Utah Counties Indemnity Pool

BYLAWS COVERAGE ADDENDUM

TABLE of CONTENTS

PART I	**BYLAWS COVERAGE ADDENDUM**		1-2
	A.	General Coverage Declarations	1-2
	B.	Term of Coverage	2
PART II	**GENERAL COVERAGE CONDITIONS**		3-9
	A.	Claims Made Coverage	3
	B.	Contribution Payments	3
	C.	Territorial Scope	3
	D.	Deductibles	4
	E.	Arbitration	4
	F.	Cancellation/Non-Renewal	4
	G.	Claims	4-6
	H.	Due Diligence	6
	I.	Inspections, Audits and Verification of Values	6
	J.	Mortgage	6
	K.	Insurance	6
	L.	Subrogation, Salvage and Recovery	6-7
	M.	Fraudulent Claims	7
	N.	Cross Liability	7
	O.	Multiple Claims or Claimants	7
	P.	Governmental Immunity	7-8
	Q.	Defense, Judgement and Settlement	8-9
PART III	**GENERAL COVERAGE EXCLUSIONS**		10-15
PART IV	**GENERAL DEFINITIONS**		16-21
PART V	**PROPERTY COVERAGE SECTION**		22-79
	A.	Declarations	22-29
	B.	Property Damage	29-52
	C.	Time Element	52-66
	D.	Loss Adjustment and Settlement	66-75
	E.	General Provisions	75-79
PART VI	**CRIME COVERAGE SECTION**		80-81
	A.	Joint Government Crime Policy	80
	B.	Coverage Description	80
	C.	Limit of Coverage	80
	D.	Member Maintenance Deductible	80
	E.	Claims	80
	F.	Recoveries	80-81
PART VII	**LIABILITY COVERAGE SECTION**		82-90
	A.	General Liability	82-85
	B.	Public Officials Errors and Omissions Liability	85-88
	C.	Employee Benefits Liability	88-90
PART VIII	**AUTOMOBILE LIABILITY SECTION**		91-93
	A.	Coverage Agreements	91
	B.	Definitions	91-92
	C.	Exclusions	92-93
	D.	Specific Conditions	93
	E.	Limits of Coverage	93

ENDORSEMENTS 94-156
Participating Members 94-95
Member Schedule of Liability Limits and Sublimits 96
Utah Governmental Immunity Act 97
Limited Professional Health Care Services 98
Errors and Omissions Retroactive Dates 99-100
General Liability, Law Enforcement and Auto Retroactive Dates 101-102
Cyber Liability Retroactive Dates 103-104
Personal Injury Protection 105
Uninsured Motorist Coverage 106
Underinsured Motorist Coverage 107
Equipment Breakdown 108-113
Mold / Fungus 114
Occurrence Limit of Coverage 115
Asbestos Exclusion 116
Electronic Data Exclusion 117-118
Time or Date Recognition Exclusion 119-120
Chemical, Biological and Radiological Exposures Exclusion 121
Property Deductible 122
Securities Claims Exclusion and Limited Coverage 123-124
Land Use Actions 125
Exclusion of Cyber Liability and Expense Coverage 126-127
Cyber Liability and Expense Coverage 128-138
Injunctive Relief Defense 139
Extension of Defense 140
Co-Insurance Suspension 141
Energy Efficiency Upgrade 142-148
Increased Cyber Liability Limits Endorsement 149-151
Excess Liability Coverage Endorsement 152
Terrorism 153
Unmanned Aircraft 154-155
Property Locations Excluded 156
Sewer and Drain Coverage 157
APPENDICES 158-200
Appendix I – Government Crime Policy 158-200

Utah Counties Indemnity Pool

Bylaws Coverage Addendum

Effective January 1, 2018

PART I

A. General Coverage Declarations

1. The Utah Counties Indemnity Pool (the "POOL" or "UCIP") is formed pursuant to the provisions of the Utah Interlocal Cooperation Act, Utah Code Ann. §11-13-101 et. seq., as a governmental entity within the scope of the Utah Governmental Immunity Act, Utah Code Ann. §63G-7-101 et. seq., and recognized as a Public Entity Insurance Mutual under the Utah Insurance Code, Utah Code Ann. §31A-1-103 et. seq. The POOL is a risk sharing arrangement among Utah County Governments and other eligible public agencies that are parties to the UCIP Amended Interlocal Cooperation Agreement as an alternative to insurance for the funding of costs associated with property and casualty losses. The purposes of the POOL are to provide a funding mechanism for property losses through group self-insurance, and casualty losses through a group liability reserve fund as described in Utah Code Ann. §63G-7-703, to provide for the purchase or joint purchase of insurance, and to assist MEMBERS in controlling costs by providing specialized governmental risk management services and systems.

2. This COVERAGE ADDENDUM is an ADDENDUM to and made a part of the Bylaws of the Utah Counties Indemnity Pool under authority of the Amended Interlocal Cooperation Agreement. This COVERAGE ADDENDUM shall not be construed to create a separate agreement among the MEMBERS of the POOL, or between the POOL and any individual MEMBER or other party.

3. It is the intent of the POOL to provide access to the funds of the POOL for the property and casualty losses covered in this COVERAGE ADDENDUM to each MEMBER and those who work for them or on their behalf in accordance with the laws of the State of Utah. The term "coverage" as used in the Amended Interlocal Cooperation Agreement, the Bylaws, this COVERAGE ADDENDUM, and any endorsement to this ADDENDUM means the MEMBERS' ability to access the funds of the POOL to indemnify the MEMBER and other COVERED PARTIES for loss. This COVERAGE ADDENDUM is made a part of the Bylaws to eliminate misunderstandings regarding coverages; to avoid coverage disputes; to clarify responsibilities during the claims handling process; and

to provide the MEMBERS with a document that identifies when and to what extent a MEMBER or other COVERED PARTY will be indemnified for loss from the funds of the POOL.

B. Term of Coverage

1. As respects each individual MEMBER, the term of coverage under this ADDENDUM shall run uninterrupted from the time the entity becomes a MEMBER under the terms of the Amended Interlocal Cooperation Agreement until that membership is withdrawn or terminated under the provisions of that Agreement.

PART II GENERAL COVERAGE CONDITIONS

A. Claims Made Coverage

1. All liability coverage provided by this COVERAGE ADDENDUM including General Liability, Auto Liability, Public Officials Errors & Omissions and Employee Benefits Liability Sections of this COVERAGE ADDENDUM provide "Claims made" coverage. The coverages provided by those Sections are limited to CLAIMS first made against a COVERED PARTY while the COVERAGE ADDENDUM is in force. All first party coverages provided by this COVERAGE ADDENDUM, including PROPERTY, crime, and AUTO physical damage are provided on an occurrence basis.

   A CLAIM shall be considered as being first made when the MEMBER first gives notice in writing to the POOL that a CLAIM has been made against a COVERED PARTY. All CLAIMS arising out of the same OCCURRENCE or WRONGFUL ACT are considered to be one CLAIM and are considered to have been made when the first such CLAIM is made. The terms, conditions and limits of this ADDENDUM that apply to any CLAIM are those in effect when the CLAIM is first made.

2. The General Liability (which includes Law Enforcement Liability) and Automobile Liability Sections of this COVERAGE ADDENDUM apply to a CLAIM only if the OCCURRENCE giving rise to the CLAIM took place after the retroactive date shown in the General Liability, Law Enforcement Liability and Auto Liability Retroactive Dates Endorsement and before the MEMBER's withdrawal or termination from the POOL.

3. The Public Officials Errors & Omissions and Employee Benefits Liability Sections of this COVERAGE ADDENDUM apply to a CLAIM only if the WRONGFUL ACT, negligent act, or error or omission giving rise to the CLAIM occurred after the retroactive date shown in the Errors and Omissions Retroactive Dates Endorsement of this ADDENDUM and before the MEMBER's withdrawal or termination from the POOL.

B. Contribution Payments

Contributions are determined by the Board of Directors annually for the forthcoming fiscal period of the POOL and are based upon current underwriting information, actuarial rate analysis and the POOL's current financial position.

C. Territorial Scope

This coverage applies to OCCURRENCES, WRONGFUL ACTS, negligent acts, errors and omissions worldwide for which SUIT is brought in the United States or for which CLAIMS are settled by the POOL.

D. Deductibles

The coverages provided herein are subject to a PROPERTY deductible of $500 with the exception of the deductible for Flood, as described herein, an AUTOMOBILE physical damage deductible of $1000 per vehicle and a crime deductible of $500 per OCCURRENCE. (AUTOMOBILE physical damage is covered under the PROPERTY Section.) The PROPERTY deductible does not apply to third party AUTO liability CLAIMS.

E. Arbitration

1. In the event a COVERED PARTY and the POOL are unable to agree on any matter concerning this COVERAGE ADDENDUM, including but not limited to coverage issues, the dispute shall be resolved through arbitration, not litigation. Either party may issue a written demand for arbitration. The COVERED PARTY and the POOL shall agree on the selection of an arbitrator. If they cannot agree within 30 days, either party may request that selection be made by a judge of a court having jurisdiction. Each party will pay the attorneys' fees and expenses it incurs and share the expenses of the arbitrator equally. If the COVERED PARTY's CLAIM for coverage is unsuccessful, the COVERED PARTY's portion of the arbitrator's fee is not covered.

2. Both parties shall agree upon the location of the arbitration; if they cannot agree, the selected arbitrator shall determine the location. Local rules as to arbitration procedure and evidence will apply. The arbitrator's decision will be binding and that judgment may be entered in any court of competent jurisdiction.

F. Cancellation/Non-Renewal

1. Any MEMBER may withdraw from a line of coverage or terminate MEMBERSHIP in the POOL, in accordance with the Amended Interlocal Cooperation Agreement and the Amended Bylaws of the POOL.

G. Claims

1. MEMBERS must notify the POOL in writing as soon as reasonably practicable of an ACCIDENT, OCCURRENCE, WRONGFUL ACT, negligent act, error or omission or other circumstance that may result in a CLAIM. To the extent possible, notice should include how, when and where the ACCIDENT, OCCURRENCE, WRONGFUL ACT, negligent act, error or omission, or circumstance took place; the names and addresses of any injured persons and witnesses; and the nature and location of any injury or damage arising out of the event. Informing the POOL of an ACCIDENT, OCCURRENCE, WRONGFUL ACT, negligent act, error or omission or other circumstance that may result in a CLAIM is not notice of a CLAIM.

2. If a CLAIM is received by any COVERED PARTY, the MEMBER shall immediately record the specifics of the CLAIM and the date received and shall notify the POOL as soon as practicable.

   The MEMBER and any other involved COVERED PARTY shall:

   a. Immediately send the POOL copies of any demands, notices, summonses or legal papers received by the COVERED PARTY or the COVERED PARTY's agent in connection with the CLAIM or SUIT.

   b. Authorize the POOL to obtain records and other information.

   c. Cooperate with the POOL in the investigation, settlement or defense of the CLAIM or SUIT.

   d. Assist the POOL, upon its request, in the enforcement of any right against any person or organization which may be liable to the COVERED PARTY because of injury or damage to which this COVERAGE ADDENDUM may also apply.

   e. Submit, at the POOL's expense and as often as the POOL requires, to examinations by physicians selected by the POOL, and authorize the POOL to obtain medical reports and other pertinent information.

3. No MEMBER or other COVERED PARTY will, except at its own cost, voluntarily make a payment, assume any obligation or incur any expense, other than for first aid, without the POOL's consent.

4. The COVERED PARTY shall promptly take at its own expense, except as otherwise provided in this ADDENDUM, all reasonable steps to prevent additional injury or damage from or arising out of the same or similar conditions at the same location where the initial injury or damage occurred. Any failure to take such preventative measures shall not constitute a breach of the condition unless the POOL has requested the COVERED PARTY in writing to undertake those preventative measures. Any such expense shall not be recoverable under this COVERAGE ADDENDUM.

5. Additionally, to recover for loss to a covered AUTO or equipment, the COVERED PARTY shall:

   a. Permit the POOL to inspect and appraise the damaged PROPERTY before its repair or disposition;

   b. Do what is reasonably necessary after the loss to protect the covered AUTO from further loss;

   c. Submit a proof of loss when required by the POOL; and

d. Promptly notify the appropriate local law enforcement agency if the AUTOMOBILE or piece of equipment was stolen.

e. Agree to examinations under oath at the POOL's request and give the POOL a signed statement of answers.

H. Due Diligence

The MEMBER shall use due diligence and concur in doing all things reasonably practical to avoid or diminish any loss of or damage to the PROPERTY insured.

I. Inspections, Audits and Verification of Values

The POOL or its authorized representatives may inspect the premises used by the MEMBER and audit the MEMBER's books or records at any time during the term of this ADDENDUM or within three years after its expiration or termination. There is no time limit for auditing the MEMBER's books or records with respect to CLAIMS under this ADDENDUM.

J. Mortgage

The interest of any mortgagor on PROPERTY covered by this ADDENDUM is included as if a separate endorsement were attached hereto to the extent of the amount of the mortgage as of the date of loss, subject to the limits of liability set forth in this ADDENDUM.

K. Insurance

If the COVERED PARTY has insurance or other coverage against loss or damage covered under this ADDENDUM, the POOL is liable under the terms of this ADDENDUM only as excess of coverage provided by such insurance or coverage. However, this clause does not apply to the insurance or coverage purchased to apply specifically in excess of the Limits of Coverage stated in this COVERAGE ADDENDUM.

L. Subrogation, Salvage and Recovery

The POOL shall be subrogated to all rights which the COVERED PARTY may have against any person or other entity in respect to any CLAIM or payment made under this COVERAGE ADDENDUM and the COVERED PARTY shall execute all papers required by the POOL and shall cooperate with the POOL to secure the POOL's rights. If any reimbursement is obtained, or salvage or recovery made by the COVERED PARTY or the POOL on account of any loss covered by the POOL, the net amount of such reimbursement salvage or recovery, after deducting the actual cost of obtaining or making the same, shall be applied in the following order:

1. To the amount of loss which has been paid by the POOL's excess/reinsurer.

2. To reduce the POOL's loss until the POOL is fully reimbursed.

3. To reduce the MEMBER's loss because of the application of the self-insured retention or any aggregate loss fund.

M. Fraudulent Claims

If a COVERED PARTY makes a CLAIM knowing the CLAIM to be false or fraudulent, in regard to the CLAIM's amount or otherwise, coverage shall become void and the CLAIM shall be forfeited.

N. Cross Liability

1. In the event of liability being incurred by reason of injury suffered by any employee of one MEMBER which does not arise out of the injured employee's employment, for which another MEMBER is liable, then this ADDENDUM shall indemnify the MEMBER for that liability in the same manner as if separate agreements had been issued to each MEMBER.

2. In the event of liability being incurred by reason of PROPERTY DAMAGE to PROPERTY belonging to any MEMBER for which another MEMBER is liable, then this ADDENDUM shall indemnify the MEMBER in the same manner as if separate agreements had been issued to each MEMBER.

3. Nothing contained in this condition shall operate to:

   a. Increase the POOL's limits of liability; or

   b. Include coverage for a MEMBER who sustains PROPERTY DAMAGE as a consequence of its own employee's acts.

O. Multiple Claims or Claimants

1. Inclusion herein of more than one MEMBER, NAMED MEMBER or COVERED PARTY or the making of more than one CLAIM or the bringing of SUITS by more than one person or organization shall not operate to increase Limits of Coverage.

2. All CLAIMS arising out of the same OCCURRENCE, WRONGFUL ACT, negligent act, error or omission or series of related OCCURRENCES, WRONGFUL ACTS, negligent acts, errors or omissions shall be treated as a single CLAIM. All such CLAIMS, whenever made, shall be considered first made when the first such CLAIM was first made and all such CLAIMS shall be subject to the same Limits of Coverage.

P. <u>Governmental Immunity Act of Utah</u>

The POOL's obligation to indemnify is first limited by the Governmental Immunity Act of Utah U.C.A. §63G-7-604. Nothing in this COVERAGE ADDENDUM is meant to waive the rights or immunities of any COVERED PARTY or the POOL

provided by the Act. Liability limits provided in excess of the limitations set out in the Act are provided solely for CLAIMS not limited by the Act, including federal CLAIMS or CLAIMS filed in another state where neither the Governmental Immunity Act of Utah or any similar governmental immunity or tort limitation act of that state apply.

Q. Defense, Judgement and Settlement

1. The POOL will provide the MEMBER or the MEMBER's elected or appointed attorney legal representation to defend any SUIT against the MEMBER and any COVERED PARTY the MEMBER is required to defend under U.C.A. 63G-7-902 and 17-18a-5-501 claiming DAMAGES for which coverage is afforded under this ADDENDUM for an OCCURRENCE or WRONGFUL ACT, even if any of the allegations of the SUIT are groundless, false, or fraudulent, and may make such investigation of any OCCURRENCE, WRONGFUL ACT and settlement of any CLAIM or SUIT as it deems expedient. No legal representation or defense will be provided for CLAIMS made against a COVERED PARTY in his or her personal capacity. The POOL has the right to select counsel; however, a COVERED PARTY may hire co-defense counsel, at the COVERED PARTY's expense, to assist in the defense of CLAIMs, provided the attorney selected by the POOL shall be lead counsel. If the MEMBER or the MEMBER's elected or appointed attorney does not accept the counsel selected by the POOL, it will be considered a waiver of the POOL's obligation to provide legal representation by the MEMBER, and the MEMBER and any COVERED PARTY shall have no right to defense or reimbursement or indemnification of defense costs provided by the POOL. Except to the extent otherwise specifically provided in this COVERAGE ADDENDUM, no COVERED PARTY shall, except at the COVERED PARTY's own expense, voluntarily make any payment, assume any obligation, or incur any expense without the POOL's prior written consent. The POOL's obligation to provide legal representation shall arise when the complaint or CLAIM alleges facts, which would obligate the POOL to indemnify the COVERED PARTY if the alleged facts were proven. The POOL will only be responsible for payment of that portion of a settlement or judgement, which relates to CLAIMs for which coverage is afforded under the terms of this ADDENDUM, provided, however,
(a) the POOL shall not be obligated to pay any settlement or portion of any settlement unless the POOL has given prior written consent to the settlement and
(b) the POOL shall not be obligated to pay any settlement or judgement or to provide legal representation in defense of any SUIT after the applicable Limits of Coverage have been exhausted.

2. The Limits of Coverage shall include all costs, attorney's fees and expenses awarded to an adverse party in a litigated or contested CLAIM. All costs, attorney's fees and expenses incurred in the defense of a litigated or contested CLAIM, shall be excess of the Limits of Coverage set forth.

3. In the event of bankruptcy or insolvency of the MEMBER, such bankruptcy or insolvency may not diminish the coverage provided by this ADDENDUM

regarding third parties. If execution against a MEMBER is returned unsatisfied, an action may be maintained against the POOL to the extent that the liability is covered by this ADDENDUM.

PART III GENERAL COVERAGE EXCLUSIONS

The following exclusions apply to all coverages described in this ADDENDUM. This ADDENDUM does not provide coverage for:

A. Loss, damage or any type of liability caused by or resulting from a fraudulent, dishonest or criminal act committed by the COVERED PARTY, whether working alone or with others, except as provided in the Crime coverages herein. The POOL may elect to defend a COVERED PARTY until it is determined that the CLAIM did arise out of a dishonest, fraudulent or criminal act without a waiver of any rights under this ADDENDUM.

B. Expenses from any cost, civil fine, penalty or expense against any COVERED PARTY for any compliance or enforcement action from any federal, state or local governmental regulatory agency.

C. Any liability arising out of either the ownership, operation, maintenance or activities of a hospital or NURSING HOME or the medical malpractice of any physician, medical doctor, osteopath, chiropractor, resident, extern or intern; psychiatrist; pharmacist; dentist, orthodontist, or periodontist. This exclusion does not apply to the administrative activities of medical doctors, dentists or psychiatrists employed by a MEMBER, unless such administrative activities result in a medical malpractice claim.

D. Any obligation for which a COVERED PARTY may be held liable under any workers' compensation, occupational disease, unemployment compensation, disability benefits law, employers liability or under any similar law or for BODILY INJURY to any employee or any liability for indemnity or contribution brought by any party for BODILY INJURY to any employee.

E. Any CLAIM seeking relief or redress, in any form other than DAMAGES, and for fees or expenses relating to CLAIMS, demands or actions seeking relief in any form other than DAMAGES. This exclusion includes but is not limited to all costs incurred to comply with injunctive relief ordered under the Americans with Disabilities Act but shall not apply to CLAIMS for DAMAGES under the Americans with Disabilities Act.

F. BODILY INJURY, PERSONAL INJURY, PROPERTY DAMAGE or any type of damage whatsoever to the PROPERTY of the MEMBER due to war, either directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, any weapon of war employing atomic fission or radioactive force whether in time of peace or war, hostilities (whether war was declared or not), civil war, rebellion, revolution, insurrection, military or usurped power, confiscation or nationalization or requisition or destruction of or damage to PROPERTY by or under the order of any government or public or local authority.

G. Any act of terrorism meaning any act or threatened act that is violent, forceful or in any way dangerous to persons or property (tangible or intangible), of any person or

group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological or similar purposes which may include the intention to influence any government and/or to put the public, or any section of the public, in fear. This exclusion also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing, or in any way relating to any act of terrorism. This exclusion does not apply to the extent losses from an act of terrorism are covered under Part V, Property Coverage Section.

H. BODILY INJURY, PERSONAL INJURY, PROPERTY DAMAGE or any type of damage whatsoever, including the loss of use or any other type of loss or damage caused by the release, discharge or dispersal of POLLUTANTS anywhere, anytime in any way, whether accidental or intentional, sudden, intermittent or continuous and regardless of ownership or location, EXCEPT this exclusion does not apply as provided in the Liability Section for BODILY INJURY or PROPERTY DAMAGE arising out of heat, smoke or fumes from a hostile fire, EXCEPT this exclusion does not apply to the official activities of the MEMBER's hazardous materials work unit.

I. BODILY INJURY, PERSONAL INJURY, PROPERTY DAMAGE or any other type of damage whatsoever, directly or indirectly caused by the presence of asbestos or lead in any form, except as covered in the Property Section.

J. Loss or damage caused by or resulting from moth, vermin, termites or other insects, inherent vice, latent defect, wear, tear or gradual deterioration, CONTAMINATION, rust, wet or dry rot, mold, dampness or atmosphere, smog, extremes of temperature or loss or damage by settling for any reason, including movement of any kind, shrinkage or expansion in building or foundation.

K. Any CLAIMS arising from the actual, alleged or threatened discharge, dispersal, seepage, migration, release, escape, back up or overflow of any water or sewage from any sewer, drain or sump (whether open or closed).

L. Loss of or damage to or CLAIMS resulting from the maintenance, operation or use or entrustment to others of any satellite, aircraft of any size, water craft over 26 feet in length or watercraft used to carry persons or property for a charge. This exclusion applies even if the CLAIMS against any COVERED PARTY allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that COVERED PARTY. For purposes of this exclusion, "aircraft" includes but is not limited to any aerial vehicle that is not controlled by a person from within or on the aerial vehicle.

M. Loss of or damage to jewelry, precious stones and furs or garments trimmed with fur.

N. BODILY INJURY, PERSONAL INJURY, PROPERTY DAMAGE or any type of damage whatsoever for any CLAIMS made or lawsuits brought against any COVERED PARTY alleging physical or sexual assault, abuse, molestation or habitual neglect or SEXUAL ABUSE. This exclusion applies whether the act was committed intentionally, negligently, inadvertently or with the belief, erroneous or otherwise, that the other party is consenting and has the legal and mental capacity to consent. Claims of SEXUAL HARASSMENT are covered under this ADDENDUM unless the CLAIM also arises out of SEXUAL ABUSE.

1. However, the COVERED PARTY may be entitled to a defense for civil CLAIMS brought against the COVERED PARTY as provided under the terms of this ADDENDUM if the CLAIM is brought for alleged civil rights violations in addition to physical assault, abuse, molestation or habitual neglect or SEXUAL ABUSE. The POOL may provide for the defense of the CLAIM unless or until a judgment or final adjudication of liability is established or there is an admission or plea of guilty, nolo contendere, no contest or any similar plea by the COVERED PARTY accused of the act that establishes the injury claimed in the SUIT in whole or in part.

2. The POOL shall not be required to appeal a judgment or final adjudication that is adverse to the COVERED PARTY. However, if the COVERED PARTY elects to appeal the judgment or final adjudication and the judgment or adjudication is reversed on the issue of liability, the POOL may then reimburse the COVERED PARTY for all reasonable expenses incurred in the appeals process, subject to the terms, conditions and limits of this ADDENDUM.

3. This exclusion applies even if the CLAIMS against any COVERED PARTY allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that COVERED PARTY.

O. Any CLAIM or CLAIMS for BODILY INJURY or PERSONAL INJURY relating to:

1. Human Immune Deficiency Virus (HIV);

2. Acquired Immune Deficiency Syndrome Related Complex (ARC);

3. Acquired Immune Deficiency Syndrome (AIDS);

4. Any virus, complex or syndrome that is related to the foregoing;

Except this exclusion does not apply to any actual or alleged discrimination based on the actual or alleged contraction of any of the foregoing as covered under Part VII B. Errors and Omissions.

