (as reflected in the most recent audited consolidated financial statements of such **Subsidiary** and the **Named Insured**, respectively, as of the date of such acquisition or creation), then the **Named Insured**, no later than sixty (60) days after the date of such acquisition or creation, shall provide written notice of such acquisition or creation to the Insurer together with all information the Insurer may reasonably require. Coverage for any such acquired or created **Subsidiary** and its **Insured Persons** may be subject to additional or different terms and conditions and payment of additional premium.

If the **Named Insured** fails to give such notice and information in accordance with the foregoing, or refuses to accept additional or different terms and conditions or payment of additional premium, coverage for such acquired or created **Subsidiary** and its **Insured Persons** shall terminate with respect to **Claims** first made more than sixty (60) days after such acquisition or creation. Such coverage shall not be eligible for any **Extended Reporting Period** purchase.
- iii. There shall be no coverage under this Policy for any **Wrongful Act** or **Interrelated Wrongful Act** by any **Subsidiary** or by any persons or entities considered to be **Insureds** in i. or ii above, where such **Wrongful Act** or **Interrelated Wrongful Act** occurred in whole or in part before the effective date of the acquisition or creation of the **Subsidiary** by the **Insured Entity**.

(b) Cessation of a Subsidiary

If, during the **Policy Period**, an **Insured Entity** ceases to be a **Subsidiary**, then with respect to such **Subsidiary** and its **Insured Persons**, coverage shall continue for **Claims** for **Wrongful Acts** or **Interrelated Wrongful Acts** while such **Insured Entity** was a **Subsidiary** until this Policy is terminated or canceled. The Insurer reserves the right to offer an extension of coverage subject to additional or different terms and conditions and payment of additional premium.

2. FUNDS

(a) Omnibus Fund Coverage

Subject to paragraph (b) below, if before or during the **Policy Period**, the **Named Insured** or an **Insured Entity** purchases, sponsors, creates, or acquires control of a new entity or vehicle such that the newly created entity or vehicle becomes a **Fund**, then such **Fund** and the **Insured Persons** thereof, shall be **Insureds** only with respect to **Wrongful Acts** occurring after such purchase, sponsorship, creation, or acquisition.

(b) Fund in Excess of Assets Under Management Threshold

If a **Fund** is established during the **Policy Period** pursuant to paragraph (a) above and the total assets of such **Fund** exceeds twenty-five percent (25%) of the combined assets under management of all the **Insured Entities** (as reflected in the most recent audited consolidated financial statements of such **Fund** and the **Insured Entities**, respectively, as of the date of such purchase, sponsorship, creation, or acquisition) then the **Named Insured**, no later than sixty (60) days after the date of such purchase, sponsorship, creation, or acquisition shall provide written notice of such purchase, sponsorship, creation, or acquisition to the Insurer together with all information the Insurer may reasonably require. Coverage for any such **Fund** and its **Insured Persons** may be subject to additional or different terms and conditions and payment of additional premium.

If the **Named Insured** fails to give such notice and information in accordance with the immediate preceding paragraph above, or refuses to accept additional or different terms and conditions or payment of additional premium, coverage for such **Fund** and its **Insured Persons** shall terminate with respect to **Claims** first made more than sixty (60) days after such purchase, sponsorship, creation, or acquisition. Such termination of coverage shall not be eligible for any **Extended Reporting Period** purchase.

There shall be no coverage under this Policy for any **Wrongful Act** or **Interrelated Wrongful Act** by any **Fund** or by any persons or entities considered to be **Insureds** in (a) or (b) above, where such **Wrongful Act** or **Interrelated Wrongful Act** occurred in whole or in part before the effective date of the purchase, sponsorship, creation, or acquisition of the **Fund** by the **Named Insured** or **Insured Entity**.

(c) Cessation of a Fund

If, during the **Policy Period**, a **Fund** ceases to exist, then with respect to such **Fund** and its **Insured Persons**, coverage shall continue for **Claims** for **Wrongful Acts** while such **Fund** was an **Insured Entity** and in existence until this Policy is terminated or canceled. The Insurer reserves the right to offer an extension of coverage subject to additional or different terms and conditions and payment of additional premium.

3. TAKEOVER

In the event of a **Takeover**, during the **Policy Period**, coverage under this Policy shall continue until this Policy is otherwise terminated or canceled, but only with respect to **Claims** for **Wrongful Acts** occurring before the effective date of the **Takeover**, unless:

- (a) the Insurer is notified in writing of the **Takeover** prior to the **Takeover** effective date;
- (b) the Insurer agrees in writing to provide coverage for **Wrongful Acts** occurring on or after such effective date, subject to additional or different terms and conditions and payment of additional premium; and
- (c) the **Named Insured** accepts any additional or different terms and conditions and payment of additional premium required by the Insurer.



This Policy may not be canceled after the effective date of the **Takeover** and the entire premium for this Policy shall be deemed earned as of such effective date.

XII. OTHER INSURANCE

1. In the event **Loss** covered under this Policy is also covered under any other valid and collectible insurance policy, then this Policy shall apply as excess of the applicable retention and limit of liability of such other policy, unless such other insurance is written specifically as excess insurance of the Limits of Liability provided by this Policy. Notwithstanding the foregoing, this Policy shall apply as primary with respect to any personal umbrella or personal directorship liability insurance purchased by an **Insured Person**.
2. Any coverage afforded by this Policy shall apply specifically as excess of, and shall not contribute with, any fiduciary, environmental, cyber or employment practices liability policy.
3. Any coverage afforded by this Policy for a **Claim** against an **Executive** serving in his/her capacity as such for an **Outside Entity** shall apply specifically as excess of any insurance and/or indemnification available to such **Executive** from such **Outside Entity**. Provided however, any payment by the Insurer, or any affiliate of the Insurer, under another policy as a result of such **Claim** against an **Executive** while acting as such for an **Outside Entity** shall reduce, by the amount of such payment, the Insurer's Limit of Liability under this Policy with respect to such **Claim**.

XIII. ESTATES, LEGAL REPRESENTATIVES AND SPOUSES

The estates, heirs, legal representatives, assigns, spouses, and any **Domestic Partner** of **Insured Persons** shall be considered **Insureds** under this Policy; provided, coverage is afforded to such estates, heirs, legal representatives, assigns, spouses, and **Domestic Partners** only for a **Claim** arising solely out of their status as such and, in the case of a spouse or **Domestic Partner**, where such **Claim** seeks damages from marital community property, jointly held property, or property transferred from an **Insured Person** to such **Insured Person's** spouse, or **Domestic Partner**. No coverage is provided for any act, error, or omission of an estate, heir, legal representative, assign, spouse or **Domestic Partner** of an **Insured Person**. All terms and conditions of this Policy, including without limitation the Retention, applicable to **Loss** incurred by an **Insured Person**, shall also apply to **Loss** incurred by such estates, heirs, legal representatives, assigns, spouses, and **Domestic Partners**.

XIV. BANKRUPTCY

Bankruptcy or insolvency of any **Insured Entity** or any **Insured Person** shall not relieve the Insurer of any of its obligations hereunder.

The **Named Insured**, any **Insured Entity** and all **Insured Persons** agree not to oppose or object to any efforts by the Insurer or any **Insured** to obtain relief from any stay or injunction applicable to the proceeds of this Policy as a result of the commencement of any bankruptcy or insolvency proceeding.

