

AVIATION INSURANCE POLICY UNMANNED AIRCRAFT LIABILITY

THROUGH

GLOBAL AEROSPACE, INC.

US HOME OFFICE: ONE SYLVAN WAY
PARSIPPANY, NJ 07054

REGIONAL OFFICE: One Sylvan Way
Third Floor
Parsippany, NJ 07054
(973) 490-8500

FOR
Joeseeph Flyer

ARRANGED BY:

Verifly Insurance Services, Inc.
174 West 4th Street, Suite 204
New York, NY 10014

AVIATION INSURANCE POLICY UNMANNED AIRCRAFT LIABILITY

GUIDE TO THE PROVISIONS OF YOUR POLICY

PROVISION

PAGE

This guide has been prepared to help you in reading your policy. It is not a part of the policy nor does it make reference to all of the provisions which might affect your insurance. You are therefore urged to read the entire policy carefully.

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AVIATION INSURANCE POLICY UNMANNED AIRCRAFT LIABILITY

POLICY NUMBER:
PK3C83N5Z

**THIS POLICY PROVIDES NON-CANCELLABLE, SHORT-TERM COVERAGE ONLY.
THE POLICY EXPIRES AT THE END OF THE PERIOD DESCRIBED BELOW.
NO NOTICE OF NON-RENEWAL WILL BE ISSUED.**

DECLARATIONS

The insurance afforded by this policy is provided by separate insurers described below and hereinafter referred to as “we”, “us” or “our.” The liability of these insurers is several and not joint and is specifically set out below.

THE INSURERS

American Alternative Insurance Corporation	Wilmington, Delaware	44.960%
American Commerce Insurance Company	Columbus, Ohio	10.000%
Mitsui Sumitomo Insurance Company of America	New York, New York	9.280%
National Indemnity Company of the South	Jacksonville, Florida	23.390%
Tokio Marine America Insurance Company	New York, New York	12.370%

Item 1. (a) NAMED INSURED: Joeseeph Flyer,

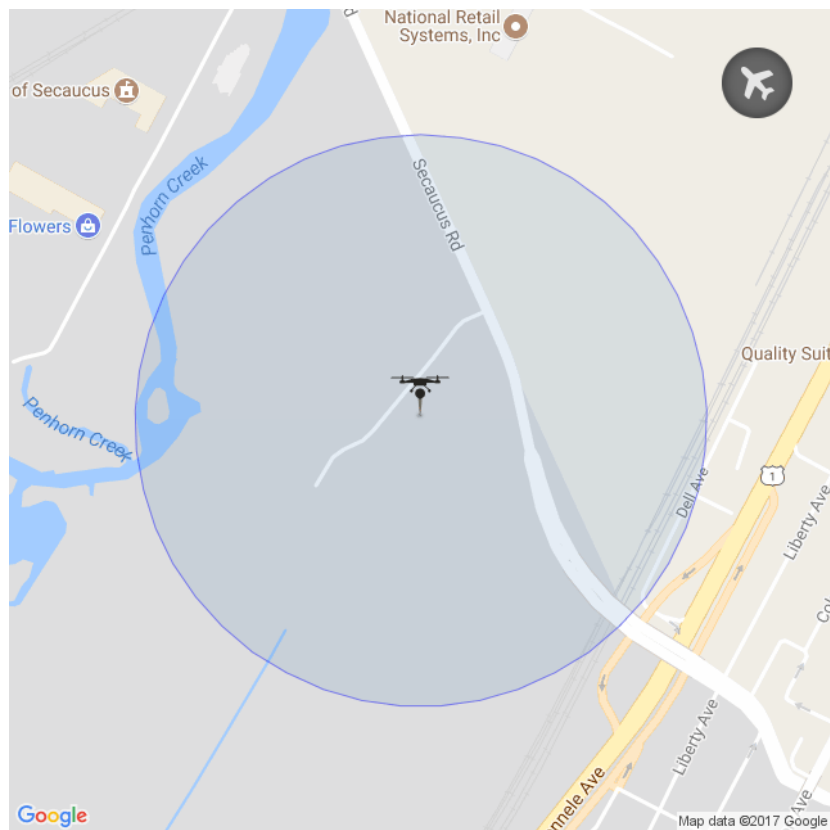
(b) DETAILS OF NAMED INSURED: pj+test@verifyfly.com

Item 2. POLICY PERIOD AND TERRITORY:

This policy applies only to UAS operations during the time period beginning at
06/23/17 06:56 PM EDT

and ending at
06/23/17 07:56 PM EDT

and only to UAS operations that take place within 0.25 statute mile of
40.763120,-74.055359 which is shown at the center of the map below:



State of New Jersey

Item 3. LIMITS OF INSURANCE:

The limits of the insurance afforded by this policy are:

PART 1 - LIABILITY

1. Coverage A Limit: \$ 5,000,000
2. Coverage B Limit: \$ 10,000

Item 4. DESCRIPTION OF INSURED AIRCRAFT:

The insurance afforded is only as respects the operation of any single UAS described in the Verify app.