P. Any CLAIM based upon the COVERED PARTY'S failure to comply with the Federal Employee Retirement Income Security Act of 1974 (ERISA), including subsequent amendments or any similar federal, state or local law or regulations.

Q. BODILY INJURY, PERSONAL INJURY, PROPERTY DAMAGE or any type of damage whatsoever resulting from nuclear incidents, including:

1. Loss or damage to PROPERTY of the COVERED PARTY or liability from PROPERTY DAMAGE, BODILY INJURY or PERSONAL INJURY accruing to the MEMBER directly or indirectly from any and all forms of radioactive CONTAMINATION;

2. Any loss or damage to PROPERTY of the COVERED PARTY or liability from PROPERTY DAMAGE, BODILY INJURY or PERSONAL INJURY accruing to the COVERED PARTY directly or indirectly from any pool of insurers or reinsurers formed for the purpose of covering atomic or nuclear energy risks;

3. Any loss or liability accruing to the COVERED PARTY, directly or indirectly, for physical damage of PROPERTY of the COVERED PARTY including Business Interruption or consequential loss arising out of such physical damage, in addition to PROPERTY DAMAGE, BODILY INJURY or PERSONAL INJURY due to nuclear reactor power plants, any nuclear material or the dispersal, discharge, storage or processing of nuclear material, nuclear facilities, installations, laboratories or special nuclear material, as defined by the Atomic Energy Act of 1954 as amended;

4. Any loss or damage or liability resulting from the HAZARDOUS PROPERTIES of nuclear material and with respect to which any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954 as amended, or if the COVERED PARTY is or, had this ADDENDUM not been issued, would be entitled to indemnity from the United States of America or any agency thereof.

5. Definitions used in this exclusion:

    a. "HAZARDOUS PROPERTIES" means radioactive, toxic or explosive properties.

    b. "NUCLEAR MATERIALS" means source material, special nuclear material, byproduct material and have the meanings given them in the Atomic Energy Act of 1954, as amended.

    c. "SPENT NUCLEAR FUEL" means any fuel element or fuel component, solid or liquid, which has been used, or to radiation in a nuclear reactor.

    d. "WASTE" means any waste material which contains byproduct material from any ore processed primarily for its source material content and which results from the operation by any person or organization of any NUCLEAR FACILITY.

e. "NUCLEAR FACILITY" means any nuclear reactor, any equipment or device designed or used for separating the isotopes of uranium or plutonium or processing or utilizing spent fuel, or handling, processing or packaging waste. NUCLEAR FACILITY also means any equipment or device used for the processing, fabricating or alloying of special nuclear material and any structure, basin, excavation, premises or place prepared or used for the storage of WASTE and the site and all operations on that site.

R. Any liability, CLAIMS or SUITS arising in whole or in part out of the operation of the principles of eminent domain, condemnation proceedings or CLAIMS, inverse condemnation proceedings or CLAIMS, regulatory taking by whatever name called, land use actions, zoning, rezoning or failure to zone, whether that liability accrues directly against the MEMBER or by virtue of any agreement entered into, by or on behalf of the MEMBER. CLAIMS or SUITS alleging civil rights violations arising out of any of these listed proceedings are also excluded.

S. This ADDENDUM does not provide coverage for:

1. Any PERSONAL INJURY or LAW ENFORCEMENT PERSONAL INJURY caused by or at the direction of the COVERED PARTY with the knowledge that the action would violate the rights of another and would inflict PERSONAL INJURY or LAW ENFORCEMENT PERSONAL INJURY;

2. Any PERSONAL INJURY or LAW ENFORCEMENT PERSONAL INJURY arising out of oral or written publication of material whose first publication took place before the Retroactive Date shown on the General Liability, Law Enforcement Liability and AUTO Liability Retroactive Dates Endorsement; or

3. Any PERSONAL INJURY or LAW ENFORCEMENT PERSONAL INJURY arising out of oral or written publication of material, if done by or at the direction of the COVERED PARTY with knowledge of its falsity.

T. Any BODILY INJURY or PROPERTY DAMAGE for which the COVERED PARTY is obligated to pay DAMAGES by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for DAMAGES:

1. That the COVERED PARTY would have in the absence of the contract or agreement; or

2. Assumed in a contract or agreement that is a COVERED CONTRACT, provided the BODILY INJURY or PROPERTY DAMAGE occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in a COVERED CONTRACT, reasonable attorney fees and necessary litigation expenses incurred by or for a party other than a COVERED PARTY are deemed to be DAMAGES because of BODILY INJURY or PROPERTY DAMAGE, provided:

a. Liability to such party for, or for the cost of, that party's defense has also been assumed in the same COVERED CONTRACT; and

b. Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which DAMAGES to which this coverage applies are alleged.

PART IV GENERAL DEFINITIONS

"ACCIDENT" is descriptive of means which produce effects which are not their natural and probable consequences.

This "ADDENDUM" or this "COVERAGE ADDENDUM" means the COVERAGE ADDENDUM to the AMENDED BYLAWS created to describe the PROPERTY and liability coverages provided to the MEMBERS of the POOL.

"AUTOMOBILE" or "AUTO" means:

1. Any motor vehicle intended or designed for highway use; and

2. Trailers or semi-trailers, including their equipment and any other equipment permanently attached to it while such trailer is attached to a vehicle described in a) above; but

3. AUTOMOBILE does not include MOBILE EQUIPMENT. However, self-propelled vehicles with the following types of permanently attached equipment are considered AUTOMOBILES: equipment designed primarily for snow removal; equipment designed for road maintenance but not construction or resurfacing; equipment designed for street cleaning; cherry pickers and similar devices mounted on an AUTOMOBILE or truck chassis and used to raise or lower workers; and air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

"BODILY INJURY" means physical injury (including death) to any person, and any mental anguish or shock, sickness, disease, disability or death associated with or arising from that physical injury.

"CLAIM" means (i) a demand for DAMAGES (including filing a SUIT seeking DAMAGES) as the result of an OCCURRENCE or (ii) notice to a COVERED PARTY of the intent to hold the COVERED PARTY liable for a WRONGFUL ACT.

"CONTAMINATION" means any unclean, unsafe, damaging, injurious or unhealthy condition arising out of the presence of POLLUTANTS, whether permanent or transient in any ENVIRONMENT.

"COVERED CONTRACT" means that part of any contract or agreement that is usual and customary to the MEMBER's operations under which the MEMBER assumes the tort liability of another party to pay DAMAGES because of BODILY INJURY or PROPERTY DAMAGE. "Tort liability" means liability that would be imposed by law in the absence of any contract or agreement.

"COVERED PARTY" means a MEMBER. "COVERED PARTY" also includes any past, present or future officials; members of boards or commissions, trustees or directors; officers, volunteers authorized to act on behalf of the county or employees of the

MEMBER while acting within the scope of their duties as such and only to the extent to which the MEMBER is obligated to provide defense to such person in compliance with Utah Code Annotated 63G-7-902.

"DAMAGES" means all sums recoverable by law from any liability covered under this ADDENDUM excluding (i) punitive damages, (ii) any sums awarded for plaintiff's attorney fees under 42 U.S. Code, Section 1988 in any case in which monetary damages are not specifically sought or not awarded, (iii) fines, penalties or sanctions, (iv) the return, refund or repayment of any taxes, fees or other charges by a MEMBER and (v) back pay, overtime pay or other benefits that are routinely paid by a MEMBER to its employees.

"EARTHQUAKE" means seismic geologic activity which causes movement in the earth's surface including loss or damage from any other cause or event that contributes concurrently or in any sequence to the loss. If more than one EARTHQUAKE shock occurs within any period of 72 hours during the term of this insurance, it is deemed to be a single EARTHQUAKE OCCURRENCE.

"EMPLOYEE BENEFIT PROGRAMS" means group life insurance, group accident or health insurance, pension plans, profit sharing plans, employee savings and investment plans, employee stock subscription plans, travel or vacation plans, workers' compensation, unemployment insurance, social security, disability benefits insurance, employee welfare benefit plans and welfare plans, and any other similar employee benefit programs.

"EMPLOYMENT RELATED PRACTICES" means:

1. Refusal to employ;

2. Termination of employment;

3. Practices, policies, acts or omissions such as coercion, demotion, failure to promote, evaluation, reassignment, discipline, harassment (other than SEXUAL HARASSMENT), civil rights and discrimination;

4. Any act relating to the selection, supervision or dismissal of any employee.

"ENVIRONMENT" includes any person, any real or personal PROPERTY, animals, crops and vegetation, land including land under which a building is placed, bodies of water, underground water or water table supplies, air and any other feature of the earth or its atmosphere, whether or not altered, developed or cultivated, including but not limited to any of the above that is owned, controlled or occupied by a MEMBER.

"FLOOD AND SURFACE WATER" means waves, tide or tidal water and the rising (including the overflowing or breaking of boundaries) of lakes, ponds, reservoirs, rivers, streams, harbors and similar bodies of water.

"LAW ENFORCEMENT ACTIVITIES" means the activities of any COVERED PARTY while acting as a law enforcement official, officer, auxiliary officer, employee or volunteer

of the MEMBER provided that the volunteer has been authorized according to the Utah Volunteer Governmental Workers Act, as amended, to act on behalf of the MEMBER. LAW ENFORCEMENT ACTIVITIES also includes policymaking, supervisory and executive functions by a COVERED PARTY relating to such activities.

"LAW ENFORCEMENT PERSONAL INJURY" means injury, other than "BODILY INJURY", arising out of LAW ENFORCEMENT ACTIVITY and one or more of the following offenses:

1. Assault and battery;

2. Discrimination, unless insurance thereof is prohibited by law;

3. False arrest, detention or imprisonment;

4. Malicious prosecution;

5. False or improper service of process;

6. Humiliation or mental distress;

7. Oral or written publication of material that slanders or libels a person or organization;

8. Violation of civil rights protected under 42 U.S.C. 1981 et. seq. or state law;

9. Violation of property rights;

10. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies by or on behalf of its owner, landlord or lessor.

"MEDICAL PAYMENTS" means reasonable expenses for first aid at the time of an OCCURRENCE, necessary medical, surgical, x-ray and dental services, ambulance, hospital, professional nursing and funeral services.

"MEMBER" or "NAMED MEMBER" means each of the Counties named in the Participating Members Endorsement of this COVERAGE ADDENDUM.

"MOBILE EQUIPMENT" means any of the following types of land vehicles, including any attached machinery or equipment:

1. Bulldozers, farm machinery, forklifts, ATV's, snowmobiles, and other vehicles designed for use principally off public roads;

2. Vehicles maintained for use solely on or next to PREMISES the MEMBER owns or rents;

3. Vehicles that travel on crawler treads;

4. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted power cranes, shovels, loaders, diggers or drills or to road construction or resurfacing equipment such as graders, scrapers or rollers;

5. Trailers that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types: air compressors, pumps and generators including spraying, welding, building, cleaning, geophysical exploration, lighting and well servicing equipment or cherry pickers and similar devices used to raise or lower workers while such trailer is not attached to an AUTOMOBILE;

6. Vehicles not described above which are maintained primarily for purposes other than the transportation or persons or cargo.

"MONEY" means currency, coins, bank notes and bullion, and traveler's checks, register checks and money orders held for sale to the public.
"NURSING HOME" means a residential facility which provides residents with nursing and/or personal care services by whatever name used including but not limited to assisted living facility, intermediate care facility, long term care facility, skilled nursing facility, residential care facility, senior care facility, convalescent home or group home and includes facilities whether they are Medicare/Medicaid certified or not.

"OCCURRENCE" means an ACCIDENT which results in BODILY INJURY or PROPERTY DAMAGE. Continuous or repeated exposure to substantially the same general harmful conditions shall be deemed one OCCURRENCE, and all BODILY INJURY and PROPERTY DAMAGE attributable, directly or indirectly, to a single cause or a series of similar causes shall be deemed one OCCURRENCE, irrespective of the period of time or area over which such losses occur, the number of COVERED PARTIES involved, number of locations involved or number of individuals or entities affected. There may be multiple CLAIMS or claimants involved in one OCCURRENCE, however only one deductible applies per OCCURRENCE. With respect to PERSONAL INJURY and LAW ENFORCEMENT PERSONAL INJURY, "OCCURRENCE" means a WRONGFUL ACT that commences on or after any applicable Retroactive Date and before the MEMBER's withdrawal or termination from the POOL. A series of continuous, repeated or related WRONGFUL ACTS by one or more COVERED PARTIES shall be deemed to be one OCCURRENCE regardless of the number of COVERED PARTIES engaged in such WRONGFUL ACTS, the number of individuals or entities affected by such WRONGFUL ACTS, the number of locations where such WRONGFUL ACTS occur or the number of WRONGFUL ACTS occurring or the period of time over which they occur,

"PERSONAL INJURY" means mental anguish, shock, sickness, disease, disability or wrongful eviction arising out of malicious prosecution, humiliation, invasion of rights of privacy, libel, slander or defamation of character; also piracy and any infringement of copyright or of property, erroneous service of civil papers, and assault and battery.

PERSONAL INJURY also means false arrest, false imprisonment, detention and violation of civil rights. However, PERSONAL INJURY does not apply to CLAIMS arising out of LAW ENFORCEMENT ACTIVITIES.

"POLLUTANTS" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapors, soot, fumes, acids, sounds, alkalis, chemicals, liquids, solids, gases, thermal POLLUTANTS, WASTE and all other irritants or contaminants. "WASTE" includes materials to be recycled, reconditioned or reclaimed. However, for purposes of MEMBER coverages provided in this ADDENDUM, "POLLUTANTS" does not include herbicides or pesticides.

The "POOL" means the Utah Counties Indemnity Pool.

"PREMISES" means the interior of that portion of a building, which is occupied by the MEMBER for business operations.

"PROPERTY" or "PROPERTY OF THE NAMED MEMBER" means all real and personal PROPERTY, including leasehold improvements or betterments which the MEMBER owns, PROPERTY which the MEMBER holds on consignment or agrees to cover by any contractual agreement normal to its operations, and the MEMBER's own PROPERTY in the course of construction, repair or renovation.

"PROPERTY DAMAGE" means direct damage to or destruction or loss of tangible PROPERTY, including all resulting loss of use of property. This definition applies to Sections II, III, IV, VII and VIII of this ADDENDUM. PROPERTY DAMAGE excludes damage to the property owned by the MEMBER but includes damage to property of others in the care, custody or control of the MEMBER or property purchased by the MEMBER under a contract which provides that the title remain with the sellers until payments are completed, in which case the POOL's liability is limited to the amount of payments outstanding.

"SECURITIES" means all negotiable instruments or contracts representing either MONEY or other property and includes revenue and other stamps in current use, tokens and tickets, but does not include MONEY.

"SEXUAL ABUSE" means any actual, attempted or alleged criminal sexual conduct towards a person by another person, or persons acting in concert, which causes physical and/or mental injury. SEXUAL ABUSE includes: sexual molestation, sexual assault, sexual exploitation or sexual injury. SEXUAL ABUSE does not include SEXUAL HARASSMENT.

"SEXUAL HARASSMENT" means "Unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when (1) submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment, (2) submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual, or (3) such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment" (Equal Employment Opportunity Commission Guidelines, Section 1064.11).

"SUIT" means an action in which a complaint, requesting DAMAGES to which this coverage applies, has been filed in court. "SUIT" also includes an alternative dispute resolution proceeding alleging such DAMAGES to which the COVERED PARTY must submit or submits with both our consent, and our agreement to pay for defense.

"UCIP" means the Utah Counties Indemnity Pool.

"WRONGFUL ACT" means any actual or alleged error or misstatement, omission, act of neglect or breach of duty including EMPLOYMENT RELATED PRACTICES, discrimination and violations of civil rights by the COVERED PARTY. A series of continuous, repeated or related WRONGFUL ACTS, by one or more COVERED PARTIES, shall be deemed to be a single WRONGFUL ACT regardless of the number of COVERED PARTIES engaged in such WRONGFUL ACTS, the number of individuals or entities affected by such WRONGFUL ACTS, the number of locations where such WRONGFUL ACTS occur, the number of WRONGFUL ACTS occurring or the period of time over which they occur. For purposes of Employee Benefits Liability, a "WRONGFUL ACT" means any negligent act, error or omission by the MEMBER or any person for whose acts the MEMBER is legally liable committed in the administration of the MEMBER's EMPLOYEE BENEFIT PROGRAMS. Only one deductible and one self-insured retention shall apply per Wrongful Act.

PART V PROPERTY COVERAGE SECTION

A. Declarations

1. Coverage Agreement

This ADDENDUM, subject to the terms, exclusions, limits and conditions contained herein or endorsed hereon, covers all risks of direct physical loss of or direct physical damage to the MEMBER's PROPERTY as described herein, provided such loss or damage occurs during the Term of Coverage described in Part I. B.

2. Covered Location

a. The coverages under this ADDENDUM apply to a COVERED LOCATION unless otherwise provided.

A COVERED LOCATION is a LOCATION:

(i) Listed on a schedule on file with the POOL;

(ii) Covered as a MISCELLANEOUS UNNAMED LOCATION; or

(iii) Covered under the terms and conditions of the AUTOMATIC COVERAGE, ERRORS AND OMISSIONS, and/or PROPERTY IN COURSE OF CONSTRUCTION and SOFT COSTS

References and Application. The following terms wherever used in this ADDENDUM mean:

LOCATION:

(i) As specified in the Schedule of Locations, except for MISCELLANEOUS UNNAMED LOCATIONs; or

(ii) If not so specified or if a MISCELLANEOUS UNNAMED LOCATION, a building bound on all sides by public streets, clear land space or open waterways, each not less than a fifty feet wide separation. Any bridge or tunnel crossing such street, space or waterway will render such separation inoperative for the purpose of this References and Application.

3. Limits of Coverage

The terms and conditions of this Section constitute the POOL's Limits of Coverage as a whole for all MEMBERs. The maximum Limit of Coverage for the POOL as a whole is $500,000,000 per OCCURRENCE, subject to the sublimits and inclusive of MEMBER retentions stated below or by endorsement. The sublimits stated below are a part of, and do not increase, any Limits of Liability of the program.

When a Limit of Coverage is shown as applying in the Aggregate, the POOL's maximum Limit of Coverage will not exceed such limit during any fiscal year of the POOL regardless of the number of MEMBERs, LOCATIONs and coverages involved.

The following Sublimits apply on a per OCCURRENCE basis, unless otherwise stated. Any Sublimit that applies on a per OCCURRENCE basis applies to all losses in the Aggregate arising from any single OCCURRENCE with respect to all MEMBERs covered under this ADDENDUM regardless of the number of LOCATIONs or MEMBERs involved. Any Sublimit shown as applying in the Annual Aggregate applies to all losses for that peril/coverage in the Aggregate during the POOL's fiscal year regardless of the number of MEMBERs, LOCATIONs and coverages involved.

<u>Sublimits</u>:

$25,000,000	Accounts Receivable	
$2,500,000	Animals Used For Research	
$25,000,000	Automatic Coverage	
$10,000,000	Contingent Business Interruption/Contingent Extra Expense (excluding EARTHQUAKE and FLOOD)	
$25,000,000	Debris Removal (greater of 25% of loss or the limit shown)	
$5,000,000	Decontamination Costs	
$1,000,000	Deferred Payments	
$100,000,000	Demolition and Increased Cost of Construction	
$100,000,000	EARTHQUAKE Annual Aggregate Non-Critical	
$100,000,000	Equipment Breakdown, including:	
	Spoilage	$5,000,000

Service Interruption	$25,000,000
Business Income	INCLUDED
Extra Expense	$10,000,000
Expediting Expense	$5,000,000
Hazardous Substance	$1,000,000
Ammonia Contamination	$1,000,000
DATA and MEDIA	$10,000,000
CFC Refrigerants	$1,000,000
Computer Equipment	INCLUDED

$25,000,000 Errors and Omissions

$10,000,000 Expediting Expense

$10,000,000 Extended Period of Coverage

$25,000,000 Extra Expense

$10,000,000 FINE ARTS (Objects over $10,000 must be scheduled and are sublimited to the reported value)

$20,000,000 FLOOD—Annual Aggregate as respects all LOCATIONs situated wholly or partially within Special Flood Hazard Area (SFHA).

$100,000,000 FLOOD—Annual Aggregate as respects all LOCATIONs not situated wholly or partially within Special Flood Hazard Area (SFHA).

$25,000,000 Ingress/Egress

$2,500,000 Insect, Animal and Vermin damage to vehicles

$25,000,000 Interruption by Civil Authority

$2,500,000 Landscaping, subject to $15,000 any one shrub or tree caused by or resulting from the following causes of loss: EARTHQUAKE, explosion, falling aircraft, fire, FLOOD, hail, lightning, NAMED STORM, smoke, tornado, vehicle impact, wind driven water, and windstorm

$25,000,000 Leasehold Interest

$25,000,000 MISCELLANEOUS UNNAMED LOCATIONS

$2,500,000	Mobile Medical Equipment
$50,000,000	NAMED STORM
$1,000,000	Patient Evacuation Expense (only when actual loss occurs at a Member's Location, or in the event of a mandatory evacuation order)
$5,000,000	Professional Fees
$25,000,000	PROPERTY IN COURSE OF CONSTRUCTION and SOFT COSTS – Any one LOCATION
$25,000,000	Service Interruption - PROPERTY DAMAGE and Time Element Combined (including transmission facilities, excluding transmission and distribution lines in excess of one mile)
$1,000,000	Tax Treatment of Profits
INCLUDED	Temporary Removal of Property, except $1,000,000 for the purpose of being repaired or serviced
$2,000,000	Transit (PROPERTY DAMAGE and Time Element combined)
$1,000,000	Unscheduled Contingent Tax Revenue Interruption
$250,000	Unscheduled Tunnels, Bridges, Airport Runways and DAMs unless specific values have been declared (excluding coverage for the perils of EARTHQUAKE, FLOOD, NAMED STORM or other declared disasters, unless specifically scheduled)
$25,000,000	Valuable Papers and Records
$1,500,000	Watercraft 27 feet or less in length, subject to $250,000 any one Watercraft
$1,000,000	Wharves Piers, Docks, Pilings, and Bulkheads, subject to $500,000 any one LOCATION,

<u>Time Limits</u>

In addition to the time limits shown elsewhere in this ADDENDUM, the following apply:

30 Day Period	Interruption by Civil Authority
30 Day Period	Ingress/Egress

180 Day Period Extended Period of Coverage

4. Contribution

This ADDENDUM is issued in consideration of the annual contribution as approved by the POOL Board of Directors.

5. Value Reporting Provisions

The MEMBER has provided the POOL, 100% replacement cost values by LOCATION.

6. Waiting Period

For purposes of applying Service Interruption, Civil Authority and Ingress/Egress coverage, the Waiting Period is twenty-four (24) hours.

7. Deductibles

In each case of loss covered by this ADDENDUM, the POOL will be liable only if the MEMBER sustains a loss in a single OCCURRENCE greater than the underlying limit or the applicable deductible specified below, and only for its share of that greater amount.

a. FLOOD

(i) As respects PROPERTY wholly or partially situated in a SPECIAL HAZARD ZONE FOR FLOOD, the following deductibles shall apply separately for loss from the peril of FLOOD, as covered and defined under the National Flood Insurance Program:

(A) For all coverages covered against under this ADDENDUM, the deductible shall be deemed to be the maximum Limit(s) of Insurance which the MEMBER could have purchased for the eligible PROPERTY under the National Flood Insurance Program, whether purchased or not. Such deductibles shall apply and be totaled as if individual policy(ies) for buildings and personal property could have been purchased from the National Flood Insurance Program and shall apply to those buildings where FLOOD damage or destruction has occurred and for which CLAIM is being sought.

(B) For all coverages covered against under this ADDENDUM at LOCATIONs not eligible for

coverage under the National Flood Insurance Program, or in the event the National Flood Insurance Program is discontinued, the deductible shall be $500,000 per building or structure and $500,000 for contents at each building or structure.

(ii) However, these deductibles shall not apply to COVERED PROPERTY located outside of an area designated as a SPECIAL HAZARD ZONE FOR FLOOD nor to ensuing physical loss, or damage or destruction not otherwise excluded herein. Further, the deductibles described under paragraph (A) and (B) above shall apply individually and supersede the "two or more deductibles provision" under the Deductible Conditions of this ADDENDUM.

(iii) For all coverages covered against, in the event that the MEMBER maintains underlying insurance through the National Flood Insurance Program (NFIP), it is agreed that this ADDENDUM shall be excess over the recovery under such National Flood Insurance Policy(ies). Should the amount of loss payable under such National Flood Insurance Policy(ies) exceed the applicable FLOOD deductible under this ADDENDUM, then no deductible shall apply hereunder. However, if the amount to be paid under such National Flood Insurance Policy(ies) is less than the applicable FLOOD deductible under this ADDENDUM, then the amount to be deducted hereunder shall not exceed the difference between the amount to be paid under the MEMBER's National Flood Insurance Policy(ies) and the applicable FLOOD deductible under this ADDENDUM absent this clause. Insurance maintained through the National Flood Insurance Program shall be considered underlying insurance.