XV. PRIORITY OF PAYMENTS

Any coverage afforded by this Policy is principally intended to benefit the **Insured Persons**. In the event that **Non-Indemnifiable Loss** and any other **Loss** are concurrently due, then the **Non-Indemnifiable Loss** shall be paid first. All other **Loss** shall be paid as it becomes due in accordance with the terms and conditions of this Policy.

XVI. NO ACTION AGAINST INSURER

1. No action shall be taken against the Insurer unless, as a condition precedent, there shall have been full compliance with all the provisions of this Policy.
2. No person or entity shall have any right under this Policy to join the Insurer as a party to any **Claim** against an **Insured** to determine such **Insured's** liability, nor shall the Insurer be impleaded by an **Insured** or their legal representatives in any such **Claim**.

XVII. CHANGES OR ASSIGNMENT



Notice to, or knowledge possessed by, any agent or other person acting on behalf of the Insurer shall not effect a waiver or a change in any part of this Policy or prevent the Insurer from asserting any right under the provisions of this Policy. The provisions of this Policy cannot be waived or changed except by written endorsement issued to form a part of this Policy.

Further, any assignment of interest under this Policy shall not bind the Insurer unless the Insurer's consent to such assignment is endorsed to this Policy.

XVIII. TERRITORY

Coverage shall apply worldwide.

XIX. NAMED INSURED AUTHORIZATION AND NOTICE

The **Insureds** agree that the **Named Insured** will act on behalf of all **Insureds** with respect to giving of all notice to the Insurer (except notices provided under Section VII, Notices and Interrelated Claims), the receipt of notices from the Insurer, the payment of the premiums, the receipt of any return premiums that may become due under this Policy, and the agreement to and acceptance of endorsements.

Any notices to the **Named Insured** under this Policy shall be provided to the **Named Insured** at the address provided in Item 1. of the Declarations. If properly mailed to the **Named Insured** at such address, the date of mailing shall constitute the date such notice was given.

XX. ENTIRE AGREEMENT

The **Insureds** agree that this Policy, including the **Application**, constitute the entire contract existing between them and the Insurer or any of its agents relating to this insurance.

XXI. VALUATIONS

All premiums, limits, retentions, **Loss**, and other amounts under this Policy are expressed and payable in United States of America currency. If any judgment, settlement, or any part of **Loss** is expressed or calculated in any other currency, payment of such **Loss** due under this Policy will be made in the currency of the United States of America, at the rate of exchange published in The Wall Street Journal on the date the Insurer's obligation to pay such **Loss** is established, or, if not published on that date, on the date of next publication.

XXII. TRADE AND ECONOMIC SANCTIONS

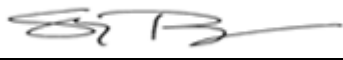
This Policy does not provide coverage for an **Insured**, transaction, or that part of loss that is uninsurable under the laws or regulations of the United States concerning trade or economic sanctions.

IN WITNESS WHEREOF, the Insurer has caused this Policy to be executed by its Chairman and Secretary, but this Policy shall not be binding upon us unless completed by the attachment of the Declarations.

Chairman



Secretary





INVESTMENT MANAGEMENT LIABILITY SOLUTIONS

INVESTMENT ADVISER MANAGEMENT LIABILITY COVERAGE PART

I. INSURING AGREEMENTS

1. **Management Liability (Individual)**

The Insurer shall pay **Non-Indemnifiable Loss** on behalf of an **Insured Person** resulting from any **Claim** first made against such **Insured Person** during the **Policy Period**.

2. **Management Liability (Reimbursement)**

The Insurer shall pay **Loss** on behalf of an **Insured Entity**, for which an **Insured Entity** has indemnified an **Insured Person**, resulting from any **Claim** first made against such **Insured Person** during the **Policy Period**.

3. **Insured Entity Securities Liability**

The Insurer shall pay **Loss** on behalf of an **Insured Entity** resulting from a **Securities Claim** first made against such **Insured Entity** during the **Policy Period**.

4. **Shareholder Derivative Demand Investigation Costs**

The Insurer shall pay **Shareholder Derivative Demand Investigation Costs** on behalf of an **Insured Entity** resulting from any **Shareholder Derivative Demand** first made during the **Policy Period**.

II. SPECIAL DEFINITIONS

These definitions are in addition to the definitions set forth in the Section II, Definitions found in the General Terms and Conditions:

Independent Director means any past, present, or future duly elected or appointed director of an **Insured Entity** who has never been an officer or **Employee** of any **Insured Entity**.

Insured Entity shall mean the **Named Insured** and any **Subsidiary**.

Loss means those amounts that an **Insured** is legally obligated to pay as a result of any **Claim**, including awards, settlements, judgments, pre-judgment and post-judgment interest, plaintiffs' attorney fees, and costs agreed to in settlement of, or imposed as a result of a judgment. **Loss** shall include **Facilitation Costs**, **Extradition Costs**, **Non-Party Witness Fees**, and **Defense Costs**.

Loss shall also include:

1. punitive, exemplary, and multiplied damages if such punitive or exemplary damages are insurable in the jurisdiction which is most favorable to the **Insured**, provided that such jurisdiction has a substantial relationship to the relevant **Insureds**, to the Insurer, or to the **Claim** giving rise to such damages;
2. solely with respect to an **Insured Person**, penalties assessed against such **Insured Person** pursuant to the Foreign Corrupt Practices Act, 15 U.S.C. Sec. 78dd-2(g)(2)(B); and
3. solely with respect to Insuring Agreement 4, **Shareholder Derivative Demand Investigation Costs**.

However, **Loss**, other than **Defense Costs**, shall not include:

- (a) any amount attributable to the cost of any non-monetary relief, including without limitation any costs associated with compliance with any injunctive relief of any kind or nature;
- (b) fines, penalties, or taxes assessed or imposed against an **Insured**, with the exception of penalties in paragraph 2 above;
- (c) matters which are deemed uninsurable under the law pursuant to which this Policy is construed;
- (d) any amount for which an **Insured** is absolved from payment by reason of any covenant, agreement, or court order;



- (e) payment of any dividends or other similar profit distributions of the **Insured Entity** to any shareholder, stakeholder, or equity holder of the **Insured Entity**;
- (f) **Clean-Up Costs**;
- (g) the return of any fees, charges, or expenses; or
- (h) awards, settlements or judgments in connection with an **Inadequate Consideration Claim**.

Provided however, that the Insurer shall not assert that the portion of any damage, judgment, or settlement or **Defense Costs** that relate to any alleged violations of Section 11, 12, or 15 of the Securities Act of 1933 (as amended), is uninsurable and shall treat that portion of such damage, judgment, or settlement or **Defense Costs** as constituting **Loss** under this Policy, subject to all terms, conditions and exclusions of this Policy.

Professional Services means:

1. providing financial or economic advice regarding investments;
2. the trading of futures contracts and the trading of fixed income securities;
3. performing or meeting the responsibilities, obligations, or duties imposed upon fiduciaries by Sections 3(21) and 3(38) of the Employee Retirement Income Security Act of 1974, as amended;
4. investment and portfolio management, and asset allocation services;
5. the selection and oversight of investment advisers or third party service providers; or
6. the publication of written material in connection with any of the activities and services set forth in paragraphs 1. through 5. above,

provided the above are rendered by an **Insured** for, or on behalf of a **Professional Services Client** or **Fund**.