Item 5. AIRCRAFT USE:

All operations of the Named Insured.

Item 6. OPERATOR:

As described during the application process.

Item 7. COVERAGE TERRITORY:

See Item 2 above.

Item 8. POLICY ISSUING OFFICE:

This policy has been issued on our behalf through:

Global Aerospace, Inc.
One Sylvan Way
Third Floor
Parsippany, NJ 07054
(973) 490-8500

Reports or notices required to be made by you or any other insured to the Policy Issuing Office are to be made to this organization at the address shown.

Item 9. PREMIUM:

Total Premium at Inception:	<u>\$34.00</u>
<u>New Jersey</u> Surcharge:	<u>\$0.20</u>

This policy is completed by attachment of form VFY and the following endorsements made part of this policy at its inception:

VFYD004

VFYC054

VFYS048

IN WITNESS WHEREOF, we have caused this policy to be executed on our behalf by Global Aerospace, Inc., but this policy shall not be valid unless signed by a duly authorized representative of Global Aerospace, Inc.



Anthony R. Moschetta, Secretary
Global Aerospace, Inc.



Jeffrey S. Bruno, President
Global Aerospace, Inc.



For Global Aerospace, Inc.

Countersignature (Where Required)

Various provisions in this policy may restrict or limit coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered. The Declarations, these provisions and any attached Aircraft Schedules and endorsements complete the policy.

Throughout this policy:

1. Words and phrases that appear in ***bold italicized*** type have special meaning (Refer to SECTION V - DEFINITIONS);
2. The words “we”, “us” and “our” refer to the insurers providing this insurance;
3. The word “insured” means the persons or organizations qualifying as such under SECTION II – WHO IS AN INSURED;
4. The words:
 - (a) “First Named Insured” refer only to the first person or organization shown in Item 1 of the Declarations;
 - (b) “Named Insured” refer to each person or organization shown in Item 1 of the Declarations; and
 - (c) “You” and “your” refer to the Named Insured shown in the Declarations and any other person or organization qualifying as a Named Insured under this policy.

SECTION I – COVERAGES

In consideration of the payment of the premium, in reliance upon the statements in the Declarations made part of this policy, subject to all of the terms of this policy including the applicable limits of insurance, we agree with you as respects those coverages shown in Item 3 of the Declarations as follows:

1. COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY

- (a) We will pay those sums that the insured becomes legally obligated to pay as damages because of ***bodily injury*** or ***property damage*** that occurs during the policy period and is caused by an ***occurrence*** that takes place in the ***coverage territory*** arising out of the ownership, maintenance, or use of a ***scheduled aircraft***.

We will have the right and duty to defend the insured against any ***suit*** seeking those damages. However, we will have no duty to defend the insured against any ***suit*** seeking damages for ***bodily injury*** or ***property damage*** to which this insurance does not apply or when this insurance is excess. We may, at our discretion, investigate any ***occurrence*** and settle any claim or ***suit*** that may result. But, the amount we will pay for damages is limited as described in SECTION III - LIMITS OF INSURANCE. Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverage A.

- (b) Our obligation to pay damages on behalf of any insured applies only to the amount of damages in excess of any deductible amounts stated in this policy. The terms of this insurance apply irrespective of the application of the deductible amount. We may pay any part or the entire deductible amount to effect settlement of any claim or ***suit*** and, upon notification that we have made any such payment, the first Named Insured shall promptly reimburse us for any deductible amount we paid.
- (c) No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for in **SECTION III – LIMITS OF INSURANCE**, paragraph 2, **SUPPLEMENTARY PAYMENTS** below.

2. COVERAGE B – VIOLATION OF PRIVACY LIABILITY

- (a) We will pay those sums that the insured becomes legally obligated to pay as damages because of ***violation of privacy injury*** to which this insurance applies. We will have the right and duty to defend the insured against any ***suit*** seeking those damages. However, we will have no duty to defend the insured against any ***suit*** seeking damages for ***violation of privacy injury*** to which this insurance does not apply or when this insurance is excess. We may at our discretion investigate any offense and settle any claim or ***suit*** that may result. But:

- (1) The amount we will pay for damages is limited to the amount shown in the declarations, and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverage B.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for in **SECTION III – LIMITS OF INSURANCE**, paragraph 2, **SUPPLEMENTARY PAYMENTS** below.