(iv) For all other FLOOD losses, the deductible shall be $1,000.

b. All Other Perils

As respects losses from any other peril, a $500 deductible per OCCURRENCE for all LOCATIONs, and coverages, combined shall apply, except AUTOMOBILE physical damage, a $1,000 per OCCURRENCE shall apply.

c. Application of Multiple Deductibles:

In the event of any OCCURRENCE resulting in loss or damage covered under this ADDENDUM for which two or more deductibles apply, the total deductible shall not exceed the single largest deductible applicable to the OCCURRENCE.

However, in any OCCURRENCE where loss or damage is caused by more than one peril covered under this ADDENDUM, the COVERED PARTY shall have the right to separate the loss amount by peril for the purposes of application of the deductible(s) specified in this Section, notwithstanding the above reference to two or more deductibles.

8. References and Application

The following terms(s) wherever used in this ADDENDUM means:

a. "NAMED STORM" is defined as all loss or damage occurring during a period of 72 consecutive hours which is caused by or results from a storm or weather disturbance which is named as a Tropical Storm or Hurricane by the National Weather Service or any other recognized meteorological authority. Storm or weather disturbance includes all weather phenomenon associated with or occurring in conjunction with the storm or weather disturbance, including, but not limited to FLOOD, storm surge, wind driven rain, wind, hail, sleet, tornadoes, hurricane or lightning.

b. "SPECIAL HAZARD ZONE FOR FLOOD" is defined as areas in which the covered PROPERTY is located and which at the time of direct physical loss, damage or destruction has been designated on a FLOOD Insurance Rate Map published by the Federal Insurance Administration to be a Special Flood Hazard Area.

In areas where the National Flood Insurance Program is not in effect, any area which in the past 100 years has been subject to flooding where the covered PROPERTY is located regardless of whether:

(i) The building or structure existed at the time of the flooding; or

(ii) Any direct physical loss or damage from FLOOD occurred; or

(iii) Any FLOOD CLAIM for loss was ever filed,

shall also be designated as a SPECIAL HAZARD ZONE FOR FLOOD.

c. "FEDERAL INSURANCE MITIGATION ADMINISTRATION" shall mean the federal entity within FEMA that directly administers the National Flood Insurance Program (NFIP).

d. "FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA)" shall mean the federal agency under which the National Flood Insurance Program is administered.

e. "FLOOD INSURANCE RATE MAP (FIRM)" shall mean the official map of a community on which the administrator has designated the special hazards area applicable to the community.

f. "SPECIAL FLOOD HAZARD AREA (SFHA)" shall mean the areas of a FLOOD INSURANCE RATE MAP which the FIRM identifies as Zones A, AO, AH, A1-30, AE, A99, AR, AR/A, AR/AE, AR/A1-A30, AR/AH, AR/AO, V, V1-30, and VE. For purposes of determining which areas qualify as SPECIAL FLOOD HAZARD AREAS as specified above, only those FLOOD INSURANCE RATE MAPS which were in effect at the time of the FLOOD loss shall apply.

g. "TIME ELEMENT VALUE" shall be the sum of GROSS EARNINGS, Extra Expense, Leasehold Interests, Rental Insurance and Commissions, Profits & Royalties that would have been earned for the LOCATION(s) where the physical loss or damage occurs, had there not been physical loss or damage.

9. Territory

This ADDENDUM covers COVERED LOCATIONs in The United States of America.

B. Property Damage

1. Property Covered

This ADDENDUM covers the following PROPERTY, unless otherwise excluded elsewhere in this ADDENDUM, anywhere within the policy territory, to the extent of the interest of the MEMBER in such PROPERTY.

a. Real property, including buildings, remodeling, installations and additions under construction at any new or existing LOCATION(s), in which the MEMBER has an insurable interest.

b. PERSONAL PROPERTY:

(i) Owned by the MEMBER, including the MEMBER's interest as a tenant in improvements and betterments. In the event of physical loss or damage, the POOL agrees to accept and consider the MEMBER as sole and unconditional owner of improvements and betterments, notwithstanding any contract or lease to the contrary;

(ii) Of officers and employees of the MEMBER while such PROPERTY is being held or used for the benefit of the MEMBER with the MEMBER's knowledge and consent;

(iii) Of others in the MEMBER's custody to the extent the MEMBER is under obligation to keep insured for physical loss or damage covered by this ADDENDUM; or

(iv) Of others in the MEMBER's custody to the extent of the MEMBER's legal liability for physical loss or damage to personal property. The POOL will defend that portion of any SUIT against the MEMBER that alleges such liability and seeks DAMAGES for such covered physical loss or damage. The POOL may, without prejudice, investigate, negotiate and settle any such CLAIM or SUIT as the POOL deems expedient.

(v) Equipment, towers, MOBILE EQUIPMENT and AUTOMOBILES owned or leased by the MEMBER.

c. Motor vehicles owned, leased, borrowed or rented by employees, officers and authorized volunteers or their family members, when such vehicles are being used for the benefit of the MEMBER and with the MEMBER's knowledge and consent, limited to the amount of any physical damage deductible under the owner's vehicle policy, not to exceed five hundred dollars per OCCURRENCE.

PERSONAL PROPERTY is covered anywhere within the ADDENDUM Territory.

This ADDENDUM also insures the interest of contractors and subcontractors in covered PROPERTY during construction at a covered LOCATION, to the extent of the MEMBER's legal liability to insure physical loss or damage to such PROPERTY. Such interest of contractors and subcontractors is limited to the PROPERTY for which they have been hired to perform work and such interest will not extend to any Time Element coverage provided under this ADDENDUM.

2. Property Excluded

This ADDENDUM excludes:

a. Currency, MONEY, precious metal in bullion form, notes, or SECURITIES.

b. Land, water or any other substance in or on land; except this exclusion does not apply to:

(i) Land improvements consisting of landscaping including: trees & shrubs; pedestrian or golf cart pavements, tunnels and bridges; parking lots; DAMs (including earthen DAMs); piers; docks; pilings; bulkheads; wharves; piping; and retaining walls, but not including any land beneath such PROPERTY. Landscaping coverage is provided for loss or damage caused by or resulting from: EARTHQUAKE; explosion; falling aircraft; fire; FLOOD; hail; lightning; NAMED STORM; smoke; tornado; vehicle impact; wind driven water; and windstorm.

(ii) Pavements, sidewalks and culverts, but not including roadways, highways, and streets.

(iii) Athletic Fields.

(iv) Water that is contained within any enclosed tank, piping system or any other processing equipment.

c. Animals (except animals held for research), standing timber or growing crops.

d. Watercraft greater than 27 feet or aircraft, except when unfueled and manufactured by the MEMBER; spacecraft or satellites.

e. Underground mines, mineshafts or caverns or any PROPERTY within such mine, shaft or cavern.

f. Canals, off shore drilling rigs, or reservoirs.

g. PROPERTY in transit unless otherwise described in this ADDENDUM. This exclusion does not apply to Property transported by the Member in a vehicle or mobile equipment owned or leased while operated by the Member.

h. PROPERTY sold by the MEMBER under conditional sale, trust agreement, installment plan or other deferred payment plan after delivery to customers except as provided by the Deferred Payment Coverage of this ADDENDUM.

i. Roads, bridges and tunnels used for vehicular travel; except this exclusion does not apply to bridges which are specifically scheduled.

3. Additional Coverages

This ADDENDUM includes the following Additional Coverages for physical loss or damage covered by this ADDENDUM. These Additional Coverages are subject to the applicable limit of liability, will not increase the POOL's limit of liability, and are subject to the ADDENDUM provisions, including applicable exclusions and deductibles.

All as shown in this Section and elsewhere in this ADDENDUM.

a. Accounts Receivable

This ADDENDUM covers any shortage in the collection of Accounts Receivable, resulting from covered physical loss or damage to Accounts Receivable records while anywhere within this ADDENDUM's Territory, including while in transit. The POOL will be liable for the interest charges on any loan to offset impaired collections pending repayment of such sum uncollectible as the result of such loss or damage. Unearned interest and service charges on deferred payment accounts and NORMAL credit losses on bad debts will be deducted in determining the recovery.

(i) In the event of loss to Accounts Receivable Records, the MEMBER will use all reasonable efforts, including legal action, if necessary, to effect collection of outstanding Accounts Receivable.

(ii) The MEMBER agrees to use any suitable PROPERTY or service:

(A) Owned or controlled by the MEMBER; or

(B) Obtainable from other sources;

in reducing the loss under this Additional Coverage.

(iii) This ADDENDUM covers any other necessary and reasonable costs incurred to reduce the loss; to the extent the losses are reduced.

(iv) If it is possible to reconstruct Accounts Receivable records so that no shortage is sustained, the POOL will be liable only for the reasonable and necessary cost incurred for material and time required to re-establish or reconstruct such records, and not for any costs covered by any other insurance or coverage.

(v) Accounts Receivable Exclusions: The following exclusions are in addition to the Exclusions clause of this Section and the General Exclusions of this ADDENDUM:

This Additional Coverage does not cover shortage resulting from:

(A) Bookkeeping, accounting or billing errors or omissions; or

(B) Alteration, falsification, manipulation; or

(C) Concealment, destruction or disposal;

of Accounts Receivable records committed to conceal the wrongful giving, taking, obtaining or withholding of MONEY, SECURITIES or other property; but only to the extent of such wrongful giving, taking, obtaining or withholding.

(vi) The settlement of loss will be made within 90 days from the date of physical loss or damage. All amounts recovered by the MEMBER on outstanding accounts receivable on the date of loss will belong and be paid to the POOL up to the amount of loss paid by the POOL. All recoveries exceeding the amount paid will belong to the MEMBER.

b. Animals Used For Research

This ADDENDUM covers insured physical loss or damage to animals used for research.

As respects Animals Used For Research, the following additional exclusions apply: This ADDENDUM excludes the following unless directly resulting from other physical damage not excluded by this ADDENDUM:

(i) Death, destruction, or injury form natural causes.

(ii) Escape.

(iii) Sickness, disease, infection, infestation or illness;

(iv) Error or Omission in processing and/or failure on the part of the Member to provide nourishment, medicine or sanitary conditions.

(v) Contamination of animals, food or medicine.

c. Automatic Coverage (Newly Acquired)

This ADDENDUM covers covered PROPERTY including equipment, towers and vehicles, at any LOCATION rented, leased or purchased by the

MEMBER after the inception date of this ADDENDUM and within the ADDENDUM Territory.

This Additional Coverage does not apply to PROPERTY in the Course of Construction.

This Additional Coverage does not apply to PROPERTY insured in whole or in part by any other insurance policy.

This coverage will apply until whichever of the following occurs first:

(i) The LOCATION is reported and scheduled by the POOL;

(ii) 120 days has passed from the date of rental, lease or purchase.

d. Brands and Labels

If branded or labeled PROPERTY covered by this ADDENDUM is physically damaged and the POOL elects to take all or any part of that PROPERTY, the MEMBER may at the POOL's expense:

(i) Stamp "salvage" on the PROPERTY or its containers; or

(ii) Remove or obliterate the brands or labels; if doing so will not damage the PROPERTY.

In either event, the MEMBER must re-label such PROPERTY or its containers to be in compliance with any applicable law.

e. Consequential Reduction in Value

This ADDENDUM covers the reduction in value of covered merchandise that is a part of pairs, sets or components, directly resulting from physical loss or damage covered by this ADDENDUM to other covered parts of pairs, sets or components of such merchandise. If settlement is based on a constructive total loss, the MEMBER will surrender the undamaged parts of such merchandise to the POOL.

f. Debris Removal

This ADDENDUM covers the reasonable and necessary costs incurred to remove debris from a COVERED LOCATION that remains as a direct result of physical loss or damage covered by this ADDENDUM.

This Additional Coverage does not cover the costs of removal of:

(i) Contaminated uncovered PROPERTY; or

(ii) The contaminant in or on uncovered PROPERTY; whether or not the CONTAMINATION results from covered physical loss or damage. CONTAMINATION includes, but is not limited to, the presence of POLLUTION or hazardous material.

g. Decontamination Costs

If covered PROPERTY is contaminated as a direct result of physical damage covered by this ADDENDUM and there is in force at the time of the loss any law or ordinance regulating CONTAMINATION, including but not limited to the presence of POLLUTION or hazardous material, then this ADDENDUM covers, as a direct result of enforcement of such law or ordinance, the increased cost of decontamination and/or removal of such contaminated covered PROPERTY in a manner to satisfy such law or ordinance. This Additional Coverage applies only to that part of covered PROPERTY so contaminated as a direct result of covered physical damage.

The POOL is not liable for the costs required for removing neither contaminated uncovered PROPERTY nor the contaminant therein or thereon, whether or not the CONTAMINATION results from a covered event.

h. Deferred Payments

This ADDENDUM covers covered physical loss or damage to personal PROPERTY of the type covered, sold by the MEMBER under a conditional sale or trust agreement or any installment or deferred payment plan and after such PROPERTY has been delivered to the buyer. Coverage is limited to the unpaid balance for such PROPERTY.

In the event of loss to PROPERTY sold under deferred payment plans, the MEMBER will use all reasonable efforts, including legal action, if necessary, to effect collection of outstanding amounts due or to regain possession of the PROPERTY.

There is no liability under this ADDENDUM for loss:

(i) Pertaining to products recalled including, but not limited to, the costs of recall, test or to advertise such recall by the MEMBER.

(ii) From THEFT or conversion by the buyer of the PROPERTY after the buyer has taken possession of such PROPERTY.

(iii) To the extent the buyer continues payments.

(iv) Not within the Territory of this ADDENDUM.

i. Demolition and Increased Cost of Construction

(i) This ADDENDUM covers the reasonable and necessary costs incurred, described in Item (iii) below, to satisfy the minimum requirements of the enforcement of any law or ordinance regulating the demolition, construction, repair, replacement or use of buildings or structures at a COVERED LOCATION, provided:

(A) Such law or ordinance is in force on the date of covered physical loss or damage; and

(B) Its enforcement is a direct result of such covered physical loss or damage; and

(ii) This Additional Coverage does not cover any loss due to any law or ordinance with which the MEMBER should have complied before the loss.

(iii) This Additional Coverage, as respects the PROPERTY covered in Item (i) above, covers:

(A) The cost to repair or rebuild the physically damaged portion of such PROPERTY with materials and in a manner to satisfy such law or ordinance; and

(B) The cost:

(I) To demolish the physically undamaged portion of such PROPERTY covered; and

(II) To rebuild it with materials and in a manner to satisfy such law or ordinance; to the extent that such costs result when the total demolition of the physically damaged covered PROPERTY is required to satisfy such law or ordinance.

(iv) This Additional Coverage excludes any costs incurred as a direct or indirect result of enforcement of any laws or ordinances regulating any form of CONTAMINATION including but not limited to the presence of POLLUTION or hazardous material.

(v) The POOL's maximum liability for this Additional Coverage at each COVERED LOCATION in any OCCURRENCE will not exceed the actual cost incurred in demolishing the physically undamaged portion of the PROPERTY covered in Item (i) above plus the lesser of:

(A) The reasonable and necessary cost incurred, excluding the cost of land, in rebuilding on another site; or

(B) The cost of rebuilding on the same site.

j. Earthquake

This ADDENDUM covers physical loss or damage caused by or resulting from an EARTHQUAKE.

This Additional Coverage does not apply to loss or damage caused by or resulting from FLOOD; rising waters; waves; tide or tidal water; the release of water; the rising, overflowing or breaking of boundaries of natural or man-made bodies of water; or the spray therefrom, surface water or sewer back-up resulting from any of the foregoing; all regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

(i) **References and Application**. The following term, wherever used, means:

"EARTHQUAKE" Any natural or man-made earth movement including, but not limited to, EARTHQUAKE, landslide, subsidence or volcanic eruption regardless of any other cause or event contributing concurrently or in any other sequence of loss. However, physical damage by fire, explosion, or sprinkler leakage resulting from EARTHQUAKE will not be considered to be loss by EARTHQUAKE within the terms and conditions of this ADDENDUM. All EARTHQUAKEs within a continuous 72-hour period will be considered a single EARTHQUAKE; the beginning of such period shall be determined by the MEMBER.

k. Errors and Omissions

If physical loss or damage is not payable under this ADDENDUM solely due to an error or unintentional omission:

(i) In the description of where covered PROPERTY is physically located;

(ii) To include any LOCATION:

(A) Owned, rented or leased by the MEMBER on the effective date of this ADDENDUM; or

(B) Purchased, rented or leased by the MEMBER during the term of this ADDENDUM; or

(iii) That results in cancellation of the PROPERTY covered under this ADDENDUM;

This ADDENDUM covers such physical loss or damage, to the extent it would have provided coverage had such error or unintentional omission not been made.

This Additional Coverage does not apply to PROPERTY in the Course of Construction.

It is a condition of this Additional Coverage that any error or unintentional omission be reported by the MEMBER to the POOL when discovered and corrected.

l. Expediting Costs

This ADDENDUM covers the reasonable and necessary costs incurred to pay for the temporary repair of covered damage to covered PROPERTY and to expedite the permanent repair or replacement of such damaged PROPERTY.

This Additional Coverage does not cover costs:

(i) Recoverable elsewhere in this ADDENDUM; or

(ii) Of permanent repair or replacement of damaged PROPERTY.

m. Fine Arts

This ADDENDUM covers physical loss or damage to FINE ARTS articles while anywhere within this ADDENDUM's Territory, including while in transit.

(i) This additional coverage excludes loss or damage if the FINE ARTS cannot be replaced with other of like kind and quality, unless it is specifically declared to the POOL.

(ii) FINE ARTS Exclusion

The exclusions in the Exclusions clause of this Section do not apply to FINE ARTS coverage except for: 4. a. (i), 4. a. (ii), 4. b. (i), 4. b. (ii), 4. b. (iii) (A), and 4. b. (iv).

This ADDENDUM does not cover:

(A) Deterioration, wear and tear or inherent vice;

(B) Loss or damage from any repairing, restoration or retouching process.

(iii) **References and Application**. The following term, wherever used, means:

"FINE ARTS" are paintings; etchings; pictures; tapestries; rare or art glass; art glass windows; valuable rugs; statuary; sculptures; antique furniture; antique jewelry; bric-a-brac; porcelains; and similar PROPERTY of rarity, historical value, or artistic merit excluding AUTOMOBILEs, coins, stamps, furs, jewelry, precious stones, precious metals, watercraft, aircraft, MONEY, SECURITIES.

FINE ARTS objects, pairs or sets over $10,000 in value or any collection of FINE ARTS over $250,000 at any one LOCATION must be scheduled and are sublimited to the reported value, but do not increase the Aggregate per OCCURRENCE sublimit shown in the Limits of Coverage.

n. Fire Brigade Charges and Extinguishing Expenses

This ADDENDUM covers the following expenses resulting from a covered loss:

(i) Fire brigade charges and any extinguishing expenses that the MEMBER incurs;

(ii) Loss and disposal of the fire extinguishing materials expended.

o. Flood

This ADDENDUM covers physical loss or damage caused by or resulting from FLOOD.

References and Application: The following terms wherever used in this ADDENDUM mean:

The term "FLOOD" shall mean:

(i) A general and temporary condition of partial or complete inundation of normally dry land areas from:

(A) FLOOD, or rising waters, waves, tide or tidal water:

(B) The unusual and rapid accumulation or runoff of surface waters from any source: or

(C) Mudslide or mud flow caused by accumulation of water on or under the ground.

(ii) The release of water, the rising, overflowing or breaking of boundaries of natural or man-made bodies of water, or the spray there from:

(iii) Surface water or water that backs up or flows from a sewer, drain or sump;

However, physical damage by fire, explosion or sprinkler leakage resulting from FLOOD is not considered to be loss by FLOOD within the terms and conditions of this ADDENDUM.

p. Land and water contaminant or POLLUTANT cleanup, removal and disposal

This ADDENDUM covers the reasonable and necessary cost for the cleanup, removal and disposal of contaminants or POLLUTANTS from PROPERTY not covered consisting of land, including water or any other substance in land, and water on land, at the COVERED LOCATION if the release, discharge or dispersal of contaminants or POLLUTANTS is a direct result of covered physical loss or damage to covered PROPERTY.

This ADDENDUM does not cover the cost to cleanup, remove and dispose of contaminants or POLLUTANTS from such PROPERTY:

(i) At any LOCATION covered for PERSONAL PROPERTY only; or

(ii) At any PROPERTY covered under Automatic Coverage, Errors and Omissions or MISCELLANEOUS UNNAMED LOCATIONS coverage provided by this ADDENDUM; or

(iii) When the MEMBER fails to give written notice of loss to the POOL within 180 days after inception of the loss.

"POLLUTION" definition shall be any solid, liquid, gaseous or thermal irritant or contaminant, including, but not limited to, smoke, vapor, soot, fumes, acids, alkalis, chemicals, bacteria, fungi, virus, mold, spores, vaccines and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

q. Miscellaneous Unnamed Locations

This ADDENDUM covers a MEMBER's interest in covered PROPERTY at any LOCATION that is not specifically on file, identified, or scheduled by the POOL. No coverage is provided under this provision on PROPERTY while waterborne.

This provision does not cover any PROPERTY covered or excluded under any other item of this ADDENDUM.

r. Mobile Medical Equipment

This ADDENDUM covers physical loss or damage to Medical Equipment contained in Mobile Medical Care Vans, Ambulances, Mobile MRI, CAT scan or other similar mobile units owned or operated by the MEMBER.

s. Professional Fees

This ADDENDUM covers the actual costs incurred by the MEMBER, of reasonable fees payable to the MEMBER's accountants, architects, auditors, engineers, or other professionals and the cost of using the MEMBER's employees, for producing and certifying any particulars or details contained in the MEMBER's books or documents, or such other proofs, information or evidence required by the POOL resulting from covered loss payable under this ADDENDUM for which the POOL has accepted liability.

Coverage will not include the fees and costs of attorneys, public adjusters, and loss appraisers, all including any of their subsidiary, related or associated entities either partially or wholly owned by them or retained by them for the purpose of assisting them.

t. Property in the Course of Construction and Soft Costs

This ADDENDUM covers projects in the Course of Construction, at scheduled LOCATIONs and Non-Scheduled LOCATIONs, subject to the "Total Project Value" not to exceed the Sublimit shown in the Limits of Coverage clause of the Declarations Section at project inception. Projects in excess of that amount are subject to prior approval and must be specifically scheduled for coverage to apply.

This Additional Coverage does not apply to any project that the MEMBER has agreed to waive subrogation rights against any other party for damage to the project.

This Additional Coverage also covers the necessary SOFT COSTS incurred by the MEMBER during the Period of Recovery and directly caused by physical loss or damage of the type covered to real or PERSONAL PROPERTY of the type covered which is in the course of construction, including those at new sites and Non-Scheduled LOCATIONs subject to the

"Total Project Value" not to exceed the Sublimit shown in the Limits of Liability clause of the Declarations Section.

This coverage will apply until whichever of the following occurs first:

(i) The LOCATION is bound by the POOL;

(ii) The Time Limit shown in the Limits of Coverage clause in the Declarations has been reached. The Time Limit begins on the date of rental, lease or purchase.

(iii) **References and Application**. The following term, wherever used in this ADDENDUM, means:

SOFT COSTS:

(A) Interest expense;

(B) General overhead-developer expenses and additional real estate taxes

(C) Legal or professional fees;

(D) Marketing expenses and advertising expenses;

(E) Debt service payments and insurance premiums;

(F) Refinancing charges and bond interest;

(G) Founders fees and miscellaneous operating expenses

u. Protection and Preservation of Property

This ADDENDUM covers:

(i) Reasonable and necessary costs incurred for actions to temporarily protect or preserve covered PROPERTY, provided such actions are necessary due to actual, or to prevent immediately impending, covered physical loss or damage to such covered PROPERTY.

(ii) Reasonable and necessary:

(A) Fire department firefighting charges imposed as a result of responding to a fire in, on or exposing the covered PROPERTY;

(B) Costs incurred of restoring and recharging fire protection systems following a covered loss; and

(C) Costs incurred for the water used for fighting a fire in, on or exposing the covered PROPERTY.

This Additional Coverage is subject to the deductible provisions that would have applied had the physical loss or damage occurred.

v. Service Interruption Property Damage

(i) This ADDENDUM covers physical loss or damage to covered PROPERTY at a COVERED LOCATION when such physical loss or damage results from the interruption of the specified incoming services consisting of electricity, gas, fuel, steam, water, refrigeration or from the lack of outgoing sewerage service by reason of physical loss or damage of the type covered to real and PERSONAL PROPERTY of the type covered to the facilities of the supplier of such service located within this ADDENDUM's Territory, that immediately prevents in whole or in part the delivery of such usable service. For purposes of this coverage, COVERED LOCATIONs includes Transmission Facilities, and Transmission and Distribution Lines except those lines in excess of one statue mile from a COVERED LOCATION.