Wrongful Act means any actual or alleged error, misstatement, misleading statement, act, omission, neglect, or breach of duty committed, attempted or allegedly committed or attempted, by:

1. an **Executive** or **Additional Insured** in: (a) his/her capacity as such; or (b) any matter claimed against such **Executive** or **Additional Insured** solely by reason of his/her status as such;
2. an **Employee** in his/her capacity as such, but solely with respect to any **Securities Claim**; or
3. solely with respect to Insuring Agreement 3, an **Insured Entity**.

III. SPECIAL EXCLUSIONS

The following exclusions are in addition to the exclusions set forth in Section III, General Policy Exclusions found in the General Terms and Conditions:

The Insurer shall not be liable for **Loss** under this Policy in connection with any **Claim**:

- **Bodily Injury/Property Damage**

for any actual or alleged bodily injury (including death), sickness, disease, violation of any right of privacy, emotional distress, mental anguish, libel, slander or defamation of any person, or damage to or destruction of any tangible property including loss of use, provided that this exclusion shall not apply to any **Securities Claim** or **Non-Indemnifiable Loss**.

- **Professional Services**

for the rendering of, or the failure to render, any **Professional Services**.



INVESTMENT MANAGEMENT LIABILITY SOLUTIONS

INVESTMENT ADVISER PROFESSIONAL LIABILITY COVERAGE PART

I. INSURING AGREEMENTS

Investment Adviser Professional Liability

The Insurer shall pay **Loss** on behalf of an **Insured** resulting from any **Claim** first made against such **Insured** during the **Policy Period**.

II. SPECIAL DEFINITIONS

These definitions are in addition to the definitions set forth in Section II, Definitions found in the General Terms and Conditions:

Independent Director means any past, present, or future duly elected or appointed director of an **Insured Entity** who has never been an officer or **Employee** of any **Insured Entity**.

Insured Entity shall mean the **Named Insured** and any **Subsidiary**

Loss means those amounts that an **Insured** is legally obligated to pay as a result of any **Claim**, including awards, settlements, judgments, pre-judgment and post-judgment interest, plaintiffs' attorney fees, and costs agreed to in settlement of, or imposed as a result of a judgment. **Loss** shall include **Non-Party Witness Fees** and **Defense Costs**.

Loss shall also include punitive, exemplary, or multiplied damages if such punitive or exemplary damages are insurable in the jurisdiction which is most favorable to the **Insured**, provided that such jurisdiction has a substantial relationship to the relevant **Insureds**, to the Insurer, or to the **Claim** giving rise to such damages.

However, **Loss**, other than **Defense Costs**, shall not include:

- (a) any amount attributable to the cost of any non-monetary relief, including without limitation any costs associated with compliance with any injunctive relief of any kind or nature;
- (b) fines, penalties, or taxes assessed or imposed against an **Insured**;
- (c) matters which are deemed uninsurable under the law pursuant to which this Policy shall be construed;
- (d) any amount for which an **Insured** is absolved from payment by reason of any covenant, agreement, or court order;
- (e) payment of any dividends or other similar profit distributions of the **Insured Entity** to any shareholder, stakeholder, or equity holder of the **Insured Entity**;
- (f) the return of any fees, expenses, or charges; or
- (g) **Clean-Up Costs**.

Professional Services means:

- 1. providing financial or economic advice regarding investments;
- 2. the trading of futures contracts and the trading of fixed income securities;
- 3. performing or meeting the responsibilities, obligations, or duties imposed upon fiduciaries by Sections 3(21) and 3(38) of the Employee Retirement Income Security Act of 1974, as amended;
- 4. investment and portfolio management, and asset allocation services;
- 5. the selection and oversight of investment advisers or third party service providers; or
- 6. the publication of written material in connection with any of the activities and services set forth in paragraphs 1. through 5. above,

provided the above are rendered by an **Insured** for, or on behalf of, a **Professional Services Client** or **Fund**.

Professional Services shall not include any **Investment Banking Services** unless neither the **Insured** nor the client is a party or participant in the investment banking transaction.



Wrongful Act means any actual or alleged error, misstatement, misleading statement, act, omission, neglect, or breach of duty committed, attempted, or allegedly committed or attempted by an **Insured** (or any entity or natural person for whose acts the **Insured** is contractually or legally liable) while acting in such capacity, in the rendering of, or failing to render **Professional Services**.

III. SPECIAL EXCLUSIONS

The following exclusions are in addition to the exclusions set forth in Section III, General Policy Exclusions found in the General Terms and Conditions:

The Insurer shall not be liable to pay for **Loss** under this Policy in connection with any **Claim**:

- **Bodily Injury/Property Damage**

for any actual or alleged bodily injury (including death), sickness, violation of any right of privacy, disease, emotional distress, mental anguish, libel, slander or defamation of any person, or damage to or destruction of any tangible property, including loss of use thereof.

- **Securities Broker or Dealer**

for liability involving the activities of any **Insured** as a "broker" or "dealer" in securities, as defined in Sections 3(a)(4) and 3(a)(5), respectively, of the Securities Exchange Act of 1934; provided, that this exclusion shall not apply to the distribution, underwriting, or resale of securities purchased by an **Insured** directly from a **Registered Fund** solely for resale to shareholders of that fund.



INVESTMENT MANAGEMENT LIABILITY SOLUTIONS

FUND MANAGEMENT AND PROFESSIONAL LIABILITY COVERAGE PART

I. INSURING AGREEMENTS

1. **Fund Management and Professional Liability**

The Insurer shall pay **Loss** on behalf of the **Fund Insureds** resulting from any **Claim** first made against any **Fund Insured** during the **Policy Period**.

2. **Shareholder Derivative Demand Investigation Costs**

The Insurer shall pay **Shareholder Derivative Demand Investigation Costs** on behalf of an **Insured Entity** resulting from any **Shareholder Derivative Demand** first made during the **Policy Period**.

II. SPECIAL DEFINITIONS

These definitions are in addition to the definitions set forth in Section II, Definitions found in the General Terms and Conditions:

Fund Insureds means any **Fund** and its **Insured Persons**.

Independent Director means:

1. with respect to a **Private Fund** any past, present, or future duly elected or appointed director who has not and has never been an officer or **Employee** of the **Private Fund**; or
2. with respect to a **Registered Fund**, any director of a **Registered Fund** who is not an "Interested Person" of such **Registered Fund** as defined in Section 2(a)(19) of the Investment Company Act of 1940.

Insured Entity shall mean any **Fund**.

Loss means those amounts that an **Insured** is legally obligated to pay as a result of any **Claim**, including awards, settlements, judgments, pre-judgment and post-judgment interest, plaintiffs' attorney fees, and costs agreed to in settlement of, or imposed as a result of a judgment. **Loss** shall include **Facilitation Costs**, **Extradition Costs**, **Non-Party Witness Fees**, and **Defense Costs**.