- (b) This insurance applies to *violation of privacy injury* caused by an offense arising out of the ownership, maintenance or use of *scheduled aircraft*, but only if material gathered in the *coverage territory* and during the policy period is published within one year.
- (c) In addition to the exclusions contained in paragraph 3 below, the insurance afforded by Coverage B does not apply to:
 - (i) **KNOWING VIOLATION OF RIGHTS OF ANOTHER**
Violation of privacy injury caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict *violation of privacy injury*.
 - (ii) **MATERIAL PUBLISHED WITH KNOWLEDGE OF FALSITY**
Violation of privacy injury arising out of oral or written publication, in any manner, of material, if done by or at the direction of the insured with knowledge of its falsity.
 - (iii) **MATERIAL PUBLISHED PRIOR TO POLICY PERIOD**
Violation of privacy injury arising out of oral or written publication, in any manner, of material whose first publication took place before the beginning of the policy period.
 - (iv) **CRIMINAL ACTS**
Violation of privacy injury arising out of a criminal act committed by or at the direction of the insured.
 - (v) **CONTRACTUAL LIABILITY**
Violation of privacy injury for which the insured has assumed liability in a contract or agreement. This exclusion (v) does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

3. EXCLUSIONS

This insurance does not apply to any claim, damage, injury, loss, cost, expense or liability of any nature whatsoever arising from, occasioned by or in consequence of (whether directly or indirectly and whether wholly or partly):

- (a) **EXPECTED OR INTENDED INJURY**
Bodily injury or *property damage* expected or intended from the standpoint of the insured. This exclusion (a) does not apply to *bodily injury* or *property damage* resulting from the use of reasonable force to protect persons or property.
- (b) **CONTRACTUAL LIABILITY**
Bodily injury or *property damage* for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion (b) does not apply to liability for damages:
 - (1) That the insured would have in the absence of the contract or agreement.; or
 - (2) Assumed in a contract or agreement that is an *insured contract*, provided the *bodily injury* or *property damage* occurs subsequent to the execution of the contract or agreement.

(c) WORKERS COMPENSATION AND SIMILAR LAWS

Any obligation for which the insured or any carrier as the insured's insurer may be held liable under any workers' compensation, unemployment compensation or disability benefits law, or under any similar law.

(d) EMPLOYER'S LIABILITY

Bodily injury to:

- (1) An employee of the insured arising out of and in the course of employment by the insured; or
- (2) The spouse, child, parent, brother or sister of that employee as a consequence of Paragraph (d) (1) above.

This exclusion (d) applies:

- (A) Whether the insured may be liable as an employer or in any other capacity; and
- (B) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion (d) does not apply to liability for damages assumed in a contract or agreement that is an **insured contract**, provided the **bodily injury** or **property damage** occurs subsequent to the execution of the contract or agreement.

(e) DAMAGE TO PROPERTY

Property damage to property owned, occupied, rented or used by the insured or in the care, custody, or control of the insured.

(f) DISPENSABLE LOADS

Bodily injury or **property damage** resulting from the release of a **dispensable load** from the aircraft component of an **unmanned aircraft system**.

Provided no part of the **dispensable load** consists of munitions, this exclusion (f) shall not apply to any claim or **suit** caused by or resulting in an aircraft crash, fire, explosion, or collision or a recorded in flight emergency causing abnormal aircraft operation.

(g) TRADE OR ECONOMIC SANCTIONS AND CONFORMITY WITH LAW

This policy does not apply to the extent that trade or economic sanctions or other laws or regulations, including but not limited to those administered and enforced by the Office of Foreign Asset Control of the United States Treasury Department, prohibit us from providing insurance or paying claims. If the provisions of this policy are in conflict with any other laws or regulations in force in any jurisdiction where this policy is in effect, this policy will conform to those laws or regulations.

(h) ATOMIC OR NUCLEAR WEAPONS

Bodily injury or **property damage** arising out of any hostile detonation of any weapon of war employing atomic or nuclear fission or fusion or other like reaction or radioactive force or matter.

(i) ELECTRONIC DATE RECOGNITION

- (1) The failure or inability to correctly recognize, process, distinguish, interpret or accept any change of year, date or time, including but not limited to:
 - a. The change of year from 1999 to 2000; or
 - b. The change of date from August 21, 1999 to August 22, 1999;

By any computer system, hardware, program or software, microprocessor, integrated circuit or similar device, whether in computer equipment or non-computer equipment, whether the property of any insured or of others;
or

- (2) Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by any insured or for any insured or by any third party to determine, rectify or test for any potential or actual problems described in Paragraph (1) above.