(ii) This Additional Coverage will apply when the PERIOD OF SERVICE INTERRUPTION is in excess of the time shown as Waiting Period in the Waiting Period clause of the Declarations Section.

(iii) Additional General Provisions:

(A) The MEMBER will immediately notify the suppliers of services of any interruption of such services.

(B) The POOL will not be liable if the interruption of such services is caused directly or indirectly by the failure of the MEMBER to comply with the terms and conditions of any contracts the MEMBER has for the supply of such specified services.

(iv) **References and Application**: The following term wherever used means:

Period of Interruption: The period starting with the time when an interruption of specific services occurs and ending when, with due diligence and dispatch, the service could be wholly restored.

w. Tax Treatment of Profits

This ADDENDUM is extended to cover the increased tax liability from a Covered Loss at a COVERED LOCATION if the tax treatment of:

(i) The profit portion of a loss payment under this ADDENDUM involving finished stock manufactured by the MEMBER; and/or

(ii) The profit portion of a Time Element loss payment under this ADDENDUM; is greater than the tax treatment of profits that would have been incurred had no loss occurred.

x. Temporary Removal of Property

(i) When covered PROPERTY is removed from a COVERED LOCATION for the purpose of being repaired or serviced or in order to avoid threatened physical loss or damage of the type covered by this ADDENDUM, this ADDENDUM covers such PROPERTY:

(A) While at the LOCATION to which such PROPERTY has been moved; and

(B) For physical loss or damage as provided at the COVERED LOCATION from which such PROPERTY was removed.

(ii) This Additional Coverage does not apply to PROPERTY:

(A) Covered, in whole or in part, elsewhere in this ADDENDUM;

(B) Covered, in whole or in part, by any other insurance policy or coverage agreement; or

(C) Removed for normal storage, processing or preparation for sale or delivery.

y. Transit

(i) This ADDENDUM covers the following within the Territory of this ADDENDUM, PERSONAL PROPERTY, except as excluded by this ADDENDUM, while in transit:

(A) Owned by the MEMBER within the Territory of this ADDENDUM.

(B) Shipped to customers under F.O.B., C&F or similar terms. The MEMBER's contingent interest in such shipments is admitted.

(C) Of others in the actual or constructive custody of the MEMBER to the extent of the MEMBER's interest or legal liability.

(D) Of others sold by the MEMBER that the MEMBER has agreed prior to the loss to cover during course of delivery.

(ii) This Additional Coverage excludes:

(A) Samples in the custody of salespeople or selling agents.

(B) PROPERTY covered under import or export ocean marine insurance.

(C) Waterborne shipments, unless:

(I) By inland water; or

(II) By coastal shipments.

(D) Airborne shipments unless by regularly scheduled passenger airlines or air freight carriers.

(E) PROPERTY of others, including the MEMBER's legal liability for it, hauled on vehicles owned, leased or operated by the MEMBER when acting as a common or contract carrier.

(F) Any transporting vehicle.

(G) PROPERTY shipped between continents, except by land or air between Europe and Asia.

(iii) Coverage Attachment and Duration

(A) This Additional Coverage covers from the time the PROPERTY leaves the original point of shipment for transit until the PROPERTY arrives at destination.

(B) However, coverage on export shipments not covered under ocean cargo policies ends when the PROPERTY is loaded on board overseas vessels or

aircraft. Coverage on import shipments not covered under ocean cargo policies begins after discharge from overseas vessels or aircraft.

(iv) This Additional Coverage:

(A) Covers general average and salvage charges on shipments covered while waterborne.

(B) Covers physical loss or damage caused by or resulting from:

(I) Unintentional acceptance of fraudulent bills of lading, shipping or messenger receipts;

(II) Improper parties having gained possession of PROPERTY through fraud or deceit.

(v) The exclusions in the Exclusion clause of this Section do not apply to Transit coverage except for; 4. a. (i) through 4. a. (iv), 4. b. (i) through 4. b. (iv), 4. c. (i), 4. c. (iii), 4. c. (v), 4. c. (vi), 4. d. (i) and 4. d. (ii).

(vi) Additional General Provisions

(A) This Additional Coverage will not inure directly or indirectly to the benefit of any carrier or Bailee.

(B) The MEMBER has permission, without prejudicing this coverage, to accept:

(I) Ordinary bills of lading used by carrier;

(II) Released bills of lading;

(III) Undervalued bills of lading; and

(IV) Shipping or Messenger receipts.

(C) The MEMBER may waive subrogation against all railroads under sidetrack agreements.

Except as otherwise stated, the MEMBER will not enter into any special agreement with carriers releasing them from their common law or statutory liability.

z. Unscheduled Tunnels, Bridges, Airport Runways and DAMs

This ADDENDUM covers physical loss or damage to Unscheduled Tunnels and Bridges used for vehicular traffic, Airport Runways and DAMs, except earthen DAMs, except that this coverage does not apply:

(i) For the peril of EARTHQUAKE: and

(ii) FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA) and/or OFFICE OF EMERGENCY MANAGEMENT (OEM) declared disasters.

aa. **Valuable Papers and Records** and **EDP Media**

This ADDENDUM covers physical loss or damage to VALUABLE PAPERS AND RECORDS and EDP MEDIA while anywhere within the Covered Territory, including while in transit.

(i) This Additional Coverage excludes loss or damage to:

(A) PROPERTY described below, if such PROPERTY cannot be replaced with other of like kind and quality, unless specifically declared to the POOL;

(B) Currency, MONEY or SECURITIES; and

(C) PROPERTY held as samples or for sale or for delivery after sale,

(ii) VALUABLE PAPERS AND RECORDS and EDP MEDIA Exclusions: The exclusions in the Exclusions clause of this Section do not apply to VALUABLE PAPERS AND RECORDS and EDP MEDIA coverage except for: 4. a. (i) and 4. b. (i) to 4. b. (iv). In addition, as respects VALUABLE PAPERS AND RECORDS and EDP MEDIA the following exclusions apply:

This ADDENDUM does not cover:

(A) Errors or omissions in processing, programming or copying unless physical damage not excluded by this ADDENDUM results, in which event, this coverage will cover only such resulting damage.

(B) Deterioration, inherent vice, vermin or wear and tear; all unless physical damage not excluded by this coverage results, in which event, this coverage will cover only such resulting damage.

(iii) **References and Application**. The following terms, wherever used in this ADDENDUM, means:

VALUABLE PAPERS AND RECORDS: Written, printed or otherwise inscribed documents, SECURITIES, and records including but not limited to books, maps, films, drawings, abstracts, evidence of debt, deeds, mortgages, mortgage files, manuscripts and micro or electronically/magnetically inscribed documents, but not including the monetary value of monies and/or SECURITIES.

ELECTRONIC DATA PROCESSING SYSTEMS: shall include, but not be limited to, transferring equipment, COMPUTER SYSTEMs, telecommunications systems or electronic control equipment and component parts.

EDP MEDIA: All forms of data, converted data, electronically converted data and/or programs and/or applications and/or instructions and/or media vehicles employed.

4. Exclusions

The following exclusions apply unless specifically stated elsewhere in this ADDENDUM or by endorsement hereto.

a. This ADDENDUM excludes:

(i) Indirect or remote loss or damage.

(ii) Interruption of business; except to the extent provided by this ADDENDUM.

(iii) Loss of market or loss of use.

(iv) Loss or damage or deterioration arising from any delay.

(v) Mysterious disappearance, loss or shortage disclosed on taking inventory for which the loss can be proven solely on the inventory records, or any unexplained loss.

(vi) Loss from enforcement of any law or ordinance:

(A) Regulating the construction, repair, replacement, use or removal, including debris removal, of any PROPERTY; or

(B) Requiring the demolition of any PROPERTY, including the cost in removing its debris;

Except as provided by the Debris Removal, Decontamination Costs and Demolition and Increased Cost of Construction coverages of the PROPERTY DAMAGE Section of this ADDENDUM.

(vii) Loss from the accumulated effects of smog, smoke, vapor, liquid and dust.

b. This ADDENDUM excludes loss or damage directly or indirectly caused by or resulting from any of the following regardless of any other cause or event, whether or not covered under this ADDENDUM, contributing concurrently or in any other sequence to the loss:

(i) Nuclear reaction or nuclear radiation or radioactive contamination. However:

(A) If physical damage by fire or sprinkler leakage results, then only that resulting damage is covered; but not including any loss or damage due to nuclear reaction, radiation or radioactive contamination.

(B) This ADDENDUM does cover physical damage directly caused by sudden and accidental radioactive contamination, including resultant radiation damage, from material used or stored or from processes conducted on the COVERED LOCATION, provided that on the date of loss, there is neither a nuclear reactor nor any new or used nuclear fuel on the COVERED LOCATION.

(ii) War or Military Action including:

(A) War, including undeclared or civil war; or

(B) Warlike action by a military force, including action hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

(C) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

(iii) Discharge, explosion or use of any nuclear device, weapon or material employing or involving nuclear fission, fusion or radioactive force, whether in time of peace or war and regardless of who commits the act.

(iv) Seizure or destruction under quarantine or custom regulation, or confiscation by order of any governmental or public authority.

(v) Risks of contraband, or illegal transportation or trade.

c. Any dishonest act, including but not limited to THEFT, committed alone or in collusion with others, at any time:

(i) By a MEMBER or any proprietor, partner, director, trustee, officer, or employee of a MEMBER; or

(ii) By any proprietor, partner, director, trustee, or officer of any business or entity (other than a common carrier) engaged by a MEMBER to do anything in connection with PROPERTY covered under this ADDENDUM.

This ADDENDUM does cover acts of direct covered physical damage intentionally caused by an employee of a MEMBER or any individual specified in (ii) above and done without the knowledge of the MEMBER. In no event does this ADDENDUM cover loss by THEFT by any individual specified in (i) or (ii) above.

d. Lack of the following services:

(i) incoming electricity, fuel, water, gas, steam, refrigerant;

(ii) outgoing sewerage;

(iii) incoming or outgoing voice, data or video;

All when caused by an OCCURRENCE off the COVERED LOCATION, except as provided in Service Interruption in the PROPERTY DAMAGE or Time Element Section of this ADDENDUM. But, if the lack of such a service directly causes physical damage covered by this ADDENDUM on the COVERED LOCATION, then only that resulting damage is covered.

e. This ADDENDUM excludes the following, but, if physical damage not excluded by this ADDENDUM results, then only that resulting damage is covered:

(i) Faulty workmanship, material, construction or design from any cause.

(ii) Loss or damage to stock or material attributable to manufacturing or processing operations while such stock or material is being processed, manufactured, tested, or otherwise worked on.

(iii) Deterioration, depletion, rust, corrosion or erosion, wear and tear, inherent vice or latent defect.

(iv) Settling, cracking, shrinking, bulging, or expansion of foundations (including any pedestal, pad, platform or other property supporting machinery), floors, pavements, walls, ceilings or roofs.

(v) Damage caused by;

(A) Changes of temperature damage (except to machinery or equipment); or

(B) Changes in relative humidity damage;

All whether atmospheric or not.

(vi) Insect, animal or vermin damage, except damage to vehicles.

f. This ADDENDUM excludes the following unless directly resulting from other physical damage not excluded by this ADDENDUM:

(i) CONTAMINATION including but not limited to the presence of POLLUTION or hazardous material; and

(ii) Shrinkage, changes in color, flavor, texture or finish.

(iii) Fungus, mold or mildew.

g. This ADDENDUM excludes the following, but, if physical damage results from a DEFINED PERIL, then only that resulting damage is covered. DEFINED PERIL shall mean: fire, lightning, EARTHQUAKE, explosion, falling aircraft, FLOOD, smoke, vehicle impact, NAMED STORM, wind driven water, hail, windstorm, and tornado.

(i) Any functioning or malfunctioning of the internet or similar facility, or of any intranet or private network or similar facility, including but not limited to COMPUTER VIRUS. COMPUTER VIRUS shall mean a set of corrupting, harmful

or otherwise unauthorized instructions or code including a set of maliciously introduced unauthorized instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature. COMPUTER VIRUS includes but is not limited to "Trojan Horses", "worms", and "time or logic bombs".

(ii) Any corruption, destruction, distortion, erasure or other loss or damage to data, software, or any kind of programming or instruction set.

(iii) Loss of use or functionality whether partial or entire of data, coding, program, software, and computer or computer system or other device dependent upon any microchip or embedded logic, and any ensuing liability or failure of the MEMBER to conduct business.

C. Time Element

1. Loss Covered

a. This ADDENDUM covers Time Element loss, as provided in the Time Element coverage, directly resulting from physical loss or damage of the type covered by this ADDENDUM:

(i) To PROPERTY described elsewhere in this ADDENDUM and not otherwise excluded by this ADDENDUM or otherwise limited in the Time Element coverages below; and

(ii) Used by the MEMBER, or for which the MEMBER has contracted use; and

(iii) Located at a COVERED LOCATION or in the case of PERSONAL PROPERTY within the covered Territory; and

(iv) While in transit as provided by this ADDENDUM; and

(v) During the Periods of Coverage described in this Section.

b. This ADDENDUM covers Time Element loss only to the extent it cannot be reduced through:

(i) The use of any property or service owned or controlled by the MEMBER;

(ii) The use of any property or service obtainable from other sources;

(iii) Working extra time or overtime; or

(iv) The use of inventory;

Time Element loss whether at a COVERED LOCATION or at any other location. The POOL reserves the right to take into consideration the combined operating results of all associated, affiliated or subsidiary entities of the MEMBER in determining the Time Element loss.

c. This ADDENDUM covers expenses reasonably and necessarily incurred by the MEMBER to reduce the loss otherwise payable under this Section of this ADDENDUM. The amount of such recoverable expenses will not exceed the amount by which the loss has been reduced.

d. Except as respects Leasehold Interest, in determining the amount of loss payable, the POOL will consider the experience of the business before and after and the probable experience during the PERIOD OF COVERAGE.

2. Time Element Coverages

a. Gross Earnings

(i) Measurement of Loss:

(A) The recoverable GROSS EARNINGS loss is the Actual Loss Sustained by the MEMBER of the following during the PERIOD OF COVERAGE:

(I) GROSS EARNINGS including ORDINARY PAYROLL;

(II) Less all charges and expenses that do not necessarily continue during the interruption of production or suspension of business operations or services;

(III) Plus, all other earnings derived from the operation of the business;

(B) In determining the indemnity payable as the Actual Loss Sustained, the POOL will consider the continuation of only those NORMAL charges and expenses that would have been earned had no interruption of production or suspension of business operations or services occurred.

(C) There is recovery hereunder only to the extent that the MEMBER is:

(I) Wholly or partially prevented from producing goods or continuing business operations or services;

(II) Unable to make up lost production within a reasonable period of time, not limited to the period during which production is interrupted;

(III) Unable to continue such operations or services during the PERIOD OF COVERAGE; and

(IV) Able to demonstrate a loss of sales for the services or production prevented.

(D) **References and Application**. The following terms mean:

GROSS EARNINGS, as used in item 2. a. (i) (A):

(I) For manufacturing operations: the net sales value of production less the cost of all raw stock, materials and supplies used in such production; or

(II) For mercantile or non-manufacturing operations: the total net sales less cost of merchandise sold, materials and supplies consumed in the operations or services rendered by the MEMBER.

ORDINARY PAYROLL, as used in item 2. a. (i) (A):

ORDINARY PAYROLL includes the MEMBER's payroll for all employees except officers, executives, department managers, and employees under contract. It is comprised of, but not limited to, the payroll, benefits paid for the payroll, social security (FICA), union dues paid for the payroll, and workers compensation paid for the payroll.

Any amount recovered under PROPERTY DAMAGE coverage at selling price for loss or damage to merchandise will be considered to have

been sold to the MEMBER's regular customers and will be credited against net sales.

b. Extra Expense

(i) Measurement of Loss:

The recoverable Extra Expense loss will be the reasonable and necessary extra costs incurred by the MEMBER of the following during the PERIOD OF COVERAGE:

(A) Extra expenses to temporarily continue as nearly NORMAL as practicable the conduct of the MEMBER's business and

(B) Extra costs of temporarily using PROPERTY or facilities of the MEMBER or others;

Less any value remaining at the end of the PERIOD OF COVERAGE for PROPERTY obtained in connection with the above.

(ii) Extra Expense Exclusions: As respects Extra Expense, the following are also excluded:

(A) Any loss of income.

(B) Costs that normally would have been incurred in conducting the business during the same period had no physical loss or damage occurred.

(C) Cost of permanent repair or replacement of PROPERTY that has been damaged or destroyed.

(D) Any expense recoverable elsewhere in this ADDENDUM.

(iii) **References and Application**. The following term means:

NORMAL: The condition that would have existed had no physical loss or damage occurred.

c. Leasehold Interest

(i) Measurement of Loss: The recoverable Leasehold Interest loss is as follows:

(A) If the lease agreement requires continuation of rent; and if the PROPERTY is wholly untenantable or unusable, the actual rent payable for the unexpired term of the lease; or if the PROPERTY is partially untenantable or unusable, the proportion of the rent payable for the unexpired term of the lease.

(B) If the lease is canceled by the lessor pursuant to the lease agreement or by the operation of law; the LEASE INTEREST for the first three months following the loss; and the NET LEASE INTEREST for the remaining unexpired term of the lease.

(ii) **References and Application**: The following terms mean:

LEASE INTEREST: The excess rent paid for the same or similar replacement PROPERTY over actual rent payable plus cash bonuses or advance rent paid (including maintenance or operating charges) for each month during the unexpired term of the MEMBER's lease.

NET LEASE INTEREST: That sum which placed at three percent interest rate compounded annually would equal the LEASE INTEREST (less any amounts otherwise payable hereunder).

(iii) Leasehold Interest Exclusions: As respects to Leasehold Interest, the Time Element Exclusions a. b. and c. do not apply and the following applies instead:

This ADDENDUM does not cover any increase in loss resulting from the suspension, lapse or cancellation of any license, or from the MEMBER exercising an option to cancel the lease; or from any act or omission of the MEMBER that constitutes a default under the lease.

In addition, there is no coverage for the MEMBER's loss of Leasehold Interest directly resulting from damage to PERSONAL PROPERTY.

d. Rental Coverage

(i) Measurement of Loss: The recoverable Rental Coverage loss is the Actual Loss Sustained by the MEMBER of the following during the PERIOD OF COVERAGE:

(A) The fair rental value of any portion of the PROPERTY occupied by the MEMBER;

(B) The income reasonably expected from rentals of unoccupied or unrented portions of such PROPERTY; and

(C) The rental income from the rented portions of such PROPERTY according to bona fide leases, contracts or agreements in force at the time of loss;

All not to include noncontinuing charges and expenses.

(ii) Rental Coverage Exclusions: As respects Rental Coverage, Time Element Exclusion a. does not apply and the following applies instead:

This ADDENDUM does not cover any loss of rental income during any period in which the MEMBER PROPERTY would not have been tenantable for any reason other than a covered loss.

3. Contingent Tax Revenue Interruption (Excluding Earthquake, Named Storm, and Flood).

This ADDENDUM covers loss resulting directly from necessary interruption of sales, property or other tax revenue collected by or due the MEMBER caused by damage, or destruction by a peril not excluded from this ADDENDUM to PROPERTY which is not operated by the MEMBER and which wholly or partially prevents the generation of revenue for the account of the MEMBER.

a. In the event of such damage or destruction, the POOL shall cover, with limitations as indicated, if the following conditions (i) and (ii) are both met:

(i) The total revenue is reduced to less than 97.5% of the MEMBER's anticipated revenue had no loss occurred.

(ii) The POOL shall cover the actual loss sustained for only the length of time as would be required with exercise of due diligence and dispatch to rebuild, replace or repair the contributing PROPERTY commencing with the date of damage to the contributing PROPERTY.

If the MEMBER has reported Revenue Interruption values for which premium has been charged, such loss recovery after deductible shall be limited to whichever is the least of:

(iii) The amount declared;

(iv) The actual loss sustained;

(v) The difference in amount between 97.5% of the anticipated revenue and the actual total revenue after loss.

If the MEMBER has not reported Revenue Interruption values for which premium has been charged, such loss recovery after deductible shall be limited to whichever is the least of:

(vi) The ADDENDUM sublimit;

(vii) The latest values for these items declared by the MEMBER making the CLAIM or $100,000 per OCCURRENCE if no values have been declared by the MEMBER making the CLAIM.

b. Deductible: Each loss or series of losses arising out of one event at each LOCATION shall be adjusted separately and from the aggregated amount of all such losses 2.5% of the annual revenue value shall be deducted.

4. Time Element Coverage Extensions

a. Contingent Business Interruption

This ADDENDUM covers the Actual Loss Sustained and Extra Expense incurred by the MEMBER during the Period of Coverage:

(i) Directly resulting from physical loss or damage of the type covered; and

(ii) To PROPERTY of the type covered,

At direct supplier or customer locations located within the Territory of this ADDENDUM.

The term "supplier or customer" does not include any company supplying to or receiving from the COVERED LOCATION, as described elsewhere in this ADDENDUM, electricity, fuel, gas, water, steam, refrigeration, sewage or telecommunications.

b. Extended Period of Coverage

The GROSS EARNINGS and Rental Coverage coverages are extended to cover the reduction in sales resulting from:

(i) The interruption of business as covered by GROSS EARNINGS;
(ii) For such additional length of time as would be required with the exercise of due diligence and dispatch to restore the

MEMBER's business to the condition that would have existed had no loss occurred; and

(iii) The loss of rental income or rental value as covered by Rental Coverage;

Commencing with the date on which the coverage for loss resulting from interruption of business would terminate if this Extension had not been included herein.

Extended Period of Coverage Exclusions: As respects Extended Period of Coverage, the Time Element Exclusion for increase in loss due to suspension, lapse of any lease, contract or license or order does not apply.

This ADDENDUM does not cover against any increase in loss due to fines or DAMAGES for breach of contract or for late or non-completion of orders, or penalties of any nature.

Coverage under this Extension for the reduction in sales due to contract cancellation will be limited to only those sales that would have been earned under the contract during the Extended Period of Coverage.

Coverage under this extension does not apply for more than the number of consecutive days shown in the Limits of Coverage clause of the Declarations Section.

c. Ingress/Egress

This ADDENDUM covers the Actual Loss Sustained and Extra Expense incurred by the MEMBER due to the necessary interruption of the MEMBER's business due to prevention of ingress to or egress from a COVERED LOCATION, provided that such prevention is a direct result of physical damage of the type covered by this ADDENDUM, to the kind of PROPERTY not excluded by this ADDENDUM, and which is located within five (5) statute mile of the COVERED LOCATION incurring loss.

Ingress/Egress Exclusions: As respects Ingress/Egress, the following exclusions are applicable:

This ADDENDUM does not cover loss resulting from:

(i) Lack of incoming or outgoing service consisting of electric, fuel, gas, water, steam, refrigerant, sewerage and telecommunications.

(ii) Picketing or other action by strikers except for physical damage not excluded by this ADDENDUM.

This ADDENDUM does not provide coverage under this extension for more than the number of consecutive days shown in the Limits of Coverage clause of the Declarations Section.

d. Interruption by Civil Authority

This ADDENDUM covers the Actual Loss Sustained and Extra Expense incurred by the MEMBER during the PERIOD OF COVERAGE, not exceeding thirty (30) consecutive calendar days, when access to COVERED LOCATIONs is specifically prohibited by order of civil authority, provided such order is a direct result of actual loss or damage from a peril covered under this ADDENDUM to PROPERTY of the type covered under this ADDENDUM which is located within five (5) statute miles of the COVERED LOCATION to which access is prohibited.

The POOL shall not be liable under this extension for more than amounts shown in the Limits of Coverage clause of the Declarations Section.

All CLAIMs under this extension for loss, damage or expense arising out of one "OCCURRENCE" shall be adjusted as one loss.

e. On Premises Services

This ADDENDUM covers the Actual Loss Sustained by the MEMBER during the PERIOD OF COVERAGE directly resulting from physical loss or damage of the type covered to the following PROPERTY located on the MEMBER's PREMISES:

(i) Electrical and telecommunications equipment.

(ii) Electrical, telecommunications, fuel, gas, water, steam, refrigeration and sewerage transmission lines.

f. Patient Evacuation Expense

In the case of actual loss or damage of the type covered against by this ADDENDUM, or a MANDATORY EVACUATION ORDER, this ADDENDUM will indemnify the expenses incurred by the MEMBER for the emergency evacuation of patients from a COVERED LOCATION. MANDATORY EVACUATION ORDER means the first public broadcast of a compulsory evacuation made by the responsible civil authority that is specific as to the effective date, time and area affected and which arises out of a peril for which coverage would have been provided if such peril had caused loss or damage to a COVERED LOCATION. The MANDATORY EVACUATION ORDER must commence during the ADDENDUM PERIOD. Recommended, advisory, precautionary, or voluntary evacuation

is not included in the definition of MANDATORY EVACUATION ORDER.