Loss shall also include:

1. punitive, exemplary, and multiplied damages if such punitive or exemplary damages are insurable in the jurisdiction which is most favorable to the **Insured**; provided that such jurisdiction has a substantial relationship to the relevant **Insureds**, to the Insurer, or to the **Claim** giving rise to such damages;
2. solely with respect to an **Insured Person**, penalties assessed pursuant to the Foreign Corrupt Practices Act, 15 U.S.C. Sec. 78dd-2(g)(2)(B); and
3. solely with respect to Insuring Agreement 2, **Shareholder Derivative Demand Investigation Costs**.

However, **Loss**, other than **Defense Costs**, shall not include:

- (a) any amount attributable to the cost of any non-monetary relief, including without limitation any costs associated with compliance with any injunctive relief of any kind or nature;
- (b) fines, penalties, or taxes assessed or imposed against an **Insured**, with the exception of penalties in paragraph 2 above;
- (c) matters which are deemed uninsurable under the law pursuant to which this Policy is construed;
- (d) any amount for which an **Insured** is absolved from payment by reason of any covenant, agreement, or court order;
- (e) payment of any dividends or other similar profit distributions of the **Insured Entity** to any shareholder, stakeholder, or equity holder of the **Insured Entity**;
- (f) **Clean-Up Costs**;



- (g) the return of any fees, expenses, or charges;
- (h) awards, settlements or judgments in connection with an **Inadequate Consideration Claim**; or
- (i) the amount that represents the return of any contribution of capital to any **Insured Person** or **Employee** or any **Fund**.

Provided however, that the Insurer shall not assert that the portion of any damage, judgment, or settlement or **Defense Costs** that relate to any alleged violations of Section 11, 12, or 15 of the Securities Act of 1933 (as amended), is uninsurable and shall treat that portion of such damage, judgment, or settlement or **Defense Costs** as constituting **Loss** under this Policy, subject to all terms, conditions and exclusions of this Policy.

Professional Services means:

- 1. the capitalization, formation, operation, management, administration, and marketing of a **Fund**;
- 2. providing financial or economic advice regarding investments by an **Insured** for, or on behalf of, a **Fund**;
- 3. portfolio and asset management services performed by an **Insured** for, or on behalf of, a **Fund**, or
- 4. the selection and oversight of outside service providers and unaffiliated investment advisers by an **Insured** for, or on behalf of, a **Fund**.

Professional Services shall not include any **Investment Banking Services**, other than **Investment Banking Services** with respect to shares issued by a **Fund**, or the restructuring of a **Fund** or the voting of shares held in portfolios of a **Fund**.

Wrongful Act means any actual or alleged error, misstatement, misleading statement, act, omission, neglect, or breach of duty committed, attempted, or allegedly committed or attempted, by:

- 1. any **Insured Person** of a **Fund** in: (a) his/her capacity as such; or (b) any matter claimed against such **Insured Person** solely by reason of his/her status as such;
- 2. a **Fund** in its capacity as such, except while acting in such capacity rendering, or failing to render, professional services; or
- 3. any **Fund Insured** while acting in such capacity, in the rendering of, or failing to render, **Professional Services**.

III. SPECIAL EXCLUSIONS

The following exclusions are in addition to the exclusions set forth in Section III, General Policy Exclusions found in the General Terms and Conditions:

The Insurer shall not be liable for **Loss** under this Policy in connection with any **Claim**:

- **Bodily Injury/Property Damage**

for any actual or alleged bodily injury (including death), sickness, violation of any right of privacy, disease, emotional distress, mental anguish, libel, slander or defamation of any person, or damage to or destruction of any tangible property, including loss of use, provided that this exclusion shall not apply to:

- 1. emotional distress, mental anguish, or any actual or alleged libel, slander, oral or written publication of defamatory or disparaging material solely arising out of the rendering of, or failing to render **Professional Services**;
- 2. **Securities Claim**, or
- 3. **Non-Indemnifiable Loss**.

- **Securities Broker or Dealer**

for liability involving the activities of any **Fund Insured** as a "broker" or "dealer" in securities, as defined in Sections 3(a)(4) and 3(a)(5), respectively, of the Securities Exchange Act of 1934, provided, that this exclusion shall not apply to the distribution, underwriting, or resale of securities purchased directly from a **Registered Fund** by a distributor for resale to any broker or dealer.



- **Unregistered Securities**

asserting liability under any federal or state securities laws arising from the selling of the securities of any **Registered Fund** in a particular jurisdiction without registering or in excess of the number registered for sale in such jurisdiction; provided, that this exclusion shall not be applicable to the difference between the net asset value at which the securities of any such **Registered Fund** were sold and the net asset value of such securities at the time of their repurchase.



AMENDATORY ENDORSEMENT - TEXAS

In consideration of the premium, it is understood and agreed that the Policy is amended as follows:

- I. Section VIII, Extended Reporting Period of the General Terms and Conditions of the Policy is deleted and replaced with the following:
 1. If this Policy, or one or more Coverage Part(s), is canceled, or terminates for any reason other than non-payment of premium, the **Insureds** shall be provided, at no additional charge, an Automatic **Extended Reporting Period** of thirty (30) days immediately following the end of the **Policy Period**. The Automatic **Extended Reporting Period** shall apply only to such canceled or terminated Coverage Part(s). During the Automatic **Extended Reporting Period** coverage otherwise afforded by this Policy shall apply, subject to all terms and conditions, provided that such coverage will extend only to **Claims** that are: (a) first made during the Automatic **Extended Reporting Period**; (b) reported in accordance with paragraph 1, Notice of Claim in Section VII, Notice and Interrelated Claims; and (c) for **Wrongful Acts** taking place before the effective date of such cancellation or termination. Coverage granted under the Automatic **Extended Reporting Period** shall not apply if the Claim is covered under subsequently purchased insurance.
 2. If this Policy, or one or more Coverage Part(s), is canceled, or terminates for any reason other than non-payment of premium, the **Insureds** shall have the right to purchase an **Extended Reporting Period** for the premium and time period stated in Item 5. of the Declarations. In the event one or more Coverage Part is canceled or terminated, any purchased **Extended Reporting Period** shall apply only to such canceled or terminated Coverage Part(s).
 3. The right to an **Extended Reporting Period** shall lapse unless written notice of election to purchase such Extended Reporting Period, together with payment of the specified premium, is received by the Insurer within sixty (60) days after the effective date of cancellation or termination of the Policy, or Coverage Part. In the event the **Named Insured** elects not to purchase an **Extended Reporting Period** and an individual **Insured** or group of **Insureds** elects to purchase such **Extended Reporting Period**, such **Extended Reporting Period** shall only apply to **Claims** against such **Insured** or group of **Insureds**, subject to paragraph 4 below.
 4. If an **Insured** elects to purchase an **Extended Reporting Period**, coverage otherwise afforded by this Policy shall apply, subject to all terms and conditions, provided that such coverage will extend only to **Claims** that are: (a) first made during the **Extended Reporting Period**; (b) reported in accordance with paragraph 1, Notice of Claim in Section VII, Notice and Interrelated Claims; and (c) for **Wrongful Acts** taking place before the effective date of such cancellation or termination.
 5. Any **Extended Reporting Period** shall become part of the **Policy Period** extending such **Policy Period** to the expiration of the time period stated in Item 5. of the Declarations.
 6. The premium for the **Extended Reporting Period** shall be deemed fully earned at the inception of the **Extended Reporting Period**.
 7. There is no separate or additional Limit of Liability for any **Extended Reporting Period**.
- II. Paragraph 3, Section IV, Limit of Liability/Retention/Indemnification/Advancement of Defense Costs of the General Terms and Conditions of the Policy is deleted and replaced with the following:

Presumptive Indemnification and Advancement of Defense Costs

It is agreed that each **Insured Entity** shall fulfill its indemnification obligations to each **Insured Person** to the fullest extent permitted by law.