(j) NUCLEAR RISKS

- (1) Injury or damage:
 - a. With respect to which the insured under this policy is also an insured under any:
 - (i) Nuclear energy liability policy, or
 - (ii) Other policy that affords insurance equivalent to that described in Paragraphs A. and B. below.
 - b. Resulting from the hazards described in Paragraphs (2), (3) and (4) below with respect to which:
 - (i) Any person or organization is required to maintain financial protection pursuant to legislation in any country; or
 - (ii) The insured under this policy is, or had this policy not been issued would be, entitled to indemnification from any government or agency thereof.
- (2) The radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof;
- (3) The radioactive properties of, or a combination of radioactive properties with toxic, explosive or other hazardous properties of, any other radioactive material in the course of carriage as cargo, including storage or handling incidental thereto; or
- (4) Ionizing radiations or contamination by radioactivity from, or the toxic, explosive or other hazardous properties of, any other radioactive source whatsoever.

This exclusion (j) is subject to the following:

- A. Any such radioactive material or other radioactive source referred to in Paragraphs (3) and (4) above shall not include:
 - (i) Depleted uranium and natural uranium in any form;
 - (ii) Radioisotopes which have reached the final stage of fabrication so as to be usable for any scientific, medical, agricultural, commercial, educational or industrial purpose.
- B. ***Bodily injury, property damage, or physical damage*** in respect of the nuclear risks not excluded by reason of the preceding paragraph shall (subject to all other terms, conditions, limitations, warranties and exclusions of this policy) be covered, provided that:
 - (i) In the case of any claim in respect of radioactive material in the course of carriage as cargo, including storage or handling incidental thereto, such carriage shall in all respects have complied with the full International Civil Aviation Organization "Technical Instructions for the Safe Transport of Dangerous Goods by Air", unless the carriage shall have been subject to any more restrictive legislation, when it shall in all respects have complied with such legislation;
 - (ii) This policy shall only apply to an incident happening during the period of this policy and where any claim by the insured against us or by any claimant against the insured arising out of such incident shall have been made within three years after the date thereof;
 - (iii) In the case of any claim for ***physical damage*** caused by or contributed to by radioactive contamination, the level of such contamination shall have exceeded the maximum permissible level set out in the following scale:

<u>Emitter</u>	<u>Maximum permissible level of non-fixed radioactive surface contamination</u>
<u>(IAEA Health and Safety Regulations)</u>	<u>(Averaged over 300cm²)</u>
Beta, gamma and low toxicity alpha emitters	Not exceeding 4 Becquerels/cm ² (10 ⁻⁴ microcuries/cm ²)
All other emitters	Not exceeding 0.4 Becquerels/cm ² (10 ⁻⁵ microcuries/cm ²)

- (iv) We may cancel coverage afforded hereby by mailing or delivering to the first Named Insured written notice of cancellation at least seven days before the effective date of cancellation.

(k) MUNITIONS

Any discharge or release of munitions whether intentional or unintentional.

(l) ASBESTOS

- (1) The actual, alleged or threatened presence of asbestos in any form whatsoever, or any material or product containing, or alleged to contain, asbestos; or
- (2) Any obligation, request, demand, order, or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, neutralize, protect against or in any other way respond to the actual, alleged or threatened presence of asbestos or any material or product containing, or alleged to contain, asbestos.

However, this exclusion.(l) shall not apply to any claim or *suit* caused by or resulting in an aircraft crash, fire, explosion, or collision or a recorded in flight emergency causing abnormal aircraft operation.

Notwithstanding any other provisions of this policy, we will have no duty to investigate, defend or pay defense costs in respect of:

- A. Any claim or *suit* excluded under Paragraphs (1) or (2) above; or
- B. Any such obligation, request, demand, order, or statutory or regulatory requirement described in Paragraph (2) above.

(m) NOISE, POLLUTION AND OTHER PERILS

- (1) Noise (whether audible to the human ear or not) or vibration, sonic boom, and any phenomena associated therewith,
- (2) Pollution and contamination of any kind whatsoever,
- (3) Electrical and electromagnetic interference, or
- (4) Interference with the use of property,

unless caused by or resulting in an aircraft crash, fire, explosion, or collision or a recorded in flight emergency causing abnormal aircraft operation.

Nothing in this exclusion (m) shall override any radioactive contamination or other exclusion clause made part of this policy.

(n) EMPLOYMENT RELATED PRACTICES

Employment-related practice directed at, termination of the employment of, or refusal to employ any person; or any injury to any other person resulting from any such practice, termination, or refusal.

This exclusion (n) applies:

- (1) Whether the injury takes place before, during or after a person's employment;
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of injury.

(o) INDOOR OPERATIONS

Bodily injury or ***property damage*** resulting from any flight that takes place within any building or structure in whole or in part.

(p) SIMULTANEOUS OPERATIONS

Bodily injury or ***property damage*** arising out of any ***occurrence*** involving the simultaneous operation of more than one ***scheduled aircraft***.