This additional coverage does not apply to expenses incurred for: scheduled evacuation drills, fire or safety drills, or the evacuation of a patient due to a medical condition. This coverage also includes expenses incurred to return patients to a COVERED LOCATION.

g. Protection and Preservation of Property Time Element

This ADDENDUM covers the Actual Loss Sustained by the MEMBER for a period of time not to exceed 24 hours prior to and 24 hours after the MEMBER first taking reasonable action for the temporary protection and preservation of PROPERTY covered by this ADDENDUM provided such action is necessary to prevent immediately impending physical loss or damage covered by this ADDENDUM at such covered PROPERTY.

This extension is subject to the deductible provisions that would have applied had the physical loss or damage occurred.

h. Related Reported Values

If reported Time Element values include:

(i) LOCATIONs used by the MEMBER but not listed on a schedule under this ADDENDUM; and

(ii) A Time Element loss would result at such LOCATIONs,

(iii) From covered physical loss or damage at a COVERED LOCATION;

Then this ADDENDUM provides coverage for such resulting Time Element loss in accordance with the coverage applicable at such COVERED LOCATION.

i. Research and Development

The GROSS EARNINGS and Gross Profit coverages are extended to insure the Actual Loss Sustained by the MEMBER of continuing fixed charges and ordinary payroll directly attribute to the interruption of research and development activities that in themselves would not have produced income during the Period of Coverage.

The Period of Coverage for this Time Element Coverage Extension will be the period from the time of direct physical loss or damage of the type covered by this ADDENDUM to the time when the PROPERTY could be

repaired or replaced and made ready for operations under the same or equivalent physical and operating conditions that existed prior to damage.

j. Service Interruption Time Element

(i) This ADDENDUM covers the Actual Loss Sustained and Extra Expense incurred by the MEMBER during the PERIOD OF SERVICE INTERRUPTION at COVERED LOCATIONs when the loss is caused by the interruption of incoming services consisting of electricity, gas, fuel, steam, water, refrigeration or from the lack of outgoing sewerage service by reason of physical loss or damage of the type covered to real and PERSONAL PROPERTY of the type covered to the facilities of the utility supplier (excluding overhead transmission & distribution lines in excess of one mile from a COVERED LOCATION) of such service located within this ADDENDUM's Territory, that immediately prevents in whole or in part the delivery of such usable services.

(ii) This extension will apply when the PERIOD OF SERVICE INTERRUPTION is in excess of the time shown as Waiting Period in the Waiting Period clause of the Declarations Section.

(iii) Additional General Provisions:

(A) The MEMBER will immediately notify the suppliers of services of any interruption of such services.

(B) The POOL will not be liable if the interruption of such services is caused directly or indirectly by the failure of the MEMBER to comply with the terms and conditions of any contracts the MEMBER has for the supply of such specified services.

(iv) **References and Application**: The following term means:

PERIOD OF SERVICE INTERRUPTION: The period starting with the time when an interruption of specified services occurs; and ending when with due diligence and dispatch the service could be wholly restored and the LOCATION receiving the service could or would have resumed NORMAL operations following the restorations of service under the same or equivalent physical and operating conditions as provided by the Period of Coverage provision of this Section of this ADDENDUM.

(A) The PERIOD OF SERVICE INTERRUPTION is limited to only those hours during which the MEMBER would or could have used services(s) if it had been available.

(B) The PERIOD OF SERVICE INTERRUPTION does not extend to include the interruption of operations caused by any reason other than interruption of the specified service(s).

5. Period of Coverage

a. The Period of Coverage applying to all Time Element Coverages, except Gross Profit and Leasehold Interest and as shown below, or if otherwise provided under the Time Element Coverage Extensions, is as follows:

(i) For building and equipment, the period:

(A) Starting from the time of physical loss or damage of the type covered; and

(B) Ending when with due diligence and dispatch the building and equipment could be:

(I) Repaired or replaced; and

(II) Made ready for operations;

Under the same or equivalent physical and operating conditions that existed prior to the damage.

(C) Not to be limited by the expiration of this ADDENDUM.

(ii) For building and equipment under construction:

(A) The equivalent of the above period of time will be applied to the level of business that would have been reasonably achieved after construction and startup would have been completed had no physical damage happened; and

(B) Due consideration will be given to the actual experience of the business compiled after completion of the construction and startup.

(iii) For stock-in-process and mercantile stock, including finished goods not manufactured by the MEMBER, the time required with the exercise of due diligence and dispatch:

(A) To restore stock in process to the same state of manufacture in which it stood at the inception of the interruption of production or suspension of business operations or services; and

(B) To replace physically damaged mercantile stock.

This item does not apply to Rental Coverage.

(iv) For raw materials and supplies, the period of time:

(A) Of actual interruption of production or suspension of operations or services resulting from the inability to get suitable raw materials and supplies to replace similar ones damaged; but

(B) Limited to that period for which the damaged raw material and supplies would have supplied operating needs.

(v) If water:

(A) Used for any manufacturing purpose, including but not limited to as a raw material or for power;

(B) Stored behind DAMs or in reservoirs; and

(C) On any COVERED LOCATION;

Is released as the result of physical damage of the type covered under this ADDENDUM to such DAM, reservoir or connected equipment, the POOL's liability due to inadequate water supply is limited to 30 consecutive days after the damaged DAM, reservoir or connected equipment has been repaired or replaced.

This item does not apply to Rental Coverage.

(vi) For physically damaged exposed film, records, manuscripts and drawings, the time required to copy from backups or from originals of a previous generation. This time does not include research, engineering or any other time necessary to restore or recreate lost information.

This item does not apply to Rental Coverage.

(vii) For physically damaged or destroyed data, programs or other SOFTWARE stored on electronic, electro-mechanical, electro-magnetic data processing or production equipment, the time to recreate or restore including the time for researching or engineering lost information.

This item does not apply to Rental Coverage.

(viii) If an order of civil authority prohibits access to the COVERED LOCATION and provided such order is the direct result of physical damage of the type covered under this ADDENDUM at the COVERED LOCATION or within five statute miles of it, the period of time:

(A) Starting at the time of physical damage; but

(B) Not to exceed 30 consecutive days.

b. The Period of Coverage does not include any additional time due to the MEMBER's inability to resume operations for any reason, including but not limited to:

(i) Making changes to equipment.

(ii) Making changes to the buildings or structures except as provided in the Demolition and Increased Cost of Construction provision.

(iii) Re-staffing or retraining employees.

If, two or more Periods of Coverage apply such periods will not be cumulative.

6. Time Element Exclusions

In addition to exclusion elsewhere in this ADDENDUM, the following exclusions apply to Time Element loss:

This ADDENDUM does not cover:

a. Any loss during any idle period, including but not limited to when production, operation, service or delivery or receipt of goods would cease, or would not have taken place or would have been prevented due to:

(i) Physical loss or damage not covered by this ADDENDUM on or off of the COVERED LOCATION.

(ii) Planned or rescheduled shutdown.

(iii) Strikes or other work stoppage.

(iv) Any other reason other than physical loss or damage covered by this ADDENDUM.

b. Any increase in loss due to:

(i) Suspension, cancellation or lapse of any lease, contract, license or orders; or

(ii) Fines or damages for breach of contract or for late or non-completion of orders; or

(iii) For penalties of any nature; or

(iv) Any other consequential or remote loss.

c. Any loss resulting from loss or damage to finished goods manufactured by the MEMBER, nor the time required for their reproduction.

D. Loss Adjustment and Settlement

1. Loss Adjustments/Payable

Loss, if any, will be adjusted with and payable to the MEMBER or as may be directed by the MEMBER, to a lender, mortgagee and/or loss payee as their interests may appear in a contract entered into with the MEMBER prior to loss.

2. Currency for Loss Payment

Losses will be adjusted and pain in the currency of the United States of America.

3. Valuation

Adjustment of the physical damage loss amount under this ADDENDUM will be computed as of the date of loss at the location of the loss, and for no more than the interest of the MEMBER, subject to the following:

a. On stock-in-process, the value of raw materials and labor expended plus the proper proportion of overhead charges.

b. On finished goods manufactured by the MEMBER, the regular cash selling price at the location where the loss happens, less all discounts

and charges to which the finished goods would have been subject had no loss happened.

c. On raw materials, supplies and other merchandise not manufactured by the MEMBER:

(i) If repaired or replaced, the actual expense incurred in repairing or replacing the damaged or destroyed PROPERTY; or

(ii) If not repaired or replaced, the actual cash value.

d. On PROPERTY covered under Deferred Payments, the lesser of the:

(i) Total amount of unpaid installments less finance charges;

(ii) Actual cash value of the PROPERTY at the time of loss; or

(iii) Cost to repair or replace with material of like size, kind and quality.

e. On FINE ARTS articles, the lesser of:

(i) The reasonable and necessary cost to repair or restore such PROPERTY to the physical condition that existed on the date of loss;

(ii) Cost to replace the article; or

(iii) The value, if any, stated on a schedule on file with the POOL.

In the event a FINE ARTS article is part of a pair or set, and a physically damaged article cannot be replaced, or repaired or restored to the condition that existed immediately prior to the loss, the POOL will cover the lesser of the full value of such pair or set or the amount designated on the schedule. The MEMBER agrees to surrender the pair or set to the POOL.

f. On **Valuable Papers and Records** and **EDP Media**:

On data, programs or SOFTWARE stored on electronic, electro-mechanical, or electro-magnetic data processing or production equipment:

(i) The cost to repair, replace or restore data, programs or SOFTWARE including the costs to recreate, research and engineer;

(ii) If not repaired, replaced or restored within two years from the date of loss, the blank value of the MEDIA.

g. On all other VALUABLE PAPERS AND RECORDS and EDP MEDIA, the lesser of the following:

(i) The cost to repair or restore, including the cost to recreate, research and engineer the item to the condition that existed immediately prior to the loss;

(ii) The cost to replace the item; or

(iii) The amount designated for the item on the Schedule on file with the POOL.

h. On MOBILE EQUIPMENT and AUTOMOBILES:

(i) The lesser of the Actual Cash Value at the time of loss or the cost to repair or replace.

(ii) If not repaired or replaced, the actual cash value.

i. On Historical PROPERTY, valuation will be based upon the following requirements:

(i) The MEMBER shall provide written notice to the POOL which specifically identifies where the PROPERTY is located, when it was built, its total square footage with an attached appraisal based upon reproduction value that was conducted within the past five (5) years.

(ii) At the time of loss, the basis of valuation for Historical PROPERTY, when the MEMBER has not complied, will be replacement cost as defined in k. below. Where the MEMBER has complied with the requirements, the basis of valuation will be Reproduction Cost, if not replaced, at actual cash value. “Reproduction Cost” is defined as the cost to repair, rebuild or replace with material of like kind and quality compatible to those originally used, including the cost of skilled labor and/or authentic materials necessary to restore the PROPERTY as nearly as possible to its original condition.

j. On Property in transit:

(i) PROPERTY shipped to or for the account of the MEMBER will be valued at actual invoice to the MEMBER. Included in the value are accrued costs and charges legally due.

Charges may include the MEMBER's commission as selling agent.

(ii) PROPERTY sold by the MEMBER and shipped to or for the purchaser's account will be valued at the MEMBER's selling invoice amount. Prepaid or advanced freight costs are included.

(iii) PROPERTY not under invoice will be valued:

(A) For PROPERTY of the MEMBER, at the valuation provisions of this ADDENDUM applying at the location from which the PROPERTY is being transported; or

(B) For other PROPERTY, at the actual cash market value at the destination point on the date of OCCURRENCE;

Less any charges saved which would have become due and payable upon arrival at destination.

k. On all other PROPERTY, the loss amount will not exceed the lesser of the following:

(i) The cost to repair;

(ii) The cost to rebuild or replace on the same site with new materials of like size, kind and quality;

(iii) The cost in rebuilding, repairing or replacing on the same or another site, but not to exceed the size and operating capacity that existed on the date of loss;

(iv) The selling price of real property or machinery and equipment, other than stock, offered for sale on the date of loss;

(v) The cost to replace non-repairable electrical or mechanical equipment, including computer equipment, with equipment that is the most functionally equivalent to that damaged or destroyed, even if such equipment has technological advantages and/or represents an improvement in function and/or forms part of a program of system enhancement.

(vi) The increased cost of demolition, if any, resulting from loss covered by this ADDENDUM, if such PROPERTY is scheduled for demolition;

(vii) The unamortized value of improvements and betterments, if such PROPERTY is not repaired or replaced at the MEMBER's expense; or

(viii) The Actual Cash Value if such **Property** is:

(A) Useless to the MEMBER;

(B) Not repaired, replaced or rebuilt on the same or another site within two years from the date of loss, or

(C) Scheduled with the POOL, at ACTUAL CASH VALUE for contribution calculation purposes.

The MEMBER may elect not to repair or replace the covered real and or Personal PROPERTY lost, damaged or destroyed. Loss settlement may be elected on the lesser of repair or replacement cost basis if the proceeds of such loss settlement are expended on other capital expenditures related to the MEMBER's operations within two (2) years from the date of loss. As a condition of collecting under this item, such expenditure must be unplanned as of the date of loss and be made at a COVERED LOCATION under this ADDENDUM. This item does not extend to Demolition and Increased Cost of Construction.

(ix) The POOL will not pay the full amount of any loss if the value of the covered PROPERTY at the time of the loss times the percentage required in the Value Reporting Provision of this ADDENDUM is greater than the amount the covered PROPERTY is valued at on the POOL schedules at the time of loss. Instead, we will determine the most we will pay using the following steps;

(A) Multiply the value of the covered PROPERTY at the time of loss by the percentage required in the Value Reporting Provision of this ADDENDUM;

(B) Divide the amount the covered PROPERTY was valued at on the POOL schedules at the time of loss by the figure determined in step (A);

(C) Multiply the total amount of loss, before the application of any deductible, by the figure determined in step (B); and

(D) Subtract the deductible from the figure determined in step (C).

(E) We will pay the amount determined in step (D) or the amount the covered PROPERTY was valued at on the POOL schedules at the time of loss, whichever is less.

(x) **References and Application**. The following term, wherever used in this ADDENDUM, means:

ACTUAL CASH VALUE: The amount it would cost to repair or replace covered PROPERTY, on the date of loss, with material of like kind and quality, with proper deduction for obsolescence and physical depreciation.

4. Loss Conditions

Requirements in Case of Loss

The MEMBER will:

a. Give written notice to the POOL of any loss as soon as practicable.

b. Protect the PROPERTY from further loss or damage.

c. Promptly separate the damaged and undamaged PROPERTY; put it in the best possible order; and furnish a complete inventory of the lost, destroyed, damaged and undamaged PROPERTY showing in detail the quantities, costs, actual cash value, replacement value and amount of loss claimed.

d. Give a signed and sworn proof of loss to the POOL within 90 days after the loss, unless that time is extended in writing by the POOL. The proof of loss must state the knowledge and belief of the MEMBER as to:

(i) The time and origin of the loss;

(ii) The MEMBER's interest and that of all others in the PROPERTY;

(iii) The ACTUAL CASH VALUE and replacement value of each item and amount of loss to each item; all encumbrances; and all other contracts of insurance, whether valid or not, covering any of the PROPERTY;

(iv) Any changes in the title, use, occupation, location, possession or exposures of the PROPERTY since the effective date of this ADDENDUM; and

(v) By whom and for what purpose any LOCATION covered by this ADDENDUM was occupied on the date of loss, and whether or not it then stood on leased ground.

e. Include a copy of all the descriptions and schedules in all policies and, if required, provide verified plans and specifications of any buildings, fixtures, machinery or equipment destroyed or damaged.

f. Further, the MEMBER will as often as may be reasonably required:

(i) Exhibit to any person designated by the POOL all that remains of any PROPERTY;

(ii) Submit to examinations under oath by any person designated by the POOL and sign the written records of examinations; and

(iii) Produce for examination at the request of the POOL:

(A) All books of accounts, business records, bills, invoices and other vouchers; or

(B) Certified copies if originals are lost;

At such reasonable times and places that may be designated by the POOL or its representative and permit extracts and machine copies to be made.

g. POOL Option

The POOL has the option to take all or any part of damaged PROPERTY at the agreed or appraised value. The POOL must give notice to the MEMBER of its intention to do so within 30 days after receipt of proof of loss.

h. Abandonment

There may be no abandonment of any PROPERTY to the POOL.

i. Subrogation

The MEMBER is required to cooperate in any subrogation proceedings. The POOL may require from the MEMBER an assignment or other transfer of all rights of recovery against any party for the loss to the extent of the POOL's payment.

The POOL will not acquire any rights of recovery that the MEMBER has expressly waived prior to a loss in writing, nor will such waiver affect the

MEMBER's rights under this ADDENDUM except as they relate to PROPERTY under the Course of Construction.

Any recovery from subrogation proceedings, less costs incurred by the POOL in such proceedings, will be payable to the MEMBER in the proportion that the amount of:

(i) Any applicable deductible; and/or

(ii) Any provable uncovered loss;

Bears to the entire provable loss amount.

j. Appraisal

The appraisal process is available to determine the value of a covered loss but is not available to determine whether a loss is covered. If the MEMBER and the POOL fail to agree on the amount of loss, each will, on the written demand of either, select a competent and disinterested appraiser, but only after:

(i) The MEMBER has fully complied with all provisions of this ADDENDUM, including Requirements in Case of Loss; and

(ii) The POOL has received a signed and sworn proof of loss from the MEMBER.

Each will notify the other of the appraiser selected within 30 days of such demand.

The appraisers will first select a competent and disinterested umpire. If the appraisers fail to agree upon an umpire within 30 days the MEMBER and the POOL shall jointly move to have an umpire selected by a judge of a court of record in the jurisdiction in which the appraisal is pending. The appraisers will then identify each item of physical damage or loss and appraise the amount of loss. The appraisal shall include a detailed breakdown of the costs necessary to repair or replace the item and shall state separately the actual cash value and replacement cost value as of the date of loss and the amount of loss, for each item of physical loss or damage or if, for Time Element loss, the amount of loss for each Time Element coverage of this ADDENDUM.

If the appraisers fail to agree, they will submit their differences to the umpire. The umpire shall review the appraisals prepared by the appraisers selected by the MEMBER and the POOL and shall inspect the PROPERTY prior to preparing his appraisal. The appraisers for the MEMBER and the POOL shall be afforded the opportunity to attend the umpire's inspection of the PROPERTY

and provide sufficient input to allow the umpire to understand the nature and reasons for the differences between the appraisals. After inspecting the PROPERTY and receiving input from the appraisers, the umpire shall identify each item of physical loss or damage and shall appraise the amount of the loss for each item. The umpire's appraisal shall include a detailed breakdown of the costs necessary to repair or replace the item and shall state separately the Actual Cash Value and replacement cost value as of the date of loss. An award agreed to in writing by any two of the three appraisers will determine the amount of loss. The appraisal award is subject to all terms of the ADDENDUM and may be reduced by the application of a deductible called for in the ADDENDUM.

The MEMBER and the POOL will each:

(i) Pay its chosen appraiser; and

(ii) Bear equally the other expenses of the appraisal and umpire.

A demand for an Appraisal shall not relieve the MEMBER of its continuing obligation to comply with the terms and conditions of this ADDENDUM, including as provided under Requirements in Case of Loss.

The POOL will not be held to have waived any of its rights by any act relating to appraisal.

5. Suit Against the Pool

No suit, action or proceeding for the recovery of any CLAIM will be sustained in any court of law or equity unless the following adjudication procedures are satisfied:

a. As a condition precedent to filing a suit, the MEMBER has fully complied with all the provisions of this ADDENDUM, including providing Proof of Loss;

b. As a condition precedent to filing suit, the MEMBER must attend at least a one-day mediation before a mutually agreeable mediator, unless this provision is waived by both the MEMBER and the POOL;

c. Any suit against the POOL arising from a CLAIM or loss must be filed within 12 months of the date the POOL takes its final action with respect to the CLAIM or loss.

6. Collection From Others

The POOL will not be liable for any loss to the extent that the MEMBER has collected such loss from others.

7. Partial Payment of Loss Settlement

In the event of a loss occurring which has been ascertained to be covered loss or damage under this ADDENDUM and determined by the POOL's representatives to be in excess of the applicable ADDENDUM deductible, the POOL will advance mutually agreed upon partial payment(s) on the covered loss or damage, subject to the ADDENDUM's provisions. To obtain said partial payments, the MEMBER will submit a signed and sworn Proof of Loss as described in this ADDENDUM, with adequate supporting documentation.

8. Jurisdiction

This ADDENDUM will be governed by United States of America Law. Any disputes arising hereunder will be exclusively subject to United States of America jurisdiction.

E. General Provisions

1. Additional Covered Parties Interests/Certificates of Coverage

Any certificate of coverage issued in connection with this ADDENDUM shall be issued solely as a matter of convenience or information for the addressee(s) or holder(s) of said certificate of coverage, except where any Additional COVERED PARTY(ies), Loss Payee(s), or Mortgagee(s) are named pursuant to the Special Provisions of said certificate of coverage. In the event any Additional COVERED PARTY(ies) or Loss Payee(s) are so named, this ADDENDUM shall be deemed to have been endorsed accordingly, subject to all other terms, conditions and exclusions stated herein.

2. Cancellation

This ADDENDUM may only be cancelled in accordance with the withdrawal and termination provisions of the Interlocal Cooperation Agreement and Bylaws of the POOL.

3. Inspections

The POOL, at all reasonable times, will be permitted, but will not have the duty, to inspect covered PROPERTY.

The POOL's:

a. Right to make inspections;

b. Making of inspections; or

c. Analysis, advice or inspection report;

The POOL will not constitute an undertaking, on behalf of or for the benefit of the MEMBER or others, to determine or warrant that the covered PROPERTY is safe or healthful. The POOL will have no liability to the MEMBER or any other person because of any inspection or failure to inspect.
When the POOL is not providing jurisdictional inspections, the Owner/Operator has the responsibility to assure that jurisdictional inspections are performed as required, and to assure that required jurisdictional Operating Certificates are current for their pressure equipment.

4. Misrepresentation and Fraud

This ADDENDUM will be void in entirety if, whether before or after a loss, a MEMBER has:

a. Willfully concealed or misrepresented any material fact or circumstance concerning this coverage, the subject thereof, any CLAIM for coverage, or the interest of a MEMBER;

b. Made an attempt to defraud the POOL; or

c. Made any false swearing.

5. Lenders Loss Payee and Mortgagee Interests and Obligations

a. The POOL will pay for loss to specified PROPERTY covered under this ADDENDUM to each specified Lender Loss Payee (hereinafter referred to as Lender) as its interest may appear, and to each specified Mortgagee as its interest may appear, under all present or future mortgages upon such PROPERTY, in order of precedence of the mortgages.

b. The interest of the Lender or Mortgagee (as the case may be) in PROPERTY covered under this ADDENDUM will not be invalidated by:

(i) Any act or neglect of the debtor, mortgagor, or owner (as the case may be) of the PROPERTY.

(ii) Foreclosure, notice of sale, or similar proceedings with respect to the PROPERTY.

(iii) Change in the title or ownership of the PROPERTY.

(iv) Change to a more hazardous occupancy.

(v) The Lender or Mortgagee will notify the POOL of any known change in ownership, occupancy, or hazard and, within 10 days of written request by the POOL, may pay the

increased premium associated with such known change. If the Lender or Mortgagee fails to pay the increased premium, all coverage under this ADDENDUM will cease.

c. If this ADDENDUM is cancelled at the request of the MEMBER or its agent, the coverage for the interest of the Lender or Mortgagee will terminate at the date and time of cancellation, unless:

(i) Sooner terminated by authorization, consent, approval, acceptance, or ratification of the MEMBER's action by the Lender or Mortgagee, or its agent.

(ii) This ADDENDUM is replaced by the MEMBER, with a policy providing coverage for the interest of the Lender or Mortgagee, in which event coverage under this ADDENDUM with respect to such interest will terminate as of the effective date of the replacement policy, notwithstanding any other provision of this ADDENDUM.

d. The POOL may cancel the interest of the Lender or Mortgagee under this ADDENDUM, by giving the Lender or Mortgagee written notice 90 days prior to the effective date of cancellation, if cancellation is for any reason other than non-payment. If the debtor, mortgagor, or owner has failed to pay any premium due under this ADDENDUM, the POOL may cancel this ADDENDUM for such non-payment, but will give the Lender or Mortgagee written notice 10 days prior to the effective date of cancellation. If the Lender or Mortgagee fails to pay the premium due by the specified cancellation date, all coverage under this ADDENDUM will cease.

e. The POOL has the right to invoke this ADDENDUM's Suspension clause. The suspension of insurance will apply to the interest of the Lender or Mortgagee in any machine, vessel, or part of any machine or vessel, subject to the suspension. The POOL will provide the Lender or Mortgagee at the last known address a copy of the suspension notice.

f. If the POOL pays the Lender or Mortgagee for any loss, and denies payment to the debtor, mortgagor or owner, the POOL will, to the extent of the payment made to the Lender or Mortgagee, be subrogated to the rights of the Lender or Mortgagee under all SECURITIES held as collateral to the debt or mortgage. No subrogation will impair the right of the Lender or Mortgagee to sue or recover the full amount of its claim. At its option, the POOL may pay to the Lender or Mortgagee the whole principal due on the debt or mortgage plus any accrued interest. In this event, all rights and SECURITIES will be assigned and transferred from the Lender or

Mortgagee to the POOL, and the remaining debt or mortgage will be paid to the POOL.

g. If the MEMBER fails to render proof of loss, the Lender or Mortgagee, upon notice of the MEMBER's failure to do so, will render proof of loss within 60 days of notice and will be subject to the provisions of this ADDENDUM relating to Appraisal, Settlement of Claims, and Suit against the POOL.

h. Other provisions relating to the interests and obligations of the Lender or Mortgagee may be added to this ADDENDUM by agreement in writing.