The Insurer shall advance **Defense Costs** on a current basis, but no later than ninety (90) days after receipt and review of the legal bills and any supporting documentation reasonably requested by the Insurer. In the event that an **Insured Person** makes a written request for indemnification from an **Insured Entity** and the **Insured Entity**



fails to respond, or refuses to indemnify an **Insured Person** within sixty (60) days of such request, then the Insurer, shall advance **Defense Costs**. Such advancement will continue until such time that the **Insured Entity** accepts the **Insured Person's** request for indemnification or the applicable Limit of Liability set forth in the Declarations has been exhausted, whichever occurs first.

Where an **Insured** qualifies as a Large Risk pursuant to Texas Statute Section 2301.004, the Insurer reserves all rights to recoupment with respect to any advancement of **Defense Costs**. Any such advancement of **Defense Costs** shall be repaid to the Insurer by the **Insureds**, severally according to their respective interests, if and to the extent it is determined that such **Defense Costs** are not insured under this Policy. The Insurer shall not seek repayment from an **Insured** of advanced **Defense Costs** that are uninsured pursuant to Exclusion 4, Conduct, in Section III, Exclusions, unless established by a final, non-appealable adjudication as specified therein.

Any advancement of **Defense Costs** by the Insurer shall reduce the respective Limit of Liability set forth in the Declarations. If the Insurer recovers any such **Defense Costs** paid, the amount of such **Defense Costs**, less all costs incurred by the Insurer to obtain such recovery, shall be applied to the applicable Coverage Part Limit of Liability.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.



CONDITIONAL RENEWAL ENDORSEMENT - TEXAS

Wherever used in this endorsement: 1) Insurer means "we", "us", "our" or the "Company" as those terms are defined in the policy; and 2) Named Insured means the first person or entity named on the declarations page; and 3) "Insured(s)" means all persons or entities afforded coverage under the policy.

Any cancellation, non-renewal or termination provision(s) in the policy are amended to add the following:

CONDITIONAL RENEWAL

- I. Insurer can non-renew the policy by mailing or delivering advance written notice to the Named Insured, at the last mailing address known to the Insurer, at least sixty (60) days before the expiration date. The notice shall include the reason for such nonrenewal. Per Texas statute, the Insurer may not refuse to renew based solely on the fact that the policyholder is an elected official.
- II. If the Insurer fails to provide the required renewal notice, coverage shall remain in effect until the 61st day after the date on which notice is delivered or mailed. The earned premium for any period of coverage that extends beyond the expiration date of this policy shall be computed pro-rata based on the previous year's rate.

A transfer of a policyholder between two admitted companies within the same insurance group is not considered a refusal to renew.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.



PRIVATE COMPANY ENDORSEMENT

In consideration of the premium, it is agreed that solely with respect to an **Insured Entity** that is a private company the Policy is amended as follows:

- I. Insuring Agreement 3, Insured Entity Securities Liability of the Investment Adviser Management Liability Coverage Part, is deleted and replaced with the following:

3. **Insured Entity Liability**

The Insurer shall pay **Loss** on behalf of an **Insured Entity** resulting from a **Claim** first made against such **Insured Entity** during the **Policy Period**.

- II. Section II, Special Definitions of the Investment Adviser Management Liability Coverage Part, is amended by deleting and replacing the definition of **Wrongful Act** with the following:

Wrongful Act means any actual or alleged error, misstatement, misleading statement, act, omission, neglect, or breach of duty committed or attempted, or allegedly committed or attempted by:

1. an **Insured Person** in (a) his/her capacity as such; or (b) any matter claimed against such **Insured Person** solely by reason of his/her status as such; or
2. an **Insured Entity**.

- III. Section III, Special Exclusions of the Investment Adviser Management Liability Coverage Part, is amended by adding the following Exclusions:

- **Publishing Liability**

for any actual or alleged plagiarism, misappropriation, infringement, or violation of copyright, patent, trademark, trade secret, or any other intellectual property rights, except that this exclusion shall not apply to any **Insured Person**.

- **Securities**

based upon or arising out of, or in any way involving:

1. the public offer, sale, offer to sell, solicitation, or distribution of securities issued by an **Insured Entity** or any **Subsidiary**; or
2. the actual or alleged violation of any federal, state, local, statutory, regulatory or common law relating to securities or any rules or regulations promulgated thereunder, if such violation actually or allegedly occurred after a transaction described in paragraph 1 above.

Provided, however, if within thirty (30) days prior to the effective date of any public offering of securities (whether or not exempted by section 3(b) of the Securities Act of 1933) the **Named Insured** provides written notice of such public offering to the Insurer together with all information the Insurer may reasonably require, then the Insurer may in its sole discretion, agree in writing to provide coverage for such public offerings, subject to additional terms and conditions and payment of additional premium.

- IV. Section III, Exclusions of the General Terms and Conditions is amended by adding the following Exclusion:

- **Unfair Competition**

based upon or arising out of any actual or alleged:

- (a) unfair competition, dilution, deceptive trade practices, or civil actions for consumer fraud;
- (b) charges of price fixing, monopolization, or restraint of trade;



- (c) tortious interference with contract or intentional interference with contractual relations; or
- (d) false or deceptive advertising or misrepresentation in advertising.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.



VITAL EXECUTIVE EXPENSES ENDORSEMENT

In consideration of the premium, and solely with respect to INVESTMENT ADVISER MANAGEMENT LIABILITY Coverage Part(s), the Policy is amended as follows:

- I. The following Insuring Agreement is added to Section I, Insuring Agreements:

Vital Executive Expenses

The Insurer will pay **Vital Executive Expenses**, subject to the sublimit of liability below, on behalf of the **Named Insured** resulting from all **Executive Incidents** which first occur during the **Policy Period**.

- II. Section IV, Limit of Liability/Retention/Indemnification/Advancement of Defense Costs of the General Terms and Conditions is amended as follows:

- A. The following Section is added to paragraph 1, Limit of Liability:

Vital Executive Expenses Sublimit

The Sublimit of Liability of \$250,000 is the aggregate limit of the Insurer's liability for all **Vital Executive Expenses** regardless of the number of **Executives**, **Executive Incidents**, or Coverage Parts. This **Vital Executive Expenses** sublimit shall be part of and not in addition to the Aggregate Limit of Liability set forth in Item 6a of the Declarations.

- B. Paragraph 2(d) of Retention is amended to add the following:

iii. **Vital Executive Expenses.**

- III. Section II, Special Definitions is amended as follows:

- A. The following definitions are added:

Executive Incident means the death or the permanent disability of an **Executive** which occurs during the **Policy Period**.

Vital Executive Expenses means reasonable and necessary fees, costs, and expenses of a public relations firm, consultant, crisis management firm, or law firm incurred by the **Named Insured**, with the prior written consent of the Insurer, to mitigate the adverse effects of, or negative publicity about the **Named Insured's** business that is directly caused by an **Executive Incident**. **Vital Executive Expenses** shall not include salaries, wages, fees, overhead, or benefit expenses associated with any **Insured Person**.