(q) PREARRANGED RACES OR CONTESTS

Bodily injury or ***property damage*** arising out of any ***occurrence*** involving the conduct of any prearranged race or contest organized, permitted or sponsored by any insured, in which any insured participates or while any insured is practicing for any such race or contest.

SECTION II – WHO IS AN INSURED

1. You are an insured as respects all coverages.
2. As respects PART 1 - LIABILITY, the following are insureds if you are:
 - (a) An individual: your spouse and your employees, if any, but only with respect to their duties as your employees. If you die:
 - (1) Until your legal representative has been appointed, any person or organization having proper temporary custody of your property is an insured, but only with respect to liability arising out of the maintenance or use of that property; and
 - (2) Upon their appointment, your legal representative is an insured, but only with respect to duties as such. That representative will have all your rights and duties under this policy.
 - (b) A partnership or joint venture: your members or partners and employees, but only with respect to their duties as your members, partners, or employees.
 - (c) A limited liability company: your members, managers and employees, but only with respect to their duties as your members, managers, or employees.
 - (d) An organization other than a partnership, joint venture or limited liability company: your stockholders, directors, executive officers and employees, but only with respect to their duties as your stockholders, directors, executive officers, or employees.
 - (e) A trust: your trustees and employees, but only with respect to their duties as your trustees or employees.

SECTION III – LIMITS OF INSURANCE

1. LIABILITY

- (a) The Limits of Insurance shown in the Declarations made part of this policy and the rules below fix the most we will pay regardless of the number of:
 - (1) Insureds;
 - (2) Claims made or *suits* brought; or
 - (3) Persons or organizations making claims or bringing *suits*.
- (b) The Coverage A Limit is the most we will pay for damages under Coverage A, because of all *bodily injury* and *property damage* arising out of any one *occurrence*.
- (c) The Coverage B Limit is the most we will pay for damages under Coverage B, because of all *violation of privacy injury* arising out of any one offense.

2. SUPPLEMENTARY PAYMENTS

We will pay, as respects any claim against an insured we investigate or settle, or any *suit* against an insured we investigate, defend or settle:

- (a) All expenses we incur.
- (b) Up to \$5,000 for the cost of bail bonds required because of *occurrences*, offenses or violations of laws or regulations for civil aviation arising out of the use of an aircraft component of an *unmanned aircraft system* to which insurance for *bodily injury* is afforded by Part 1. We do not have to furnish these bonds.
- (c) The cost of bonds to release attachments but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
- (d) All reasonable expenses incurred by the insured at our request to assist us in the investigation or settlement of the claim or the investigation, defense or settlement of the *suit*, including actual loss of earnings up to \$500 per day, per employee because of time off from work.
- (e) All costs taxed against the insured in the *suit*.
- (f) Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
- (g) All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

SECTION IV – POLICY CONDITIONS

This policy is subject to the following conditions:

1. Conformity With Law.

If the terms of this policy are in conflict with or inconsistent with the laws of any jurisdiction where this policy is in effect, this policy will conform to those laws.

2. Titles of Paragraphs.

The titles of the various paragraphs of this policy are inserted solely for reference and are not to be deemed in any way to limit or affect the provisions to which they relate.

3. Representations.

By accepting this policy, you agree:

- (a) The statements in the Declarations are accurate and complete;
- (b) Those statements are based upon representations you made to us; and
- (c) We have issued this policy in reliance upon your representations.

4. Premiums.

The first Named Insured shown in the Declarations is responsible for the payment of all premiums and will be the payee for any return premiums we pay.

5. Changes.

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued on our behalf by the Policy Issuing Office shown in the Declarations and made a part of this policy.

6. Transfer of Your Rights and Duties Under This Policy.

Your rights and duties under this policy may not be transferred without our written consent except in the case of the death of an individual Named Insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having lawful temporary custody of your property will have your rights and duties applicable to PART 1 - LIABILITY but only with respect to that property.

7. Bankruptcy.

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this policy.

8. Legal Action Against Us.

No person or organization has a right under this policy to join us as a party or otherwise bring us into a *suit* asking for damages from an insured or to sue us on this policy unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this policy or that are in excess of the applicable limit of insurance.

An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

Each of the insurers appoints Global Aerospace Inc. as duly authorized agent for service of process. Service of process shall be made upon Policy Issuing Office at the address shown in the Declarations. However, we do not waive our right to commence an action in any court or venue of competent jurisdiction or to seek a transfer to another court or venue as permitted by law.

9. Transfer of Rights of Recovery Against Others to Us.

If the insured has rights to recover all or part of any payment we have made under this policy, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring *suit* or transfer those rights to us and help us enforce them.

10. Separation of Insureds.

Except with respect to the limits of insurance and any rights or duties specifically assigned in this policy to the first Named Insured, this insurance applies:

- (a) As if each Named Insured were the only Named Insured; and
- (b) Separately to each insured against whom claim is made or *suit* is brought.