6. Insurance or Other Coverage

a. If there is any insurance or other coverage that would apply in the absence of this ADDENDUM, this ADDENDUM will apply only after such insurance or coverage whether collectable or not. However, such insurance or coverage is allowed to act as a deductible buyback including NFIP coverage for FLOOD.

b. The MEMBER is permitted to have insurance over any limits or sublimits of liability specified elsewhere in this ADDENDUM without prejudice to the ADDENDUM. The existence of such insurance will not reduce any limit or sublimit of liability in this ADDENDUM. Any insurance that would have provided primary coverage in the absence of this ADDENDUM will not be considered excess.

c. The MEMBER is permitted to have insurance for all, or any part, of any deductible in this ADDENDUM. The existence of such other insurance will not prejudice recovery under this ADDENDUM. If the limits of liability of such other insurance are greater than this ADDENDUM's applicable deductible, this ADDENDUM's coverage will apply only after such insurance has been exhausted.

d. In the event this ADDENDUM is deemed to contribute with insurance, the limit of liability applicable at each LOCATION, for purposes of such contribution with insurers, will be the latest amount described in this ADDENDUM or the latest LOCATION value on file with the POOL.

7. ADDENDUM Modification

This ADDENDUM, the Interlocal Cooperation Agreement, and Bylaws of the POOL contain all of the agreements between the MEMBERs concerning this coverage. The MEMBER may request changes to this ADDENDUM. This

ADDENDUM can be changed only by endorsements issued by the POOL and made part of this ADDENDUM.

Notice to any agent or knowledge possessed by any agent or by any other person will not:

a. Create a waiver, or change any part of this ADDENDUM; or

b. Prevent the POOL from asserting any rights under the Provisions of this ADDENDUM.

8. Reduction by Loss

CLAIMS paid under this ADDENDUM will not reduce its Limits of Coverage, except CLAIMs paid will reduce any Annual Aggregate Limit of Coverage.

9. Suspension

On discovery of a dangerous condition, the POOL may immediately suspend Equipment Breakdown coverage on any machine, vessel or part thereof by giving written notice to the MEMBER. The suspended coverage may be reinstated by the POOL.

10. Titles

The titles in this ADDENDUM are only for reference. The titles do not in any way affect the provisions of this ADDENDUM.

PART VI CRIME COVERAGE SECTION

A. Joint Government Crime Policy

In accordance with the UCIP Interlocal Agreement, the Pool jointly purchases on behalf of the Members a Government Crime Policy, listing each of the individual Members as Additional Insured. The jointly purchased Government Crime Policy is attached to this Addendum as Appendix I.

B. Coverage Description

The POOL will indemnify the MEMBER for loss covered by the joint Government Crime Policy to the Limit of Coverage shown in this Coverage Part. Any loss not covered by the Government Crime Policy for any reason other than the loss did not exceed the deductible of the Government Crime Policy is considered an excluded claim under this Coverage Part.

C. Limit of Coverage

The most the POOL will pay as the result of any one loss is limited to the amount described as the Deductible Amount in the joint Government Crime Policy, less the amount of the MEMBER's maintenance deductible.

D. Member Maintenance Deductible

The Member Maintenance Deductible for this Coverage Part is $500.00 per occurrence as defined by the joint Government Crime Policy.

E. Claims

Members shall report any claim to the Pool in accordance with the Claims provision of Part II General Coverage Conditions of this Addendum. The Pool will assist Members with the reporting and adjusting of claims under the joint Governmental Crime Policy.

F. Recoveries

Any recoveries, less the cost of obtaining them, made after settlement of loss covered by this Coverage Part will be distributed as follows:

1. To the MEMBER, until the MEMBER is reimbursed for any loss that it sustains that exceeds the Limit of Coverage provided by the joint Government Crime Policy;

2. Then to the issuer of the joint Government Crime Policy, until the issuer is reimbursed in accordance with the Recoveries condition of the joint Government Crime Policy:

3. Then to the POOL, until the POOL is reimbursed for the amount paid to the Member under this Coverage Part for the loss; and

4. Then to the MEMBER, until the MEMBER is reimbursed for that part of the loss equal to the Member Maintenance Deductible amount, if any.

5. Recoveries do not include any recovery:

    a. From insurance, suretyship, reinsurance, security, or indemnity taken for the POOL's benefit; or

    b. Of original SECURITIES after duplicates of them have been issued.

PART VII LIABILITY COVERAGE SECTION

A. General Liability

1. Coverage Agreements

a. The POOL agrees to indemnify the COVERED PARTY for those sums that the COVERED PARTY becomes legally obligated to pay as MONEY DAMAGES because of BODILY INJURY, PROPERTY DAMAGE, PERSONAL INJURY or LAW ENFORCEMENT PERSONAL INJURY to which this coverage applies. The BODILY INJURY, PERSONAL INJURY or LAW ENFORCEMENT PERSONAL INJURY or PROPERTY DAMAGE must be caused by an OCCURRENCE. This coverage includes but is not limited to HOST/LIQUOR LIABILITY, PRODUCTS LIABILITY, COMPLETED OPERATIONS, INCIDENTAL MALPRACTICE (see Limited Professional Health Care Services Endorsement) and LAW ENFORCEMENT ACTIVITIES.

b. Notwithstanding the Agreements above, the POOL shall not be liable to pay on behalf of or indemnify the COVERED PARTY for any sum which the COVERED PARTY shall be obligated to pay if a judgment or final adjudication in any action brought against the COVERED PARTY shall be based on a determination that acts of fraud or dishonesty were committed by the COVERED PARTY, or if in a criminal proceeding a plea of guilty, nolo contendere, no contest or any similar plea is made by the COVERED PARTY.

Coverage for BODILY INJURY, PROPERTY DAMAGE, PERSONAL INJURY, or LAW ENFORCEMENT PERSONAL INJURY under this Section is provided on a claims-made basis, as described in Part II. A. of this ADDENDUM.

2. Definitions that Apply to General Liability

"COMPLETED OPERATIONS" means BODILY INJURY or PROPERTY DAMAGE arising out of operations or reliance upon a representation or warranty made at any time with respect thereto, but only if the BODILY INJURY or PROPERTY DAMAGE occurs after the operations have been completed or abandoned and occurs away from premises owned by or rented to the MEMBER. Operations include materials, parts or equipment furnished in connection therewith.

a. Operations shall be deemed completed at the earliest of the following times:

(i) When all operations to be performed by or on behalf of the MEMBER under the contract have been completed, or

(ii) When all operations to be performed by or on behalf of the MEMBER at the site of the operations have been completed if the contract calls for operations at more than one site, or

(iii) When the portion of the work out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

b. Operations which may require further service or maintenance work, or correction, repair or replacement because of any defect or deficiency, but which are otherwise complete, shall be deemed completed.

"DAM" means any artificial barrier together with appurtenant works, which does or may impound or divert water and which is (a) twenty five feet or more in height from the natural bed of the stream or watercourse at the downstream toe of the barrier, or from the lowest elevation of the outside limit of the barrier, if it is not across a stream channel or watercourse, to the maximum possible water storage elevation; and (b) has an impounding capacity of fifteen acre feet or more.

"HOST/LIQUOR LIABILITY" means indemnification for the COVERED PARTY's liability for the sale or distribution of alcoholic beverage.

"INCIDENTAL MALPRACTICE" means emergency medical services rendered or which should have been rendered to any person or persons (other than employees of the MEMBER injured during the course of their employment) by any duly qualified medical practitioner, nurse, technician or other employee while employed by and acting on behalf of the MEMBER. This coverage does not apply to persons rendering medical care pursuant to a contract with the MEMBER.
"LAND SUBSIDENCE" means the movement of land or earth, including, but not limited to, sinking or settling of land, earth movement, earth expansion and/or contraction, landslide, slipping, falling away, caving in, eroding, earth sinking, and earth rising or shifting or tilting.

"PRODUCTS LIABILITY" means BODILY INJURY or PROPERTY DAMAGE arising out of the MEMBER's products or reliance upon a representation or warranty made at any time with respect thereto, but only if the BODILY INJURY or PROPERTY DAMAGE occurs away from premises owned by or rented to the MEMBER and after physical possession of such products has been relinquished to others.

3. Exclusions Applicable to General Liability

In addition to the General Exclusions of this COVERAGE ADDENDUM, this Section does not apply to:

a. Any CLAIM for DAMAGES, whether direct or consequential, or for any cause of action which is covered under any other Section of this ADDENDUM.

b. BODILY INJURY, PERSONAL INJURY, LAW ENFORCEMENT PERSONAL INJURY or PROPERTY DAMAGE intended or expected from the standpoint of the COVERED PARTY. This exclusion does not apply to BODILY INJURY, PERSONAL INJURY OR LAW ENFORCEMENT PERSONAL INJURY resulting from the use of reasonable force to protect persons or property.

c. DAMAGES claimed for any loss, cost or expense incurred by the MEMBER or any other person for the withdrawal, inspection, repair, replacement, or loss of use of the MEMBER's products or work completed by or on behalf of the MEMBER or of any property of which such products or work form a part, if such products, work or property are withdrawn from the market, or from use, because of any known or suspected defect or deficiency therein.

d. BODILY INJURY, PROPERTY DAMAGE, PERSONAL INJURY, LAW ENFORCEMENT PERSONAL INJURY or any other DAMAGES whatsoever caused by the maintenance, operation, loading or unloading, entrustment to others or use of an AUTOMOBILE. This exclusion applies even if the CLAIMs against any COVERED PARTY allege negligence or other wrongdoing in the supervision, hiring, employment, training, or monitoring of others by that COVERED PARTY.

e. Any investigatory, disciplinary or criminal proceedings against an individual COVERED PARTY except that the POOL may at its own option assign counsel in the defense of any such investigatory, administrative or disciplinary proceeding. Should the POOL elect to assign counsel, it shall not constitute a waiver or estoppel of any rights the POOL may have pursuant to the terms, conditions, exclusions, and limitations of this ADDENDUM.

f. To any CLAIM arising out of a breach of contract.

g. To medical or hospital expenses or costs incurred by the MEMBER in providing or furnishing medical aid or treatment to an inmate or detainee at a jail or correctional facility as a result of the MEMBER's statutory or constitutional obligation to furnish medical or hospital care to an inmate or detainee within its physical custody; this exclusion does not apply to CLAIMs brought by an inmate

alleging the MEMBER, through the acts or omissions of its representatives or employees, caused injury to an inmate or violated his constitutional or civil rights by not providing medical care or treatment.

h. EMPLOYMENT RELATED PRACTICES.

i. Any CLAIM made against a COVERED PARTY in his or her personal capacity.

j. MOBILE EQUIPMENT while used in any professional or organized racing or demolition contest or stunting activity or while practicing for such contest or activity or being prepared for such contest or activity.

k. PROPERTY DAMAGE arising from LAND SUBSIDENCE, except as sublimited in the Limit of Coverage Section below.

l. BODILY INJURY, PERSONAL INJURY, OR PROPERTY DAMAGE arising out of the rupture, bursting, over-topping, flooding, cracking, seepage, under-seepage, accidental discharge or partial or complete structural failure of a DAM, except as sublimited in the Limit of Coverage Section below.

4. Limits of Coverage

a. The Limits of Coverage shown in the Member Schedule of Liability Limits and Sublimits set forth the most the POOL will pay regardless of the number of:

(i) COVERED PARTIES;

(ii) CLAIMS made or SUITS brought; or

(iii) Persons or organizations making CLAIMS or bringing SUITS.

b. The POOL's obligation to indemnify as the result of any one OCCURRENCE is limited as described in the MEMBER Schedule of Liability Limits and Sublimits, less the amount of the MEMBER's deductible.

B. Public Officials Errors and Omissions Liability

1. Coverage Agreements

a. The POOL agrees, subject to the limitations, terms and conditions of this ADDENDUM, to defend any SUIT and indemnify the COVERED PARTY all DAMAGES the COVERED PARTY

become legally obligated to pay by reason of any CLAIM arising out of any WRONGFUL ACT. Coverage for Public Officials Errors and Omissions Liability under this Section is provided on a claims-made basis, as described in Section II. A. of this ADDENDUM.

b. The POOL will indemnify the COVERED PARTY for the cost of attachment or similar bonds (but without any obligation on the part of the POOL to apply for or furnish such bonds), and costs, charges and expenses incurred in connection with any governmental investigation provided that a CLAIM is brought against the COVERED PARTY for a WRONGFUL ACT that is or was a subject of the governmental investigation, and that CLAIM is otherwise covered by this ADDENDUM.

2. Exclusions Applicable to Errors and Omissions Liability

In addition to the General Exclusions of this COVERAGE ADDENDUM, this Section shall not apply to any CLAIM made against the COVERED PARTY:

a. Based upon or attributable to them gaining in fact any personal profit or advantage to which the COVERED PARTY was not legally entitled including remuneration paid in violation of law as determined by a court.

b. Arising out of the deliberate violation of any federal, state, or local statute, ordinance, rule, or regulation committed by or with the knowledge and consent of the MEMBER.

c. Based upon or attributable to the rendering or failure to render any opinion, treatment, consultation or service if that opinion, treatment, consultation or service was rendered or failed to have been rendered while the COVERED PARTY was engaged in any activity for which they received compensation from any source other than as a governmental subdivision or an employee of a governmental subdivision.

d. Arising out of estimates of probable costs or cost estimates being exceeded or for faulty preparation of bid specifications or plans or to injury to, destruction or disappearance of any tangible property (including MONEY) or the loss of use thereof.

e. Arising out of the failure to supply a specific amount of electrical power or fuel arising out of the interruption of the electrical power or fuel supply.

f. For which the COVERED PARTY is entitled to indemnity and/or payment by reason of having given notice of any circumstances which might give rise to a CLAIM under any agreement or

agreements the term of which has commenced prior to the inception date of this ADDENDUM.

g. Arising out of or in any way involving any employee benefit plan of the MEMBER.

h. Covered under the General Liability Section or any other Section of this ADDENDUM.

i. Arising out of a breach of contract other than an implied-in-fact employment contract.

j. Resulting from a WRONGFUL ACT which commences prior to the RETROACTIVE DATE shown on the Errors and Omissions Retroactive Dates Endorsement.

k. For back pay, overtime pay or other incidents of compensation or benefits due to a MEMBER's employees.

l. For any liability arising out of the providing of, or failure to provide, professional services by any lawyer, architect, engineer, or accountant.

m. Arising from any debt financing, including but not limited to bonds, notes, debentures and guarantees of debt.

n. Arising from improperly collected taxes.

o. Arising from the COVERED PARTY's activities in a fiduciary capacity or as a trustee or in any similar capacity including, but not limited to, duties, responsibilities or obligations in connection with any employee benefit plan or pension plan.

3. Limits of Coverage.

a. The Limits of Coverage shown in the Member Schedule of Liability Limits and Sublimits set forth the most the POOL will indemnify regardless of the number of:

(i) COVERED PARTIES;

(ii) CLAIMS made or SUITS brought; or

(iii) Persons or organizations making CLAIMS or bringing SUITS.

b. The POOL's obligation to indemnify as the result of any one WRONGFUL ACT is limited as described in the Member Schedule

of Liability Limits and Sublimits, less the amount of the MEMBER's deductible.

c. CLAIMS or SUITS based on or arising out of the same act or interrelated acts of one or more COVERED PARTIES will be considered to be based on a single WRONGFUL ACT for purposes of determining the Limits of Coverage, irrespective of the time or area over which the acts occur.

C. Employee Benefits Liability

1. Coverage Agreements

In consideration of the MEMBER contribution charged and subject to the terms, exclusions and definitions of this ADDENDUM, the POOL agrees to indemnify the COVERED PARTY for any DAMAGES which the COVERED PARTY shall become legally obligated to pay as a result of any negligent act, error or omission by the COVERED PARTY, or any other person for whose acts the COVERED PARTY is legally liable, committed in the ADMINISTRATION of the MEMBER's EMPLOYEE BENEFIT PROGRAMS as defined in this Section. Coverage for Employee Benefits Liability under this Section is provided on a claims-made basis, as described in Part II. A. of this ADDENDUM.

2. Definitions

"EMPLOYEE BENEFIT PROGRAMS" means group life insurance or self-insurance, group health insurance or self-insurance, profit sharing plans, pension plans, employee stock subscription plans, workers compensation, unemployment insurance, social security, disability benefits insurance or self-insurance and travel, savings or vacation plans.

The unqualified word "ADMINISTRATION" wherever used means:

a. Giving counsel to employees with respect to the EMPLOYEE BENEFITS PROGRAM;

b. Interpreting the EMPLOYEE BENEFIT PROGRAMS;

c. Handling records in connection with the employee benefits program; or

d. Effecting the enrollment, termination or cancellation of employees under the EMPLOYEE BENEFITS PROGRAMS;

provided all such acts are authorized by the MEMBER.

3. Exclusions Applicable to Employee Benefits Liability

In addition to the general exclusions of this COVERAGE ADDENDUM,

Employee Benefits Liability does not apply to:

a. Any dishonest, fraudulent, criminal or malicious act, libel, slander, discrimination or humiliation.

b. BODILY INJURY, PERSONAL INJURY or PROPERTY DAMAGE.

c. Any CLAIM for failure of performance of contract by any insurer, including failure of any employee benefit program.

d. Any CLAIM based upon the COVERED PARTY's failure to comply with any law concerning workers' compensation, unemployment insurance, social security or disability benefits or any similar law.

e. Any CLAIM based upon:

(i) Failure of any investment to perform as represented by any COVERED PARTY;

(ii) Advice given by a COVERED PARTY to an employee to participate or not to participate in stock subscription plans or any other plan included in an EMPLOYEE BENEFIT PROGRAM;

(iii) The investment or non-investment of funds; or

(iv) Errors in providing information on past performance of any investment vehicle.

(v) Legal advice or investment advice given to an employee or an employee's beneficiaries

(vi) The performance of any investment;

(vii) Termination of any plan including an EMPLOYEE BENEFIT PLAN;

(viii) An act or omission of a third-party administrator or other person, other than a COVERED PARTY, who administers any plan in an EMPLOYEE BENEFIT PROGRAM.

f. Any CLAIM arising out of an insufficiency of funds to meet any obligations under any EMPLOYEE BENEFIT PROGRAM.

g. Any CLAIM arising out of liability imposed on a fiduciary by the Employee Retirement Income Security Act of 1974, as now or hereafter amended, or any similar federal, state, or local laws.

h. Any liability arising out of taxes, fines, or penalties, including those imposed under the Internal Revenue Code or any similar state or local law.

i. Any CLAIM arising out of wrongful termination of employment, discrimination, or other employment-related practices.

4. Bankruptcy or Insolvency

In the event of bankruptcy or insolvency of the MEMBER, such bankruptcy or insolvency may not diminish the coverage provided by this Section regarding third parties. If execution against the MEMBER is returned unsatisfied, an action may be maintained against the POOL to the extent that the liability is covered by this Section.

5. Limits of Coverage

a. The Limits of Coverage of this ADDENDUM and the rules below fix the most the POOL will pay regardless of the number of:

(i) COVERED PARTIES;

(ii) CLAIMS made or SUITS brought; or

(iii) Persons or organizations making CLAIMs or bringing SUITs.

b. The POOL's obligation to indemnify as the result of any one act, error, or omission is limited as described in the Member Schedule of Liability Limits and Sublimits, less the amount of the MEMBER's deductible.

c. CLAIMs or SUITs based on or arising out of the same act, error, or omission or interrelated acts, errors, or omissions of one or more COVERED PARTIES will be considered to be based on a single act for purposes of determining the Limits of Coverage, irrespective of the time or area over which the acts occur.

PART VIII AUTOMOBILE LIABILITY SECTION

A. Coverage Agreements

The POOL agrees to indemnify for those sums, which the COVERED PARTY becomes legally obligated to pay as DAMAGES because of BODILY INJURY or PROPERTY DAMAGE arising out of the ownership, maintenance or use of any MEMBER owned AUTOMOBILE, or HIRED AUTOMOBILE, subject to the limitations, terms and conditions of this COVERAGE ADDENDUM. The CLAIM or lawsuit must be the result of an OCCURENCE and be brought solely by reason of BODILY INJURY or PROPERTY DAMAGE arising out of the ownership, maintenance or use of a MEMBER owned AUTOMOBILE or HIRED AUTOMOBILE.

B. Definitions that Apply to Auto Liability

"COVERED PARTY" means a MEMBER and also includes the following:

1. Under Part VIII A. AUTOMOBILE Liability Section (which describes AUTOMOBILE liability coverage), any person while using an AUTOMOBILE owned by the MEMBER or a HIRED AUTOMOBILE, and any person or organization legally responsible for the use thereof, provided the actual use of the AUTOMOBILE is by any official, trustee, director, officer or employee of the MEMBER or any person using the AUTOMOBILE with the MEMBER's permission. With respect to the use of NON-OWNED AUTOMOBILES, COVERED PARTY also includes any official, trustee, director, officer or employee of the MEMBER using the NON-OWNED AUTOMOBILE in the business of the MEMBER with the MEMBER's permission, and the spouse of any official, trustee, director, officer or employee of the MEMBER using the NON-OWNED AUTOMOBILE in the business of the MEMBER with the MEMBER's permission. Coverage for use of NON-OWNED AUTOMOBILES under this definition is limited to coverage excess of insurance on the NON-OWNED AUTOMOBILE required of the owner of the NON-OWNED AUTOMOBILE. COVERED PARTY does not include, and this coverage, with respect to any person or organization other than the MEMBER, does not apply:

    a. To any person or organization or to any of their agents or employees operating an AUTOMOBILE sales agency, repair shop, service station, storage garage or public parking place, with respect to any OCCURRENCE arising out of those operations;

    b. To any employee of a person or organization other than the MEMBER with respect to injury or sickness, disease or death during the course of employment in an OCCURRENCE arising out of the

maintenance or use of the AUTOMOBILE in the business of the outside employer;

c. With respect to any HIRED AUTOMOBILE, to the owner or lessee, other than the MEMBER, nor to any agent or employee, or that owner or lessee.

"HIRED AUTOMOBILE" means those AUTOMOBILES that a MEMBER leases, hires, rents, or borrows. This does not include any AUTOMOBILE leased, hired, rented or borrowed from a MEMBER's employees, or members of the employee's households.

"INCIDENTAL, OCCASIONAL PERSONAL USE" means making a personal stop, along the usual route, on the way home, or for a personal break incidental to work. These instances would be the extent of personal use coverage.

"NON-OWNED AUTOMOBILES" means only those AUTOMOBILES a MEMBER does not own, lease, hire, rent or borrow that are owned, leased or rented by the MEMBER's officials, trustees, directors, officers or employees, or members of their households but only while used in the MEMBER's business.

C. Exclusions That Apply To Auto Liability

In addition to the general exclusions of this COVERAGE ADDENDUM, this ADDENDUM does not cover:

1. Any CLAIM for DAMAGES or for any cause of action, which is covered under any other Section of this ADDENDUM.

2. Uninsured and/or Underinsured Motorists Liability.

3. BODILY INJURY or PROPERTY DAMAGE expected or intended from the standpoint of the COVERED PARTY.

4. BODILY INJURY to an employee of the MEMBER arising out of and in the course of (a) employment by the MEMBER, or (b) performing duties related to the conduct of the MEMBER's business or BODILY INJURY to any other person arising out of such BODILY INJURY to the employee. This exclusion applies regardless of whether the MEMBER may be liable as an employer or in some other capacity and to any obligation to share DAMAGES with or repay someone else who must pay DAMAGES because of the injury.

5. BODILY INJURY to any fellow employee of the COVERED PARTY arising out of and in the course of the fellow employee's employment or while performing duties related to the conduct of the MEMBER's business.

6. Covered AUTOMOBILES while used in any professional or organized racing or demolition contest or stunting activity or while practicing for such contest or activity or being prepared for such contest or activity.

D. Specific Conditions Auto Liability

1. In the event that liability is incurred by reason of BODILY INJURY suffered by any employee of a MEMBER which does not arise out of the injured employee's employment and for which another COVERED PARTY is liable, then this ADDENDUM shall indemnify the COVERED PARTY for that liability in the same manner as if separate agreements had been issued to each COVERED PARTY, however this condition shall not operate to increase the Limits of Coverage or create multiple Limits of Coverage provided under this Section on a per OCCURRENCE basis.

2. In the event that liability is incurred by reason of PROPERTY DAMAGE to property belonging to any COVERED PARTY for which another COVERED PARTY is liable, then this ADDENDUM shall indemnify the MEMBER in the same manner as if separate agreements had been issued to each COVERED PARTY, however this condition shall not operate to increase the Limits of Coverage or create multiple Limits of Coverage provided under this Section on a per OCCURRENCE basis.