- B. **Loss** is amended to include **Vital Executive Expenses**.

- IV. The **Named Insured** shall not incur any **Vital Executive Expenses** without the Insurer's prior written consent, such consent not to be unreasonably withheld.

- V. Section VII, Notice and Interrelated Claims is amended by adding the following paragraph to Paragraph 3, Request for Specified Costs or Fees:

In the event that the **Named Insured** seeks coverage for **Vital Executive Expenses**, the **Named Insured** must submit a written notice to the Insurer during the **Policy Period** which provides sufficient information as to the nature of the **Executive Incident** and the planned efforts to mitigate the adverse effects of, or negative publicity about the **Named Insured's** business.

- VI. Item 6 of the Declarations shall be amended to add the following:

Vital Executive Expenses Sublimit of Liability (subject to Aggregate Limit of Liability): \$250,000.



VII. The coverage afforded by this endorsement shall not apply to any extended reporting period of the **Policy Period**.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.



AMEND ADVANCEMENT OF DEFENSE COSTS ENDORSEMENT
(Advancement No Later Than 60 Days)

In consideration of the premium, it is understood and agreed that Subsection 3, Presumptive Indemnification and Advancement of Defense Costs in Section IV, Limit of Liability/ Retention/Indemnification/Advancement of Defense Costs, is amended by deleting and replacing the first sentence of the second paragraph with the following:

The Insurer shall advance **Defense Costs** on a current basis, but no later than sixty (60) days after receipt and review of the legal bills and any supporting documentation reasonably requested by the Insurer.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.



**AMEND CONDUCT EXCLUSION ENDORSEMENT
(Add Personal Qualifier and Foreign Jurisdiction)**

In consideration of the premium, it is understood and agreed that the Policy is amended as follows:

- I. Exclusion 4, Illegal Profits/Deliberate Acts in Section III, Exclusions of the General Terms and Conditions is amended by deleting and replacing the exclusion with the following:

4. **Illegal Profits/Deliberate Acts**

based upon or arising out of:

- (a) an **Insured** gaining any personal profit, remuneration, or financial advantage to which such **Insured** was not legally entitled; provided that this exclusion shall not apply to **Loss** in a **Securities Claim** attributable to actual or alleged violations of Section 11, 12, or 15 of the Securities Act of 1933, as amended; or
- (b) the committing of any deliberate criminal, or fraudulent act or omission, or any willful violation of law or regulation by an **Insured**,

established by a final non-appealable adjudication in any underlying action or proceeding other than a coverage action to determine the rights and responsibilities of any party to this Policy.

Solely with respect to paragraph (b) above, any act or omission that is treated as a criminal violation in a Foreign Jurisdiction but that is not treated as a criminal violation in the United States of America, the imposition of a criminal fine or other criminal sanction in such Foreign Jurisdiction will not, by itself, be conclusive proof that a deliberate criminal or deliberate fraudulent act occurred.

For purposes of determining the applicability of this exclusion:

- i. the conduct of an **Insured Person** shall not be imputed to any other **Insured Person**; and
- ii. only the conduct of a **Responsible Person** shall be imputed to the **Named Insured**.

- II. For purposes of this Endorsement "Foreign Jurisdiction" shall mean any jurisdiction, other than the United States or any of its territories or possessions.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.



**AMEND BODILY INJURY/PROPERTY DAMAGE EXCLUSION ENDORSEMENT
(Carve-Out for Libel, Slander, or Defamation)**

In consideration of the premium, the exclusion entitled Bodily Injury/Property Damage set forth in Section III, Special Exclusions of the Investment Adviser Professional Liability Coverage Part is amended to add the following:

Provided that this exclusion will not apply to any actual or alleged libel, slander, oral or written publication of defamatory or disparaging material solely arising out of the rendering of, or failing to render **Professional Services** for or on behalf of a **Fund**.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.



**PROFESSIONAL SERVICES REAL ESTATE AMENDATORY ENDORSEMENT
(Vertically Integrated Firms - Scheduled Funds)**

In consideration of the premium, the Policy is amended as follows:

- I. Solely with respect to any purchased Coverage Part, Section II, Special Definitions of each such Coverage Part the definition of **Professional Services** is deleted and replaced with the following:

Professional Services means:

1. the formation, capitalization, operation, management, administration, marketing, solicitation, dissolution or liquidation of a **Private Fund, Investment Holding Company, or Minority Interest Investment Holding Company**;
2. any financial or economic advice, investment management, portfolio management, or asset allocation services performed for or on behalf of a **Private Fund, Investment Holding Company, Minority Interest Investment Holding Company, or Portfolio Company**, including any research, analysis, due diligence, or monitoring of investments;
3. any actual or proposed purchase or sale of any debts, securities, or other equities of a **Portfolio Company** or real estate related securities by **Private Fund**;
4. any services performed by an **Insured** for a **Portfolio Company, Private Fund, Investment Holding Company, or Minority Interest Investment Holding Company** arising from the extension or grant of a loan or credit, or any similar transaction or functional equivalent of a loan;
5. any investment advice, advisory, or other services performed by an **Insured** directly or indirectly to, or for the benefit of a **Private Fund, Investment Holding Company, Minority Interest Investment Holding Company or Portfolio Company**, including services performed in the capacity as a **Control Person** of a **Portfolio Company**;
6. the selection and oversight of service providers by an **Insured** for or on behalf of a **Private Fund, Investment Holding Company, Minority Interest Investment Holding Company, or Portfolio Company**, including **Real Estate Service Providers**; or
7. any compliance or regulatory services provided by an **Insured** in connection with any of the services described in paragraphs 1. through 6. above.

Professional Services do not include **Real Estate Services** or **Investment Banking Services**.

- II. Solely with respect to the coverage provided by this endorsement, the following definitions in Section II, Definitions of the General Terms and Conditions is amended as follows:

- A. The following definitions are deleted and replaced with the following:

Investment Banking Services mean:

1. any advice or service relating to any aspect of corporate mergers, acquisitions, securities offerings, restructuring, divestitures, or investment banking; or
2. the creation, distribution, or sale of securities or interests in a tenants-in-common fund or similar tenants-in-common investment vehicle.

Management Control means:

1. owning or controlling interests of an entity representing more than fifty percent (50%) of the right to control or manage such entity as evidenced by the present power to elect, designate or appoint the majority of the board of directors, management committee members, management board members, general partners, or managing partners of such entity; or
2. with respect to an entity having the present right, pursuant to written contract or an **Organizational Document**, to elect, designate or appoint the majority of the board of directors, management committee members, management board members, general partners, or managing partners of such entity.

Outside Entity means any:

1. charitable not-for-profit entity exempt from federal income taxation;



2. **Portfolio Company**; or
3. entity specifically included as an **Outside Entity** by endorsement to this Policy, provided that such entity is not an **Insured Entity**.

Portfolio Company means any entity or real estate property in which a **Private Fund** has, had, or proposes to have, directly or indirectly with another **Private Fund** or through an **Investment Holding Company** or **Minority Interest Investment Holding Company**, an outstanding debt or equity interest before or during the **Policy Period**.