11. Duties in the Event of Occurrence, Offense, Claim or Suit.

- (a) You must see to it that the Policy Issuing Office shown in the Declarations is notified as soon as practicable of an *occurrence* or offense that may result in a claim or *suit*. To the extent possible, notice should include:
 - (1) How, when and where the *occurrence* or offense took place;
 - (2) The names and addresses of any injured persons and witnesses; and
 - (3) The nature and location of any injury or damage arising out of the *occurrence* or offense.
- (b) If a claim is made or *suit* is brought against any insured, you and any other involved insured must immediately:
 - (1) Record the specifics of the claim or *suit* and the date received; and
 - (2) Send copies of any demands, notices, summonses or legal papers received in connection with the claim or *suit* to the Policy Issuing Office shown in the Declarations.
- (c) You and any other involved insured must:
 - (1) Authorize the Policy Issuing Office shown in the Declarations to obtain records and other information;
 - (2) Cooperate with the Policy Issuing Office shown in the Declarations in the investigation or settlement of the claim or defense against the *suit*; and
 - (3) Assist the Policy Issuing Office shown in the Declarations, upon its request, in the enforcement of any right against any person or organization that may be liable to the insured because of injury or damage to which this insurance may also apply.
- (d) No insured will, except at that insured's own cost, voluntarily make any payment, assume any obligation, or incur any expense, other than for first aid, without the consent of the Policy Issuing Office shown in the Declarations.

12. Inspections and Surveys.

- (a) We have the right to:
 - (1) Make inspections and surveys at any time;
 - (2) Give you reports on the conditions we find; and
 - (3) Recommend changes.
- (b) We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. We do not warrant that conditions are safe or healthful or comply with laws, regulations, codes or standards.
- (c) Paragraphs (a) and (b) of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
- (d) Paragraph (b) of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

13. Examination of Your Books and Records.

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

14. Other Insurance.

If other valid and collectible insurance is available to the insured for a loss covered by this policy or included in a *suit* seeking recovery for such a loss, our obligations are limited as follows:

(a) Primary Insurance

This insurance is primary except when Paragraph (b) below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph (c) below.

(b) Excess Insurance

This insurance is excess over any other primary insurance available to you, covering liability for damages to which this policy applies, for which you have been added as an insured.

When this insurance is excess, we will have no duty arising from any coverage afforded by this policy to defend the insured against any *suit* if any other insurer has a duty to defend the insured against that *suit*. If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts set forth in all that other insurance.

When the insurance afforded by this policy is excess over any other insurance, then the limits of insurance shown in this policy shall be reduced by the applicable limits of such other insurance if such other insurance shall have been written through Global Aerospace Underwriting Managers Limited or any of its subsidiaries or subsidiaries thereof.

Using the method described in (c) below, we will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the limits of insurance shown in this policy.

(c) Method of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

15. Failure to Give Notice.

Inadvertent failure to give notice or other information to the Policy Issuing Office shown in the Declarations, as required by this policy will not relieve us of our obligations set forth in this policy, provided that any such inadvertent failure is corrected as soon as possible after coming to your attention.

16. Financial Responsibility Laws.

When this policy is certified as proof of financial responsibility for the future under the provisions of any financial responsibility law applicable to aircraft, such insurance as is afforded by this policy for ***bodily injury*** liability and ***property damage*** liability shall comply with the provisions of such law to the extent of the coverage and limits of insurance required by such law, but in no event in excess of the Limits of Insurance shown in the Declarations of this policy. The insured agrees to reimburse us for any payment made by us which we would not have been obligated to make under the terms of this policy except for the agreement contained in this paragraph.

SECTION V – DEFINITIONS

When appearing in this policy:

Bodily injury means physical injury sustained by a person and includes

- (a) Mental anguish, sickness or disease; or
 - (b) Death
- resulting therefrom.

Cargo:

- (a) Means property while being loaded, unloaded, or carried on board the aircraft component of an ***unmanned aircraft system***.
- (b) Does not include:
 - (1) Property installed on the aircraft component of an ***unmanned aircraft system***;
 - (2) Live animals, birds, reptiles, fish, or plants;
 - (3) Accounts, deeds, evidences of debt, mail, money, notes, securities, bullion, credit cards, furs, fur garments, jewelry, precious stones, valuable papers and records, paintings, statuary or other works of art, or other articles of extraordinary value; or
 - (4) ***Payload***.

Coverage territory means the geographical area shown in the Declarations.

Dispensable load means ***cargo*** configured to be dispensed from an aircraft in flight.

Insured contract means a hold harmless agreement required by a military or governmental authority as a prerequisite to the use of an airport, heliport or a related facility, or by the owner or occupier of premises as a prerequisite to operations from or in the vicinity of those premises.