3. Covered AUTOMOBILES used for personal business which is not INCIDENTAL, OCCASIONAL PERSONAL USE will have payments for BODILY INJURY and PROPERTY DAMAGE adjusted and made in accordance with 63G-7-802, 41-12a, and 31A-22-304.

Nothing contained in these conditions shall operate to increase the POOL's Limits of Coverage.

E. Limits of Coverage.

1. Regardless of the number of COVERED PARTIES, CLAIMS made or SUITS brought, covered AUTOMOBILES or vehicles involved in an OCCURRENCE, contributions paid, or persons or organizations making CLAIMs or bringing SUITs, the most the POOL will indemnify for the total of all DAMAGES resulting from any one OCCURRENCE is as described in the Member Schedule of Liability Limits and Sublimits, less the amount of the MEMBER's deductible.

2. All BODILY INJURY and PROPERTY DAMAGE resulting from continuous or repeated exposure to substantially the same conditions will be considered as resulting from one OCCURRENCE.

Utah Counties Indemnity Pool

PARTICIPATING MEMBERS ENDORSEMENT

It is understood and agreed that the POOL is comprised of the following participating MEMBERS with full voting and equity rights:

Beaver County
Box Elder County
Daggett County
Davis County
Duchesne County
Emery County
Garfield County
Iron County
Juab County
Kane County
Millard County
Morgan County
Piute County
Rich County
San Juan County
Sanpete County
Sevier County
Uintah County
Wasatch County
Washington County
Wayne County
Weber County

It is further understood and agreed that the POOL is comprised of the following participating non-voting, non-equity MEMBERS:

Beaver County Municipal Building Authority
Box Elder County Redevelopment Agency
Box Elder County Special Service District
Canyon Land County Improvement District (excess liability limits do not apply)
Central Utah Public Health Department
Daggett County Redevelopment Agency (excess liability limits do not apply)
Duchesne County Municipal Building Authority
Duchesne/Wasatch Bluebench Landfill Special Service District
Emery County Municipal Building Authority
Five County Association of Governments (excess liability limits do not apply)
Grand County Emergency Medical Services Special Service District
Iron County Special Service District #1
Juab Special Service District #2
Juab Special Service Fire District
Kane County Municipal Building Authority
Kane County Recreation & Transportation Special Service District (excess liability limits do not apply)
Multi-County Appraisal Trust (excess liability limits do not apply)
Piute County Municipal Building Authority
Piute Special Service District #1
San Juan Spanish Valley Special Service District
San Juan Transportation District (excess liability limits do not apply)
Sanpete County Municipal Building Authority
Seven County Infrastructure Coalition (excess liability limits do not apply)
Sevier County Municipal Building Authority
Southeastern Utah District Health Department
Southwest Utah Public Health Department
TriCounty Health Department
Uintah County Municipal Building Authority
Wasatch County Health Department

Wasatch County Parks & Recreation Special Service District #21
Wasatch County Solid Waste Disposal District
Wasatch County Special Service Area #1
Wasatch County Special Service District #9
Washington County Interlocal Agency
Washington County Municipal Building Authority
Wayne County Municipal Building Authority
Wayne County Special Service District #1
Wayne County Special Service District #3
Wayne County Water Conservancy District
Weber County Municipal Building Authority
Weber Human Services (except that Part VII, Liability Coverage Section does not apply)
Weber-Morgan Health Department

Subject otherwise to all terms, clauses and conditions of this ADDENDUM.

Utah Counties Indemnity Pool

MEMBER SCHEDULE OF LIABILITY LIMITS AND SUBLIMITS

The following Limits apply to each MEMBER listed on the Participating Members Endorsement (except as noted on that endorsement).

	Primary	Excess
General Liability	$3,000,000 per OCCURRENCE	$2,000,000 per OCCURRENCE subject to $4,000,000 Annual Aggregate (a separate $4,000,000 Annual Aggregate applies to claims arising out of Law Enforcement Activities)
Sublimits of General Liability:		
Herbicide and Pesticide Application	$50,000 per OCCURRENCE	$0
Sewer and Drain Backup	$100,000 per OCCURRENCE $500,000 Annual Aggregate	$0
Terrorism	$100,000 per OCCURRENCE and Annual Aggregate	$0
Public Officials Errors and Omissions Liability	$3,000,000 per WRONGFUL ACT	$2,000,000 per WRONGFUL ACT subject to $4,000,000 Annual Aggregate
Employee Benefits Liability	$3,000,000 any one act, error or omission	$2,000,000 any one act, error or omission subject to $4,000,000 Annual Aggregate
Automobile Liability	$3,000,000 per OCCURRENCE	$2,000,000 per OCCURRENCE

Annual Aggregates are based on the POOL's fiscal year.

Terrorism is further limited to $300,000 Annual Aggregate for all MEMBERS combined.

Subject otherwise to all terms, clauses and conditions of this Addendum.

Utah Counties Indemnity Pool

UTAH GOVERNMENTAL IMMUNITY ACT ENDORSEMENT

It is hereby understood and agreed that coverage will apply to CLAIMS and actions for which immunity is not available under, or is waived by a MEMBER, under the Utah Governmental Immunity Act, Utah Code Ann. §63G-7-101 et. seq., as amended from time to time, and to defense and supplementary payments only as defined in this ADDENDUM, for such CLAIMS. Notwithstanding, any such waiver of the Utah Governmental Immunity Act must be approved by the POOL and the MEMBER by resolution of its governing body for coverage to attach in excess of the applicable immunity limits.

All other terms and conditions remain unchanged.

Utah Counties Indemnity Pool

LIMITED PROFESSIONAL HEALTH CARE SERVICES ENDORSEMENT

This endorsement attaches to and forms part of Part VII. A. General Liability.

Notwithstanding Part III. C. General Coverage Exclusions, it is understood and agreed that:

A. LIMITED PROFESSIONAL HEALTH CARE SERVICES is added to Part VII – Liability Coverage Section, Addendum No. UCIP-15.01.01, Part A – General Liability, but only as respects coverage for the MEMBER and any COVERED PARTY that is a duly qualified Psychologist, Physician Assistant, Registered Nurse Practitioner, Registered Nurse, Licensed Practical Nurse, Emergency Medical Technicians, Paramedics, Counselors, Social Workers, Nutritionists and related health and community worker classifications or other employees trained in first aid.

B. The following definition is added to Part VII Liability Coverage Section– Liability, A – General Liability:

"LIMITED PROFESSIONAL HEALTH CARE SERVICES" means BODILY INJURY or PERSONAL INJURY arising out of the rendering or failure to render medical services by any COVERED PARTY that is a duly qualified Psychologist, Physician Assistant, Registered Nurse Practitioner, Registered Nurse, Licensed Practical Nurse, Emergency Medical Technicians, Paramedics, Counselors, Social Workers, Nutritionists and related health and community worker classifications or other employees trained in first aid.

However, LIMITED PROFESSIONAL HEALTH CARE SERVICES does not include service provided by:

1. A hospital or emergency room facility, except when provided by a qualified medical service provider listed above as part of certification or recertification training;

2. A physician, medical doctor, osteopath, chiropractor, resident, extern, or intern;

3. A psychiatrist;

4. A pharmacist;

5. A dentist, orthodontist, or periodontist; and

6. Any other licensed health care professional other than any COVERED PARTY that is a duly qualified Psychologist, Physician Assistant, Registered Nurse Practitioner, Registered Nurse, Licensed Practical Nurse, Emergency Medical Technicians, Paramedics, Counselors, Social Workers, Nutritionists and related health and community worker classifications or other employees trained in first aid.

Utah Counties Indemnity Pool

ERRORS AND OMISSIONS RETROACTIVE DATES ENDORSEMENT

It is understood and agreed that the POOL provides Errors and Omissions coverage for the MEMBER on the following retroactive dates:

Beaver County	January 1, 1992	Morgan County	January 1, 2003
Box Elder County	January 1, 1992	Piute County	January 1, 1992
Daggett County	January 1, 2000	Rich County	January 1, 1992
Davis County	January 1, 1992	San Juan County	January 1, 1992
Duchesne County	January 1, 1992	Sanpete County	January 1, 1992
Emery County	January 1, 1992	Sevier County	January 1, 1992
Garfield County	January 1, 1992	Uintah County	January 1, 1992
Iron County	January 1, 1992	Wasatch County	January 1, 1992
Juab County	January 1, 1993	Washington County	January 1, 1992
Kane County	January 1, 1992	Wayne County	January 1, 1992
Millard County	January 1, 1993	Weber County	January 1, 1998

Beaver County Municipal Building Authority	January 1, 1992
Box Elder County Redevelopment Agency	January 1, 2016
Box Elder County Special Service District	January 29, 2019
Canyon Land County Improvement District	January 1, 2015
Central Utah Public Health Department	July 1, 2003
Daggett County Redevelopment Agency	February 21, 2018
Duchesne County Municipal Building Authority	January 1, 1992
Duchesne/Wasatch Bluebench Landfill Special Service District	August 1, 1998
Emery County Municipal Building Authority	January 1, 1992
Five County Association of Governments	January 1, 2016
Grand County Emergency Medical Services Special Service District	January 1, 2019
Iron County Special Service District #1	January 1, 1992
Juab Special Service District #2	January 1, 1993
Juab Special Service Fire District	January 1, 2001
Kane County Municipal Building Authority	January 1, 1992
Kane County Recreation & Transportation Special Service District	January 1, 2015
Multi-County Appraisal Trust	May 20, 2019
Piute County Municipal Building Authority	January 1, 1992
Piute Special Service District #1	October 10, 2017
San Juan Spanish Valley Special Service District	February 12, 2018
San Juan Transportation District	January 1, 2015
Sanpete County Municipal Building Authority	January 1, 1992
Seven County Infrastructure Coalition	April 14, 2015
Sevier County Municipal Building Authority	January 1, 1992

ERRORS AND OMISSIONS RETROACTIVE DATES ENDORSEMENT (continued)

Southeastern Utah District Health Department	July 1, 2003
Southwest Utah Public Health Department	July 1, 2003
TriCounty Health Department	July 1, 2003
Uintah County Municipal Building Authority	January 1, 1992
Wasatch County Health Department	July 1, 2003
Wasatch County Parks & Recreation Special Service District #21	April 1, 2016
Wasatch County Solid Waste Disposal District	April 1, 2016
Wasatch County Special Service Area #1	April 1, 2016
Wasatch County Special Service District #9	January 1, 2017
Washington County Interlocal Agency	March 24, 2011
Washington County Municipal Building Authority	January 1, 1992
Wayne County Municipal Building Authority	January 1, 1992
Wayne County Special Service District #1	January 1, 1992
Wayne County Special Service District #3	April 3, 2018
Wayne County Water Conservancy District	January 1, 1992
Weber County Municipal Building Authority	January 1, 1998
Weber-Morgan Health Department	July 1, 2003

Subject otherwise to all terms, clauses and conditions of this ADDENDUM

Utah Counties Indemnity Pool

GENERAL LIABILITY, LAW ENFORCEMENT LIABILITY AND AUTO LIABILITY RETROACTIVE DATES ENDORSEMENT

It is understood and agreed that the POOL provides General Liability, Law Enforcement Liability and Auto Liability coverage for the MEMBER on the following retroactive dates:

Beaver County	July 1, 2013	Morgan County	July 1, 2013
Box Elder County	July 1, 2013	Piute County	July 1, 2013
Daggett County	July 1, 2013	Rich County	July 1, 2013
Davis County	July 1, 2013	San Juan County	July 1, 2013
Duchesne County	July 1, 2013	Sanpete County	July 1, 2013
Emery County	July 1, 2013	Sevier County	July 1, 2013
Garfield County	July 1, 2013	Uintah County	July 1, 2013
Iron County	July 1, 2013	Wasatch County	July 1, 2013
Juab County	July 1, 2013	Washington County	July 1, 2013
Kane County	July 1, 2013	Wayne County	July 1, 2013
Millard County	July 1, 2013	Weber County	July 1, 2013

Beaver County Municipal Building Authority	July 1, 2013
Box Elder County Redevelopment Agency	January 1, 2016
Box Elder County Special Service District	January 29,2019
Canyon Land County Improvement District	January 1, 2015
Central Utah Public Health Department	July 1, 2013
Daggett County Redevelopment Agency	February 21, 2018
Duchesne County Municipal Building Authority	July 1, 2013
Duchesne/Wasatch Bluebench Landfill Special Service District	July 1, 2013
Emery County Municipal Building Authority	July 1, 2013
Five County Association of Governments	January 1, 2016
Grand County Emergency Medical Services Special Service District	January 1, 2019
Iron County Special Service District #1	July 1, 2013
Juab Special Service District #2	July 1, 2013
Juab Special Service Fire District	July 1, 2013
Kane County Municipal Building Authority	July 1, 2013
Kane County Recreation & Transportation Special Service District	January 1, 2015
Multi-County Appraisal Trust	May 20, 2019
Piute County Municipal Building Authority	July 1, 2013
Piute Special Service District #1	October 10, 2017
San Juan Spanish Valley Special Service District	February 12, 2018
San Juan Transportation District	January 1, 2015
Sanpete County Municipal Building Authority	January 1, 1992
Seven County Infrastructure Coalition	April 14, 2015
Sevier County Municipal Building Authority	July 1, 2013

GENERAL LIABILITY, LAW ENFORCEMENT LIABILITY AND AUTO LIABILITY RETROACTIVE DATES ENDORSEMENT (continued)

Southeastern Utah District Health Department	July 1, 2013
Southwest Utah Public Health Department	July 1, 2013
TriCounty Health Department	July 1, 2013
Uintah County Municipal Building Authority	July 1, 2013
Wasatch County Health Department	July 1 2013
Wasatch County Parks & Recreation Special Service District #21	April 1, 2016
Wasatch County Solid Waste Disposal District	April 1, 2016
Wasatch County Special Service Area #1	April 1, 2016
Wasatch County Special Service District #9	January 1, 2017
Washington County Interlocal Agency	July 1, 2013
Washington County Municipal Building Authority	July 1, 2013
Wayne County Municipal Building Authority	July 1, 2013
Wayne County Special Service District #1	July 1, 2013
Wayne County Special Service District #3	April 3, 2018
Wayne County Water Conservancy District	July 1, 2013
Weber County Municipal Building Authority	July 1, 2013
Weber Human Services (Auto Liability Only)	January 1, 2014
Weber-Morgan Health Department	July 1, 2013

Subject otherwise to all terms, clauses and conditions of this ADDENDUM.

Utah Counties Indemnity Pool

CYBER LIABILITY RETROACTIVE DATES ENDORSEMENT

It is understood and agreed that the POOL provides Cyber Liability coverage for the MEMBER on the following retroactive dates:

Beaver County	July 1, 2013	Morgan County	July 1, 2013
Box Elder County	July 1, 2013	Piute County	July 1, 2013
Daggett County	July 1, 2013	Rich County	July 1, 2013
Davis County	July 1, 2013	San Juan County	July 1, 2013
Duchesne County	July 1, 2013	Sanpete County	July 1, 2013
Emery County	July 1, 2013	Sevier County	July 1, 2013
Garfield County	July 1, 2013	Uintah County	July 1, 2013
Iron County	July 1, 2013	Wasatch County	July 1, 2013
Juab County	July 1, 2013	Washington County	July 1, 2013
Kane County	July 1, 2013	Wayne County	July 1, 2013
Millard County	July 1, 2013	Weber County	July 1, 2013

Beaver County Municipal Building Authority	July 1, 2013
Box Elder County Redevelopment Agency	January 1, 2016
Box Elder County Special Service District	January 29, 2019
Canyon Land County Improvement District	January 1, 2015
Central Utah Public Health Department	July 1, 2013
Daggett County Redevelopment Agency	February 21, 2018
Duchesne County Municipal Building Authority	July 1, 2013
Duchesne/Wasatch Bluebench Landfill Special Service District	July 1, 2013
Emery County Municipal Building Authority	July 1, 2013
Five County Association of Governments	January 1, 2016
Grand County Emergency Medical Services Special Service District	January 1, 2019
Iron County Special Service District #1	July 1, 2013
Juab Special Service District #2	July 1, 2013
Juab Special Service Fire District	July 1, 2013
Kane County Municipal Building Authority	July 1, 2013
Kane County Recreation and Transportation Special Service District	January 1, 2015
Multi-County Appraisal Trust	May 20, 2019
Piute County Municipal Building Authority	July 1, 2013
Piute Special Service District #1	October 10, 2017
San Juan Spanish Valley Special Service District	February 12, 2018
San Juan Transportation District	January 1, 2015
Sanpete County Municipal Building Authority	July 1, 2013
Seven County Infrastructure Coalition	April 14, 2015
Sevier County Municipal Building Authority	July 1, 2013

CYBER LIABILITY RETROACTIVE DATES ENDORSEMENT (continued)

Southeastern Utah District Health Department	July 1, 2013
Southwest Utah Public Health Department	July 1, 2013
TriCounty Health Department	July 1, 2013
Uintah County Municipal Building Authority	July 1, 2013
Wasatch County Health Department	July 1, 2013
Wasatch County Parks & Recreation Special Service District #21	April 1, 2016
Wasatch County Solid Waste Disposal District	April 1, 2016
Wasatch County Special Service Area #1	April 1, 2016
Wasatch County Special Service District #9	January 1, 2017
Washington County Interlocal Agency	July 1, 2013
Washington County Municipal Building Authority	July 1, 2013
Wayne County Municipal Building Authority	July 1, 2013
Wayne Special Service District #1	July 1, 2013
Wayne Special Service District #3	April 3, 2018
Wayne Water Conservancy District	July 1, 2013
Weber County Municipal Building Authority	July 1, 2013
Weber Human Services (Auto Liability only)	January 1, 2015
Weber-Morgan Health Department	July 1, 2013

Subject otherwise to all terms, clauses and conditions of this ADDENDUM.

Utah Counties Indemnity Pool

PERSONAL INJURY PROTECTION ENDORSEMENT

This endorsement attaches to and forms part of Part VIII AUTO Liability.

This endorsement provides Personal Injury Protection coverage required by Utah Code Ann. §31A-22-307 (Amended 2004), applicable to the operation and use of MEMBER owned AUTOMOBILES and HIRED AUTOMOBILES.

Schedule

Benefits	Limits
Medical	$3,000 per person
Loss of Income	The lesser of $250 per week or 85% of any loss of gross income; and a special damage allowance not exceeding $20 per day, for services actually rendered or expenses reasonably incurred for services that, but for the injury, the injured person would have performed for his household
Funeral Expense	$1,500 per person
Survivor Loss	$3,000 per person

This endorsement provides only those Personal Injury Protection coverages required by Utah Code Ann. §31A-22-307 and related Sections of Utah Code Ann. §31A-22 all as amended from time to time. The definitions of Utah Code Ann. §31A-22 and restrictions permitted by that chapter for Personal Injury Protection, together with all other terms, conditions and exclusions of the ADDENDUM apply.

Utah Counties Indemnity Pool

UNINSURED MOTORIST COVERAGE ENDORSEMENT

This endorsement attaches to and forms part of Part VIII Auto Liability.

This endorsement provides uninsured motorist coverage required by Utah Code Ann. §31A-22-305 as amended from time to time, applicable to the operation and use of MEMBER owned AUTOMOBILES and HIRED AUTOMOBILES.

Schedule

Benefits	Limits
BODILY INJURY	$25,000 per person $500,000 per OCCURRENCE

This endorsement provides only those uninsured motorist coverages required by Utah Code Ann. §31-22-305 as amended from time to time, and related Sections of Utah Code Ann. §31A-22. The definitions of Utah Code Ann. §31A-22 and restrictions permitted by that chapter for uninsured motorist coverage, together with all other terms, conditions and exclusions of the ADDENDUM apply.

Utah Counties Indemnity Pool

UNDERINSURED MOTORIST COVERAGE ENDORSEMENT

This endorsement attaches to and forms part of Part VIII Auto Liability.

This endorsement provides the underinsured motorist coverage required by Utah Code Ann. §31A-22-305.3 as amended from time to time, applicable to the operation and use of MEMBER owned AUTOMOBILES and HIRED AUTOMOBILES.

Schedule

Benefits	Limits
BODILY INJURY	$10,000 per person $20,000 per OCCURRENCE

This endorsement provides only those underinsured motorist coverages required by Utah Code Ann. §31-22-305.3 as amended form time to time and related Sections of Utah Code Ann. §31A-22. The definitions of Utah Code Ann. §31A-22 and restrictions permitted by that chapter for underinsured motorist coverage, together with all other terms, conditions and exclusions of the ADDENDUM apply.

Utah Counties Indemnity Pool

EQUIPMENT BREAKDOWN ENDORSEMENT

This endorsement attaches to and forms part of Part V Property.

This endorsement's intention is to clarify that the peril of "BREAKDOWN" is included for "COVERED EQUIPMENT".

A. "BREAKDOWN" shall be considered a covered peril on "COVERED EQUIPMENT".

B. "COVERED EQUIPMENT":

1. COVERED EQUIPMENT means and includes any:

   a. Equipment built to operate under internal pressure or vacuum other than weight of contents;

   b. Electrical or mechanical equipment that is used in the generation, transmission or utilization of energy; and

   c. Communication equipment and computer equipment.

2. COVERED EQUIPMENT does not mean or include any:

   a. "MEDIA";

   b. Part of pressure or vacuum equipment that is not under internal pressure of its contents or internal vacuum;

   c. Insulating or refractory material, but not excluding the glass lining of any Covered Equipment;

   d. Non-metallic pressure or vacuum equipment, unless it is constructed and used in accordance with the American Society of Mechanical Engineers (ASME) code or another appropriate and approved code;

   e. Catalyst;

   f. Vessels, piping and other equipment that is buried below ground and requires the excavation of materials to inspect, remove, repair or replace;

   g. Structure, foundation, cabinet or compartment supporting or containing the Covered Equipment or part of the Covered Equipment including penstock, draft tube or well casing;

h. Vehicle, aircraft, self-propelled equipment or floating vessel including any Covered Equipment that is mounted upon or used solely with anyone or more vehicle(s), aircraft, self-propelled equipment or floating vessel;

i. Dragline, excavation, or construction equipment including any Covered Equipment that is mounted upon or used solely with any one or more dragline(s), excavation, or construction equipment;

j. Felt, wire screen, die, extrusion plate, swing hammer, grinding disc, cutting blade, non-electrical cable, chain, belt, rope, clutch plate, brake pad, non-metal part or any part or tool subject to periodic replacement; or

k. Equipment or any part of such equipment manufactured by the MEMBER for sale.

C. "BREAKDOWN"

1. BREAKDOWN means the direct physical loss resulting from one or more of the following items that causes damage to Covered Equipment and necessitates its repair or replacement:

   a. Failure of pressure or vacuum equipment;

   b. Mechanical failure including rupture or bursting caused by centrifugal force;

   c. Electrical failure including arcing;

   d. Explosion of steam boilers, steam piping, steam engines or steam turbines owned or leased by you, or operated under your control;

   e. Loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment; or

   f. Loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.

   Unless such loss or damage is otherwise excluded within the ADDENDUM form.

2. BREAKDOWN does not mean or include:

   a. Malfunction including but not limited to adjustment, alignment, calibration, cleaning or modification;

b. Defects, erasures, errors, limitations or viruses in computer equipment and programs including the inability to recognize and process any date or time or provide instructions to Covered Equipment;

c. Leakage at any valve, fitting, shaft seal, gland packing, joint or connection;

d. Damage to any vacuum tube, gas tube, or brush;

e. Damage to any structure or foundation supporting the Covered Equipment or any of its parts;

f. The functioning of any safety or protective device; or

g. The cracking of any part on an internal combustion gas turbine exposed to the products of combustion.

D. Limits of Coverage

The most the POOL will indemnify for any and all coverages for loss or damage from any "One BREAKDOWN" is the applicable Limit of Coverage shown for Equipment Breakdown in Part V. 2. Limits of Coverage.

E. Equipment BREAKDOWN Coverage Extensions

Unless a higher limit or "Included" is shown in Part V. 2. Limits of Coverage, the most the POOL will indemnify for direct damage as a direct result of a BREAKDOWN to COVERED EQUIPMENT is $25,000 for each of the following. The Limits for Coverage extensions are part of, not in addition to, the Limit of Coverage for Equipment Breakdown shown in the sublimits.

1. Spoilage:

a. The POOL will indemnify for the spoilage damage to raw materials, property in process or finished products, provided all of the following conditions are met:

(i) The raw materials, property in process or finished products must be in storage or in the course of being manufactured;

(ii) The MEMBER must own or be legally liable under written contract for the raw materials, property in process or finished products; and

(iii) The spoilage damage must be due to the lack or excess of power, light, heat, steam or refrigeration.

b. The POOL will also indemnify any necessary expenses the MEMBER incurs to reduce the amount of loss under this coverage. The POOL will indemnify such expenses to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage form.