Private Fund means any:

1. investment company or limited liability company:
 - (a) created, sponsored, controlled, or managed by an **Insured Entity** as of the effective date of this Policy, which is listed on the Schedule of Private Funds attached to this Policy; or
 - (b) that has been terminated, merged, sold, or dissolved, including any series or portfolios of such investment company or limited liability company, but only for **Wrongful Acts** that occurred while such **Private Fund** was owned, sponsored, controlled, or managed by the **Insured Entity**; or
2. affiliated parallel funds, master funds, feeder funds, blocker funds, or other entities whose sole purpose is to invest proportionately on similar terms as any pooled investment vehicle or limited liability company described 1(a) or 1(b) above (other than an **Investment Holding Company** or a **Minority Interest Investment Holding Company**).

B. The following new definitions are added:

- **Real Estate Services** means any real estate development or design, construction, construction management, property renovation or rehabilitation, property management, environmental related services, appraisal, real estate brokerage or sales, architecture or engineering services, rent or debt collection, or eviction or foreclosure services.
- **Real Estate Service Providers** means any provider of **Real Estate Services**.
- **Investment Holding Company** means any investment vehicle or entity in which a **Private Fund** has **Management Control**, and is created or acquired for the purpose of acquiring the economic interests, securities, debentures, or voting rights representing the present right to vote for the election of directors or to select managing partners or managing members of a **Portfolio Company**. **Investment Holding Company** does not include any **Portfolio Company** or **Minority Interest Investment Holding Company**. Such ownership interest will be determined at the time such **Claim** is first made against such **Investment Holding Company**.
- **Control Person** means the same as the definition set forth in Section 15 of the Securities Act of 1933 or Section 20(a) of the Securities Exchange Act of 1934, as amended, or any similar provisions of any federal, state, or local statutory law or common law concerning controlling shareholder liability or the foreign equivalent.
- **Minority Interest Investment Holding Company** means any investment vehicle or entity which is created or acquired for the purpose of acquiring the economic interests, securities, debentures, or voting rights representing the present right to vote for the election of directors or to select partners or members of a **Portfolio Company** provided an **Insured Entity** does not have an ownership interest greater than fifty percent (50%) of such vehicle or entity. Such ownership interest will be determined at the time such **Claim** is first made against such **Minority Interest Investment Holding Company**.
- **Minority Interest Investment Holding Company Insured Person** mean an **Insured Person** performing services within the scope of their employment for such **Minority Interest Investment Holding Company** at the direction and control of an **Insured Entity**.



- **Minority Interest Investment Holding Company Loss** means any such **Loss** as is defined elsewhere in the Policy; provided that the Insurer's liability for **Loss**:
 1. with respect to the liability of the **Minority Interest Investment Holding Company** will be limited to the percentage of such **Loss** which is equivalent to the **Named Insured's** direct or indirect equity ownership interest in the applicable **Minority Interest Investment Holding Company**; and
 2. with respect to the liability of any **Minority Interest Investment Holding Company Insured Person** will not be limited to the **Named Insured's** ownership interest in the applicable **Minority Interest Investment Holding Company**.

III. Solely with respect to the Investment Adviser Professional Liability Coverage Part and the Investment Adviser Management Liability Coverage Parts, the definition of **Insured Entity** in Section II, Special Definitions of each such Coverage Part is amended to add the following:

Insured Entity also means any entity general partner or entity managing member of a **Private Fund**.

IV. Solely with respect to Fund Management and Professional Liability Coverage Part, Section II, Special Definitions is amended as follows:

A. The definition of **Insured Entity** is deleted and replaced with the following:

Insured Entity means any **Fund, Investment Holding Company, or Minority Interest Investment Holding Company**.

B. The definition of **Insured Person** is added:

Insured Person means any **Executive, Employee, or Additional Insured** of an **Insured Entity**. **Insured Person** also means any **Minority Interest Investment Holding Company Insured Person**.

V. Solely with respect to any purchased Coverage Part, Section III, Special Exclusions is amended as follows:

A. The Bodily Injury/Property Damage exclusion in each purchased coverage part is amended to add the following:

This exclusion will also not apply to any **Claim** brought by an investor of an **Insured Entity** arising from investment loss due to damage to, destruction of, or loss of use of any real property.

B. The following new exclusions are added to each purchased Coverage Part:

The Insurer shall not be liable for **Loss** under this Policy in connection with any **Claim**:

- based upon or arising out of, or involving any **Private Fund** that is structured as a tenants-in-common fund or similar tenants-in-common investment vehicle;
- based upon or arising out of, or involving the performance of or failure to perform **Real Estate Services** by an **Insured**, provided that this exclusion shall not apply to any **Claim** based upon or arising out of the selection and oversight of an **Insured** to perform **Real Estate Services**.

VI. Solely with respect to the coverage provided by this endorsement Section XI, Change of Control or Status of Insureds, Subsection 2, Funds, the first subparagraph of paragraph (b), of the General Terms and Conditions is amended by deleting the phrase "twenty-five percent (25%)" and replacing it with the following:

twenty-five percent (25%)



VII. Solely with respect to the coverage afforded by this endorsement Section XII, Other Insurance is amended as follows:

- A. The last sentence in subparagraph 3 is deleted.
- B. The following subparagraph is added:

Notwithstanding the foregoing, with respect to any **Minority Interest Investment Holding Company Loss** provided by this endorsement which is also covered under any other policy available to such **Minority Interest Investment Holding Company**, the Insurer's liability for **Loss** in connection with such **Claim** will be limited to the percentage of such **Loss** which is equivalent to the **Named Insured's** direct or indirect equity ownership interest in the applicable **Minority Interest Investment Holding Company** determined at the time such **Claim** was first made against such **Minority Interest Investment Holding Company**.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.



SCHEDULE OF PRIVATE FUNDS ENDORSEMENT

In consideration of the premium, and solely with respect to the Fund Management and Professional Liability Coverage Part, the Definition of Private Fund in Section II, Definitions of the General Terms and Conditions will also include any Scheduled Private Fund below. Any coverage afforded by this endorsement is only for **Wrongful Acts** that occurred, or allegedly occurred while an **Insured Entity** had **Management Control** over such Scheduled Private Fund.

Scheduled Private Funds:

Sago Raleigh Industrial, LLC
Sago Columbia Office, LLC
Dividend Drive Industrial, LLC
Sago Gray Fox, LLC
Limit Street Industrial, LLC
Sago Valley Park, LLC
Seventh Otis Office, LLC
Pring Valley Industrial, LLC
Tolle Lane Industrial, LLC

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.