Occurrence means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

Payload means equipment that is capable of enhancing the utility of the aircraft component of an ***unmanned aircraft system*** on which it may or may not be installed, the value of which is to be treated separately from that of a ***scheduled aircraft*** and not included in the ***insured value*** thereof. However, ***payload*** shall not include ***dispensable loads***.

Pilot in command means the person responsible for the operation and safety of the aircraft.

Property damage means:

- (a) Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- (b) Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the ***occurrence*** that caused it.

Scheduled aircraft means the aircraft component of an **unmanned aircraft system**. However, **scheduled aircraft** shall not include **payload**.

Suit means a civil proceeding in which damages because **of bodily injury** or **property damage** to which this insurance applies are alleged, and

- (a) An arbitration proceeding in which such damages are claimed;
 - (b) Any other alternative dispute resolution proceeding in which such damages are claimed;
- and to which the insured must submit or does submit with our consent.

Unmanned aircraft system means a complete system, consisting of an aircraft and the associated equipment needed for its operation and remote control.

Violation of privacy injury means injury, including consequential **bodily injury**, arising out of the following offense: oral or written publication, in any manner, of material that violates a person's right of privacy.

TRIA DISCLOSURE
(Does Not Provide Any Insurance Coverage)

THIS DISCLOSURE PROVIDES A SUMMARY OF THE PROVISIONS OF THE "TERRORISM RISK INSURANCE ACT", AS AMENDED. THIS DISCLOSURE IS MADE A PART OF THIS POLICY. EXCEPT AS EXPRESSLY PROVIDED, NOTHING IN THIS DISCLOSURE CHANGES ANY OF THE TERMS OR CONDITIONS OF THIS POLICY, AND UNDER NO CIRCUMSTANCES DOES THIS DISCLOSURE AFFORD ANY TERRORISM COVERAGE OR ANY OTHER COVERAGE.

I. Terrorism Risk Insurance Act Notice

Under the Terrorism Risk Insurance Act, as amended, (referred to herein as TRIA), you have a right to purchase insurance coverage from us for losses arising out of an "Act of Terrorism" as defined in Section 102(1) of TRIA.

For purposes of this disclosure and to ensure compliance with TRIA, the term "Act of Terrorism" means:

- A. Certification - Any act that is certified by the Secretary of the Treasury of the United States, in consultation with the Secretary of Homeland Security, and the Attorney General of the United States:
- (1) to be an act of terrorism;
 - (2) to be a violent act or an act that is dangerous to:
 - (a) human life;
 - (b) property; or
 - (c) infrastructure;
 - (3) to have resulted in damage within the United States, or outside of the United States in the case of:
 - (a) an air carrier or commercial vessel defined as one principally based in the United States, on which United States income tax is paid, and whose insurance coverage is subject to regulation in the United States;
 - (b) the premises of a United States mission; and
 - (4) to have been committed by an individual(s) 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.
- B. Limitation - No act shall be certified by the Secretary as an act of terrorism if:
- (1) the act is committed as part of the course of war declared by the Congress, except that this clause shall not apply with respect to any coverage for workers' compensation; or
 - (2) property and casualty insurance losses resulting from the act, in aggregate, do not exceed \$5,000,000.
- C. Determinations Final - Any certification of, or determination not to certify, an act of terrorism under this paragraph shall be final, and shall not be subject to judicial review.
- D. No delegation - The Secretary may not delegate or designate to any other officer, employee, or person, any determination under this paragraph of whether, during the effective period of the Program, an act of terrorism has occurred.

Federal Share of Compensation

If coverage is purchased (see Section III below), payments made under this policy, for losses caused by a certified "Act of Terrorism", will be reimbursed in part by the United States Government to us using a formula established by federal law. Under this formula, if the aggregate insured losses exceed a trigger amount (\$100,000,000 through 2015; \$120,000,000 beginning on January 1, 2016; \$140,000,000 beginning on January 1, 2017; \$160,000,000 beginning on January 1, 2018; \$180,000,000 beginning on January 1, 2019; and \$200,000,000 beginning on January 1, 2020), the United States Government generally reimburses a percentage (85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019; and 80% beginning on January 1, 2020) of covered terrorism losses exceeding the statutorily established deductible paid by us for losses arising from certified "Acts of Terrorism".

\$100 Billion Program Cap

TRIA contains a program cap of \$100,000,000,000 that limits United States Government reimbursement as well as our liability for losses resulting from certified "Acts of Terrorism" when the amount of such losses in any one calendar year exceeds the program cap. If the aggregated insured losses for all insurers exceed the program cap, coverage (if purchased) for "Acts of Terrorism" may be reduced.