**PRE CLAIM EXPENSES ENDORSEMENT
(Sublimit)**

In consideration of the premium, it is understood and agreed that the Policy is amended as follows:

- I. Notwithstanding anything to the contrary in this Policy, **Defense Costs** will also include "Pre-Claim Expenses", provided that any payment of Pre-Claim Expenses is conditioned upon the following:
1. the **Insured** provides written notice of circumstances pursuant to paragraph 2, Notice of Circumstance, Section VII, Notice and Interrelated Claims, which the Insurer has accepted (the "Noticed Matter");
 2. the **Insured** provides written notice of a **Claim**, which arises subsequent to the Noticed Matter, and arises from, is based upon, or directly results from the same or similar facts, transactions, or events described in the Noticed Matter ("Subsequent Claim");
 3. the Insurer has accepted such notice of the Subsequent Claim;
 4. the **Insured** is in compliance with all other terms and conditions of the Policy;
 5. the total amount the Insurer is obligated to pay for any Pre-Claim Expenses shall be limited to \$500,000 such amount shall be part of, and not in addition to, the Limit of Liability in Item 6. of the Declarations; and
 6. any Pre-Claim Expenses shall first be applied towards the applicable Retention for the Subsequent Claim.
- II. For purposes of coverage afforded by this Endorsement the following terms and conditions shall apply:
- "Pre-Claim Expenses" shall mean reasonable and necessary fees, costs, and expenses (other than salaries, wages, fees, overhead, or benefit expenses of any **Insured Person**) that have been: (i) consented to by the Insurer, such consent not to be unreasonably withheld; and (ii) incurred by an **Insured** in the defense of the Noticed Matter, on or after the date the notice of circumstances has been accepted and prior to, or on, the date the Noticed Matter became a **Claim**.
- Pre-Claim Expenses shall not include any fees, costs, or expenses incurred by the **Insured**: (i) in connection with any routine examinations, routine inspections, "sweep" examinations, general requests for information, or any other similar reviews, inquiries, or investigations; or (ii) as a result of any Foreign Corrupt Practices Act investigation, examination or request.
- III. The Insurer has the sole discretion with respect to determining the reasonableness, necessity, and allocation of the Pre-Claim Expenses (including the right to apply any Subsequent Claim exclusions to the determination and allocation of Pre-Claim Expenses).

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.



CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM ENDORSEMENT

It is understood and agreed as follows:

Whenever used in this endorsement, 1) "we" means the insurer listed on Declarations or the Certificate of Insurance, as applicable; and 2) "you" means the first person or entity named on the Declarations or the Certificate of Insurance, as applicable.

A. Cap on Certified Terrorism Losses

"Certified act of terrorism" means an 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 pursuant to the Terrorism Risk Insurance Act, as extended and reauthorized (the "Act"). The criteria contained in the Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is 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.

If aggregate insured losses attributable to terrorist acts certified under the Act exceed \$100 billion in a calendar year (January 1 through December 31) and we have met our insurer deductible under the Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

B. Application of Exclusions

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.



IMPORTANT INFORMATION

NOTICE - OFFER OF TERRORISM COVERAGE;

DISCLOSURE OF PREMIUM

THIS NOTICE DOES NOT FORM A PART OF THE POLICY, GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.

As used herein, 1) "we" means the insurer listed on the Declarations or the Certificate of Insurance, as applicable; and 2) "you" means the first person or entity named on the Declarations or the Certificate of Insurance, as applicable. You are hereby notified that under the Terrorism Risk Insurance Act, as extended and reauthorized ("Act"), you have a right to purchase insurance coverage of losses arising out of acts of terrorism, as defined in Section 102(1) of the Act, subject to all applicable policy provisions. The Terrorism Risk Insurance Act established a federal program within the Department of the Treasury, under which the federal government shares, with the insurance industry, the risk of loss from future terrorist attacks.

This Notice is designed to alert you to coverage restrictions and to certain terrorism provisions in the policy. If there is any conflict between this Notice and the policy (including its endorsements), the provisions of the policy (including its endorsements) apply.

CHANGE IN THE DEFINITION OF A CERTIFIED ACT OF TERRORISM

The Act applies when the Secretary of the Treasury certifies that an event meets the definition of an act of terrorism. Originally, the Act provided that to be certified, an act of terrorism must cause losses of at least five million dollars and must have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest to coerce the government or population of the United States. However, the 2007 re-authorization of the Act removed the requirement that the act of terrorism must be committed by or on behalf of a foreign interest, and now certified acts of terrorism may encompass, for example, a terrorist act committed against the United States government by a United States citizen, when the act is determined by the federal government to be "a certified act of terrorism."

In accordance with the Act, we are required to offer you the ability to purchase coverage for losses resulting from an act of terrorism that is certified under the federal program. The other provisions of this policy, including nuclear, war or military action exclusions, will still apply to such an act.

DISCLOSURE OF FEDERAL PARTICIPATION IN PAYMENT OF TERRORISM LOSSES

The Department of the Treasury will pay a share of terrorism losses insured under the federal program. Beginning in 2020, the federal share equals 80% of that portion of the amount of such insured losses that exceeds the applicable insurer retention.

LIMITATION ON PAYMENT OF TERRORISM LOSSES

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year (January 1 through December 31), the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

Further, this coverage is subject to a limit on our liability pursuant to the federal law where, if aggregate insured losses attributable to terrorist acts certified under the Act exceed \$100 billion in a calendar year (January 1 through December 31) and we have met our insurer deductible under the Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion. In such case, insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

CONFIRMATION OF ACCEPTANCE OF COVERAGE

In accordance with the Act, we offered you coverage for losses resulting from an act of terrorism that is certified under the federal program. This notice confirms that you have chosen to accept our offer of coverage for certified acts of terrorism. The policy's other provisions, including nuclear, war or military action exclusions, will still apply to such an



Policy Holder Notice – Country Wide

act. The premium charge for terrorism coverage, if any, is shown separately on the Declarations or the Certificate of Insurance, as applicable.



Policy Holder Notice - Texas Consumer Complaint Information

Have a complaint or need help?

If you have a problem with a claim or your premium, call your insurance company first. If you can't work out the issue, the Texas Department of Insurance may be able to help.

Even if you file a complaint with the Texas Department of Insurance, you should also file a complaint or appeal through your insurance company. If you don't, you may lose your right to appeal.

CNA Insurance Group

To get information or file a complaint with your insurance company:

Call Toll Free: 1-800-262-2000

Email: CNA_help@cna.com

Mail: 151 North Franklin Street Chicago, Illinois 60606

The Texas Department of Insurance

To get help with an insurance question or file a complaint with the state:

Call with a question: 1-800-252-3439

File a complaint: www.tdi.texas.gov

Email: ConsumerProtection@tdi.texas.gov

Mail: MC 111-1A, P.O. Box 149091, Austin, TX 78714-9091

¿Tiene una queja o necesita ayuda?

Si tiene un problema con una reclamación o con su prima de seguro, llame primero a su compañía de seguros. Si no puede resolver el problema, es posible que el Departamento de Seguros de Texas (Texas Department of Insurance, por su nombre en inglés) pueda ayudar.

Aun si usted presenta una queja ante el Departamento de Seguros de Texas, también debe presentar una queja a través del proceso de quejas o de apelaciones de su compañía de seguros. Si no lo hace, podría perder su derecho para apelar.

CNA Insurance Group

Para obtener información o para presentar una queja ante su compañía de seguros:

Teléfono gratuito: 1-800-262-2000

Correo electrónico: CNA_help@cna.com

Dirección postal: 151 North Franklin Street Chicago, Illinois 60606

El Departamento de Seguros de Texas

Para obtener ayuda con una pregunta relacionada con los seguros o para presentar una queja ante el estado:

Llame con sus preguntas al: 1-800-252-3439

Presente una queja en: www.tdi.texas.gov

Correo electrónico: ConsumerProtection@tdi.texas.gov

Dirección postal: MC 111-1A, P.O. Box 149091, Austin, TX 78714-9091