II. Conditional Termination of this Disclosure

- A. The provisions of TRIA state that the Terrorism Risk Insurance Program "shall terminate on December 31, 2020." Unless the program is renewed, extended or otherwise continued by the federal government, this disclosure terminates upon the first occurrence of any of the following conditions:
- (1) the policy period ends; or
 - (2) the federal Terrorism Risk Insurance Program has terminated either in its entirety or with respect to the type of insurance afforded by this policy; or
 - (3) a renewal, extension or continuation of the Terrorism Risk Insurance Program has become effective without a requirement to make terrorism coverage available with respect to the type of insurance afforded by this policy.
- B. If none of the conditions set forth in paragraph II. A. above occur, this disclosure will remain in effect unless we notify you of changes in response to federal law.

III. TRIA Terrorism Coverage

As required by TRIA, an offer of terrorism coverage within the terms of TRIA ("TRIA Terrorism Coverage") was included in our quote. No insurance is afforded by this notice and no TRIA Terrorism Coverage is afforded under this policy unless such offer was accepted and TRIA Terrorism Coverage was purchased.

If TRIA Terrorism Coverage was purchased, TRIA endorsement(s) are attached to this policy and the premium for such coverage will be as stated in the binder as respects any such endorsement(s).

Any TRIA Terrorism Coverage is subject to all of the disclosures and limitations set forth in Section I above.

IV. Application

Nothing contained in this disclosure shall vary, waive, alter, or extend any of the terms, conditions, agreements or provisions of this policy, other than as above stated.

Notwithstanding anything in the policy to the contrary, as used in this disclosure, the words "you" and "your" refer to the Named Insured shown in the Declarations and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the insurers shown in the Declarations, providing this insurance.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

This disclosure is effective: 06/23/17 06:56 PM EDT

Disclosure Premium: Included

Attached to and made part of Policy No.: PK3C83N5Z

Issued to: Joeseph Flyer,

Global Aerospace, Inc.

BY: _____



VFYD004 (June 1, 2016)

Endorsement No. 1

Page 3 of 3

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TERRORISM RISK INSURANCE ACT OF 2002 COVERAGE
(As Modified and Extended by: The Terrorism Risk Insurance Extension Act of 2005 and
The Terrorism Risk Insurance Program Reauthorization Acts of 2007 and 2015)

In consideration of the payment of the premium for this policy, it is agreed that:

1. As respects the provisions of the federal Terrorism Risk Insurance Act of 2002, as amended, hereinafter referred to as 'the Act,' the policy to which this endorsement is attached is hereby amended to afford coverage in compliance with and only to the extent required by the provisions of the Act. Otherwise, all terms, conditions and exclusions remain unchanged and apply to the insurance afforded by this endorsement to the extent permitted by the provisions of the Act. The Act has been modified and extended by the Terrorism Risk Insurance Extension Act of 2005, and the Terrorism Risk Insurance Program Reauthorization Acts of 2007 and 2015.
2. The provisions of the Act state that the Terrorism Risk Insurance Program "shall terminate on December 31, 2020." Unless the program is renewed, extended or otherwise continued by the federal government, the insurance afforded by this endorsement shall terminate when any one or more of the following first occurs:
 - (a) the policy period ends;
 - (b) the federal Terrorism Risk Insurance Program has terminated either in its entirety or as respects the type of insurance provided by this policy; or
 - (c) a renewal, extension or continuation of the Terrorism Risk Insurance Program has become effective without a requirement to make terrorism coverage available as respects the type of insurance afforded by this policy.
3. If the insurance afforded by this endorsement is not terminated in accordance with the provisions of paragraph 2 (b) or (c) above, insurance will remain in force without change for the remainder of the policy period, unless we notify the first Named Insured of any such change in response to any change in the federal law.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

This endorsement is effective: 06/23/17 06:56 PM EDT

Endorsement Premium: Included

Attached to and made part of Policy No.: PK3C83N5Z

Issued to: Joeseph Flyer,

Global Aerospace, Inc.

BY:  _____

VFYC054 (June 1, 2016)

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Endorsement No. 2
Page 1 of 1

NEW JERSEY AMENDATORY

1. Notwithstanding any other provision in the policy to the contrary, any obligation involving any process, notice or proof of loss that requires service upon or delivery to us may be satisfied by service upon or delivery to any one of the insurers shown in the Declarations on behalf of all such insurers. Each of these insurers appoints Global Aerospace, Inc., as its duly authorized agent for receipt of any such notice, proof of loss or service of process.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

This endorsement is effective: 06/23/17 06:56 PM EDT

Endorsement Premium: Included

Attached to and made part of Policy No.: PK3C83N5Z

Issued to: Joeseeph Flyer,

Global Aerospace, Inc.

BY:  _____

VFYS048 (June 1, 2016)

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Endorsement No. 3
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