2. Service Interruption:

The POOL will indemnify for loss resulting from the interruption of utility services provided all of the following conditions are met:

a. The interruption is the direct result of a "Breakdown" to "Covered Equipment" owned, operated or controlled by the local private or public utility or distributor that directly generates, transmits, distributes or provides utility services which the MEMBER receives;

b. The "Covered Equipment" is used to supply electric power, communication services, air conditioning, heating, gas, sewer, water or steam to the MEMBER's PREMISES; and

c. The interruption of utility service to the MEMBER's PREMISES lasts at least the consecutive period of time shown as the Waiting Period applying to Service Interruption. Once this waiting period is met, coverage will commence at the initial time of the interruption and will be subject to all applicable deductibles.

3. Business Income:

a. The POOL will indemnify the MEMBER's actual loss of "business income" that results directly from the necessary total or partial interruption of the MEMBER's business caused by a "BREAKDOWN".

b. The POOL will also indemnify any necessary expenses the MEMBER incurs to reduce the amount of loss under this coverage. The POOL will indemnify for such expenses to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.

c. The POOL will consider the actual experience of the MEMBER's business before the ACCIDENT and the probable experience the MEMBER would have had without the ACCIDENT in determining the amount of its indemnification.

d. This coverage continues until the date the damaged PROPERTY is repaired or replaced.

4. Expediting Costs:

The POOL will indemnify the reasonable and necessary costs incurred to pay for the temporary repair of insured damage to covered PROPERTY and to expedite the permanent repair or replacement of such damaged PROPERTY caused by a "Breakdown".

This coverage extension does not cover costs:

a. Recoverable elsewhere in this ADDENDUM; or

b. Of permanent repair or replacement of damaged PROPERTY.

5. Hazardous Substance:

The POOL will indemnify any additional expenses incurred by the MEMBER for the clean-up, repair or replacement or disposal of covered PROPERTY that is damaged, contaminated or polluted by a Hazardous Substance caused by a "BREAKDOWN".

As used here, additional expenses mean the additional cost incurred over and above the amount that the POOL would have paid had no Hazardous Substance been involved with the loss.

6. Ammonia Contamination:

The POOL will indemnify for the spoilage to covered PROPERTY contaminated by ammonia, including any salvage expense caused by a "BREAKDOWN".

7. Water Damage:

The POOL will indemnify for the damage to covered PROPERTY by water including any salvage expenses caused by a "Breakdown", except no coverage applies to such damage resulting from leakage of a sprinkler system or domestic water piping.

8. Consequential Loss:

The POOL will indemnify the reduction in the value of undamaged "stock" parts of a product which becomes unmarketable. The reduction in value must be caused by a physical loss or damage to another part of the product.

9. DATA & MEDIA:

The POOL will indemnify the MEMBER's cost to research, replace or restore damaged DATA or MEDIA including the cost to reprogram instructions used in any computer equipment if the loss is caused by a "Breakdown".

8. CFC Refrigerants:

The POOL will indemnify for the additional cost to repair or replace Covered PROPERTY because of the use or presence of a refrigerant containing CFC (chlorinated fluorocarbon) substances if the loss is caused by a "Breakdown". This means the additional expense to do the least expensive of the following:

a. Repair the damaged PROPERTY and replace any lost CFC refrigerant;

b. Repair the damaged PROPERTY, retrofit the system to accept a non-CFC refrigerant and charge the system with a non-CFC refrigerant; or

c. Replace the system with one using a non-CFC refrigerant.

9. Computer Equipment:

The POOL will indemnify for direct damage to "computer equipment" that is damaged by a "Breakdown" to such equipment

F. Definitions relating only to this endorsement:

1. DATA means

a. Programmed and recorded material stored on "MEDIA"; and

b. Programming records used for ELECTRONIC DATA processing, or electronically controlled equipment.

2. Hazardous Substance means any substance other than ammonia that has been declared to be hazardous to health by a government agency. Ammonia is not considered to be a "Hazardous Substance" as respects this limitation.

3. MEDIA means all forms of electronic, magnetic and optical tapes and discs for use in any electronic computer or ELECTRONIC DATA PROCESSING EQUIPMENT.

4. One Breakdown means if an initial Breakdown causes other Breakdowns, all will be considered One Breakdown. All Breakdowns at any one premise's that manifest themselves at the same time and are the direct result of the same cause will be considered One Breakdown.

5. Computer Equipment means covered PROPERTY that is electronic computer or other ELECTRONIC DATA PROCESSING EQUIPMENT, including "MEDIA" and peripherals used in conjunction with such equipment.

6. Stock means merchandise held in storage or for sale, raw materials, PROPERTY in process or finished products including supplies used in their packing or shipping.

Utah Counties Indemnity Pool

MOLD / FUNGUS ENDORSEMENT

This endorsement attaches to and forms part of Part V Property and Part VII Liability.

It is hereby understood and agreed that the following change is made to this ADDENDUM:

The POOL shall not be liable for any loss or damage in the form of, caused by, arising out of, contributed to, or resulting from fungus, mold(s), mildew or yeast; or any spores or toxins created or produced by or emanating from such fungus, mold(s), mildew or yeast;

A. Fungus includes, but is not limited to, any of the plants or organisms belonging to the major group fungi, lacking chlorophyll, and including mold(s), rusts, mildews, smuts and mushrooms;

B. Mold(s) includes, but is not limited to, any superficial growth produced on damp or decaying organic matter or on living organisms, and fungi that produce mold(s);

C. Spores means any dormant or reproductive body produced by or arising or emanating out of any fungus, mold(s), mildew, plants, organisms or microorganisms,

regardless of any other cause or event that contributes concurrently or in any sequence to such loss.

This exclusion shall not apply to any loss or damage in the form of, caused by, contributed to or resulting from fungus, mold(s), mildew or yeast, or any spores or toxins created or produced by or emanating from such fungus, mold(s), mildew or yeast which the MEMBER establishes is a direct result of a Covered Loss from FLOOD, EARTHQUAKE, Fire, Windstorm, Wind Driven Water, Lightning, Explosion, or Hail, provided that such fungus, mold(s), mildew or yeast loss or damage is reported to the POOL within twelve months from the date of the loss.

A $1,000,000 per OCCURRENCE and annual Aggregate limit of liability applies to coverage provided by this endorsement.

Utah Counties Indemnity Pool

OCCURRENCE LIMIT of COVERAGE ENDORSEMENT

This endorsement attaches to and forms part of Part V Property.

It is hereby understood and agreed that the following change is made to this ADDENDUM:

It is understood and agreed that the following special terms and conditions apply to this ADDENDUM:

A. The limit of coverage shown in this ADDENDUM, or endorsed onto this ADDENDUM, is the total limit of the POOL's obligation to indemnify the MEMBER applicable to each OCCURRENCE, as hereafter defined. Notwithstanding any other terms and conditions of this ADDENDUM to the contrary, in no event shall the liability of the POOL exceed this limit or amount irrespective of the number of LOCATIONs involved. The term "OCCURRENCE" shall mean any one loss, disaster, casualty or series of losses, disasters, or casualties, arising out of one event. When the term applies to loss or losses from the perils of tornado, cyclone, hurricane, windstorm, NAMED STORM, hail, volcanic eruption, riot, riot attending a strike, civil commotion, and vandalism and malicious mischief one event shall be construed to be all losses arising during a continuous period of 72 hours. When filing proof of loss, the MEMBER may elect the moment at which the 72-hour period shall be deemed to have commenced, which shall not be earlier than the first loss to the covered PROPERTY occurs.

B. The contribution for this ADDENDUM is based upon the Statement of Values on file with the POOL, or attached to this ADDENDUM. In the event of loss hereunder, the obligation of the POOL to indemnify the MEMBER, subject to the terms of paragraph one (A) above, shall be limited to the least of the following:

1. The actual adjusted amount of loss, less applicable deductible(s).

2. The Limit of Coverage shown on the individual MEMBER Schedules or as endorsed onto this ADDENDUM.

Utah Counties Indemnity Pool

ASBESTOS EXCLUSION

This endorsement attaches to and forms part of Part V Property.

It is hereby understood and agreed that the following change is made to this ADDENDUM:

This ADDENDUM excludes:

A. Asbestos material defects, treatment, abatements or removal, unless the asbestos itself is damaged by a covered peril and then only as to the physical portion of asbestos material damaged by that peril;

B. Regardless of cause, any sum relating to:

1. Health hazard from asbestos;

2. Treatment, abatement or repair of asbestos material that has become friable; or

3. Demolition, increased cost of reconstruction, removal or any type of cost or loss arising from the enforcement of or compliance with any law or ordinance regulating asbestos material; or

C. Any governmental requirement relating to asbestos material present in or part of any portion of covered PROPERTY that was not damaged by a covered peril during the ADDENDUM Term and cannot any longer be used where installed.

Utah Counties Indemnity Pool

ELECTRONIC DATA EXCLUSION

This endorsement attaches to and forms part of Part V Property.

A. Electronic Data Exclusion

Notwithstanding any provision to the contrary within the ADDENDUM or any endorsement thereto, it is understood and agreed as follows:

1. This ADDENDUM does not cover loss, damage, destruction, distortion, erasure, corruption or alteration of ELECTRONIC DATA from any cause whatsoever (including but not limited to COMPUTER VIRUS) or loss of use, reduction in functionality, cost, expense of whatsoever nature resulting therefrom, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

"ELECTRONIC DATA" means facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical DATA processing or electronically controlled equipment and includes programs, SOFTWARE and other coded instructions for the processing and manipulation of DATA or the direction and manipulation of such equipment.

"COMPUTER VIRUS" means a set of corrupting, harmful or otherwise unauthorized instructions or code including a set of maliciously introduced unauthorized instructions or code, programmatic or otherwise, that propagate themselves through a COMPUTER SYSTEM or network of whatsoever nature. COMPUTER VIRUS includes but is not limited to 'Trojan Horses', 'worms' and 'time or logic bombs'.

2. However, in the event that a peril listed below results from any of the matters described in paragraph (a) above, this ADDENDUM, subject to all its terms, conditions and exclusions, will cover physical damage occurring during the MEMBERSHIP PERIOD to PROPERTY covered by this ADDENDUM directly caused by such listed peril.

<u>Listed Perils</u>

Fire
Explosion
Aircraft Impact
Vehicle Impact
Smoke
Boiler & Machinery Accident

B. ELECTRONIC DATA Processing MEDIA Valuation

Notwithstanding any provision to the contrary within the ADDENDUM or any endorsement thereto, it is understood and agreed as follows:

Should ELECTRONIC DATA processing MEDIA covered by this ADDENDUM suffer physical loss or damage covered by this ADDENDUM, then the basis of valuation shall be the cost to repair, replace or restore such MEDIA to the condition that existed immediately prior to such loss or damage, including the cost of reproducing any ELECTRONIC DATA contained thereon, providing such MEDIA is repaired, replaced or restored. Such cost of reproduction shall include all reasonable and necessary amounts, not to exceed $1,000,000 any one loss, incurred by the MEMBER in recreating, gathering and assembling such ELECTRONIC DATA. If the MEDIA is not repaired, replaced or restored the basis of valuation shall be the cost of the blank MEDIA. However, this ADDENDUM does not cover any amount pertaining to the value of such ELECTRONIC DATA to the MEMBER or any other party, even if such ELECTRONIC DATA cannot be recreated, gathered or assembled.

Utah Counties Indemnity Pool

TIME OR DATE RECOGNITION EXCLUSION

This endorsement attaches to and forms part of Part V Property.

It is hereby understood and agreed that the following change is made to this ADDENDUM:

A. We will not indemnify, under any form, coverage, or endorsement of this ADDENDUM, for loss caused directly or indirectly by:

1. The failure of any of the following, whether owned by you or others:

   a. DATA PROCESSING EQUIPMENT, SOFTWARE, DATA, or MEDIA;

   b. Hardware or SOFTWARE based computer operating systems;

   c. Microprocessors;

   d. Integrated circuits; or,

   e. Any other electronic equipment, computerized equipment, or similar devices;

   Due to the inability of these items to correctly recognize, process, or accept one or more dates or times as their true calendar date or time.

2. Loss resulting from:

   a. Any services, functions, or products that use one or more of the systems or devices described in item 1. a.

   b. Any advice, design, inspection, installation, repair or maintenance done by you or for you to determine or correct any problems described in item 1. a.

   These losses are excluded regardless of any other cause or event, including a PERIL COVERED, that contributes to the loss at the same time or in any sequence.

B. If loss to covered PROPERTY by a SPECIFIED PERIL ensues, we will pay for that loss.

C. We will not pay for modification, repair or replacement of systems or devices described in item 1.a. in order to correct any potential or actual deficiencies.

D. Terms in bold face type have special meanings in this endorsement. They are defined as follows:

1. "DATA" means any information recorded on MEDIA and used in your processing operations but does not mean SOFTWARE.

2. "DATA PROCESSING EQUIPMENT" means processing units, terminals, tape drives, disk drives, controllers, printers, and other equipment capable of receiving, processing, storing or retrieving information. It does not include MEDIA, SOFTWARE, or DATA.

3. "MEDIA" means the material on which DATA or SOFTWARE is recorded, such as magnetic tape, perforated paper tape, punch cards, discs, drums, and other storage devices used in your DATA processing operations.

4. "PERIL(S) COVERED" means possible causes of loss for which this ADDENDUM provides coverage.

5. "SOFTWARE" means programs stored on MEDIA which instruct DATA PROCESSING EQUIPMENT how to process DATA.

6. "SPECIFIED PERILS" means any of the following:

   Fire;
   Lightning;
   Aircraft;
   Explosion;
   Riot;
   Civil commotion;
   Smoke;
   Vehicles;
   Windstorm or hail to property contained in any building;
   Malicious mischief;
   Leakage or accidental discharge from automatic fire protection system; or,
   Collapse

Utah Counties Indemnity Pool

CHEMICAL, BIOLOGICAL AND RADIOLOGICAL EXPOSURES EXCLUSION

This endorsement attaches to and forms part of Part V Property.

It is hereby understood and agreed that the following change is made to this ADDENDUM:

A. This ADDENDUM does not cover any loss, damage, cost or expense caused by or resulting from any of the following, regardless of any other cause or event contributing concurrently or in any other sequence thereto:

1. The unlawful possession, use, release, discharge, dispersal or disposal of any chemical, bacteriological, viral, radioactive or similar agents or matter regardless of who is responsible for the act and whether war has been declared or not, and regardless of any other cause or event contributing concurrently or in any other sequence thereto.

2. The unlawful possession, use, release, discharge, detonation, dispersal or disposal of any device or material capable of producing a nuclear reaction or the spread of radioactivity, regardless of who is responsible for the act and whether war has been declared or not, and regardless of any other cause or event contributing concurrently or in any other sequence thereto.

B. In any action, SUIT or other proceeding where the POOL alleges that, by reason of either of the provisions above, some or all loss or damage is not covered by this ADDENDUM, the burden of proving that such loss or damage is not excluded shall be upon the MEMBER.

Utah Counties Indemnity Pool

PROPERTY DEDUCTIBLE ENDORSEMENT

Part V. 7. 2. a (vi) is deleted and replaced with the following: For all other FLOOD losses, the deductible shall be:

Davis County $100,000

All other MEMBERS $1,000

In addition, Part V. 7. 2. b. All Other Perils is deleted and replaced with the following:

As respects losses from any other peril, a per OCCURRENCE deductible as scheduled below for all LOCATIONs, and coverages, combined shall apply, except AUTOMOBILE physical damage, a $1,000 per vehicle per OCCURRENCE deductible shall apply.

Davis County $100,000 except MOBILE EQUIPMENT $500

All other MEMBERS $500

All deductibles listed are per OCCURRENCE.

Subject otherwise to all terms, clauses and conditions of this ADDENDUM.

Utah Counties Indemnity Pool

SECURITY CLAIMS EXCLUSION AND LIMITED COVERAGE

This endorsement attaches to and forms part of Part III General Coverage Exclusions, Part IV General Definitions.

This endorsement modifies coverage provided under the following:

PART III GENERAL COVERAGE EXCLUSIONS is amended to include the following additional language:

T. To any CLAIMs arising in whole or in part out of any SECURITIES CLAIM.

1. This exclusion applies whether or not the COVERED PARTY is alleged to have actually participated in events from which the "SECURITIES CLAIM" arises.

2. This exclusion applies to any CLAIM that in any way involves any alleged WRONGFUL ACT in connection with the activities encompassed within the definition of a "SECURITIES CLAIM", whether intentional, reckless, negligent, or in a circumstance in which the law imposes strict liability. In addition, the exclusion applies to any CLAIM or SUIT arising out of such conduct, whether criminal, civil, state or federal, statutory or common law.

However a defense will be provided, up to a maximum of $35,000 per OCCURRENCE per MEMBER. The sub-limited amount applies to defense costs of the MEMBER only and cannot be applied to pay a settlement, plaintiff's costs or legal fees. CLAIMs for injunctive relief appeals to District Court are not eligible for defense costs.

PART IV GENERAL DEFINITIONS is amended to include the following additional language:

"SECURITIES CLAIM" means any "SUIT" or "CLAIM" for "DAMAGES", rescission or restitution, arising out of any actual or alleged violation of:

1. The Securities Act of 1933; or

2. The Securities Exchange Act of 1934; or

3. The Public Utilities Holding Act of 1935; or

4. The Trust Indenture Act of 1939; or

5. The Investment Company Act of 1940; or

6. The Investment Advisors Act of 1940; or

7. Any state Blue Sky Laws; or any rules, regulations or amendments issued in relation to such acts; or

8. Any common law claim arising out of or in any way concerning or related to:

   a. The promotion, issuance, sale or solicitation for sale of SECURITIES, bonds, debentures, stocks, options, warrants, trusts, real estate, REIT, or any other investment of any kind by any COVERED PARTY; or

   b. Recommendations, representations, or opinions concerning investment advice given by any COVERED PARTY or any person or organization referred to by any COVERED PARTY in connection with the performance or nonperformance of any SECURITIES, bonds, debentures, stocks, options, warrants, trusts, real estate, REIT, or any other investment of any kind; or

   c. Any common law principles of liability, if made in connection with an actual or alleged violation of any law listed in 1-7 above.

"SECURITIES CLAIM" includes CLAIMs arising out of the solicitation of, attempt to commit, or conspiracy to commit, any act described in the preceding paragraphs.

Subject otherwise to all terms, clauses and conditions of this ADDENDUM.

Utah Counties Indemnity Pool

LAND USE ACTIONS ENDORSEMENT

This endorsement attaches to and forms part of Part III General Coverage Exclusions.

PART III GENERAL COVERAGE EXCLUSIONS, Section Q. is deleted and replaced with the following:

Q. Any liability, CLAIMS or SUITS arising in whole or in part out of the operation of the principles of eminent domain, condemnation proceedings or CLAIMS, inverse condemnation proceedings or CLAIMS, regulatory taking by whatever name called, whether that liability accrues directly against the MEMBER or by virtue of any agreement entered into, by or on behalf of the MEMBER. CLAIMS or SUITS alleging civil rights violations arising out of any of these listed proceedings are also excluded.

Subject otherwise to all terms, clauses and conditions of this ADDENDUM.

Utah Counties Indemnity Pool

EXCLUSION OF CYBER LIABILITY AND EXPENSE COVERAGE

The Coverage ADDENDUM is endorsed to include the following provision:

A. This Coverage ADDENDUM does not provide coverage for any liability, loss, penalty or expense arising directly or indirectly from any CYBER SECURITY EVENT, except for coverage provided specifically for CYBER SECURITY EVENTS under Part IX Cyber Liability and Expense Coverage.

B. For purposes of this exclusion the following terms have the following meanings:

"COMPUTER SYSTEM" means computers and associated input and output devices, DATA storage devices, networking equipment and backup facilities:

1. Operated by and either owned by or leased to any COVERED PARTY; or

2. Operated by a third-party service provider and used to provide hosted computer application services to the COVERED PARTY or for processing, maintaining, hosting or storing the COVERED PARTY's ELECTRONIC DATA pursuant to a written contract with the COVERED PARTY for such services.

"CYBER SECURITY EVENT" means:

1. The actual or reasonably suspected THEFT, loss or unauthorized disclosure of or access to electronic PERSONAL INFORMATION in the care, custody or control of the COVERED PARTY or for which the COVERED PARTY is legally responsible; or

2. A violation or failure of the security of a COMPUTER SYSTEM, including but not limited to unauthorized access, unauthorized use, a denial of service attack or receipt or transmission of malicious code.

"PERSONAL INFORMATION" means an individual's name in combination with one or more of the following:

1. Information concerning the individual that constitutes "nonpublic personal information" as defined in the Gramm-Leach Bliley Act of 1999, as amended, and implementing regulations;

2. Medical or health care information concerning the individual, including without limitation "protected health information" as defined in the Health Insurance Portability and Accountability Act of 1996, as amended, and implementing regulations;

3. The individual's Social Security number, driver's license or state identification number, credit, debit, or other financial account numbers and associated security codes, access codes, passwords or personal identification numbers that allow access to the individual's financial account information; or

4. Other nonpublic personally identifiable information, as protected under any local, state, federal or foreign law;

Provided, however, PERSONAL INFORMATION does not include information that is lawfully available to the public, including without limitation information lawfully available from any COVERED PARTY or any local, state, federal or foreign governmental entity.

All other terms and conditions of the coverage ADDENDUM remain unchanged.

Utah Counties Indemnity Pool

CYBER LIABILITY AND EXPENSE COVERAGE ENDORSEMENT

This Addendum is amended to include the following coverage Part IX, Cyber Liability and Expense Coverage.

THIS IS CLAIMS MADE AND REPORTED COVERAGE

A. Cyber Liability and Expense Coverage Agreement

1. Third-Party Liability

a. The POOL will pay those sums a COVERED PARTY becomes legally obligated to pay as DAMAGES because of a CYBER SECURITY EVENT. The POOL will have the right and duty to defend the COVERED PARTY against any SUIT seeking such DAMAGES. However, the POOL will have no duty to defend any COVERED PARTY against any SUIT seeking DAMAGES to which this coverage does not apply. The POOL may at its discretion investigate any CYBER SECURITY EVENT and settle any CLAIM that may result.

But:

(i) The amount the POOL will pay for DAMAGES and CLAIM EXPENSES is limited as described in Section C.; and

(ii) The right and duty of the POOL to defend ends when the applicable limit of liability is exhausted in the payment of judgments or settlements, REGULATORY PENALTIES, CLAIMS EXPENSES and PRIVACY RESPONSE EXPENSES.

b. This coverage applies only if:

(i) The CYBER SECURITY EVENT commenced on or after the Retroactive Date and before the MEMBER's withdrawal or termination from the POOL;

(ii) A CLAIM for DAMAGES because of the CYBER SECURITY EVENT is first made against the COVERED PARTY before the MEMBER's withdrawal or termination from the POOL; and

(iii) The COVERED PARTY gives written notice of the CLAIM to the POOL in accordance with Section D.

C. A CLAIM seeking DAMAGES will be deemed to have been made when notice of the CLAIM is received by any COVERED PARTY or by the POOL, whichever occurs first.

2. Privacy Response Expenses

a. The POOL will pay for PRIVACY RESPONSE EXPENSES incurred by the MEMBER in connection with a CYBER SECURITY EVENT that results in the actual or reasonably suspected theft, loss or unauthorized disclosure of or access to PERSONAL INFORMATION.

But:

(i) The amount the POOL will pay for PRIVACY RESPONSE EXPENSES is limited as described in Section C.

b. This coverage applies only if:

(i) The CYBER SECURITY EVENT commenced on or after the Retroactive Date and before the MEMBER's withdrawal or termination from the POOL; and

(ii) The MEMBER gives written notice of the CYBER SECURITY EVENT to the POOL in accordance with Section D.

3. Regulatory Proceedings and Penalties

A. The POOL will pay for REGULATORY PENALTIES the COVERED PARTY becomes legally obligated to pay as a result of a REGULATORY PROCEEDING resulting from a CYBER SECURITY EVENT. The POOL will have the right and duty to defend the COVERED PARTY against any REGULATORY PROCEEDING to which this coverage applies. The POOL may at its discretion investigate any CYBER SECURITY EVENT and settle any CLAIM that may result.

But:

(i) The amount the POOL will pay for REGULATORY PENALTIES and CLAIM EXPENSES resulting from a REGULATORY PROCEEDING is limited as described in Section C.; and

(ii) The right and duty of the POOL to defend a REGULATORY PROCEEDING ends when the applicable limit of liability is exhausted.

b. This coverage applies only if:

(i) The CYBER SECURITY EVENT commenced on or after the Retroactive Date, if any, shown in the Declarations and before the MEMBER's withdrawal or termination from the POOL;

(ii) A REGULATORY PROCEEDING because of the CYBER SECURITY EVENT is initiated against the COVERED PARTY before the MEMBER's withdrawal or termination from the POOL; and

(iii) The COVERED PARTY gives written notice of the REGULATORY PROCEEDING to the POOL in accordance with Section D.

C. A REGULATORY PROCEEDING will be deemed to have been initiated when notice of the REGULATORY PROCEEDING is received by any COVERED PARTY or by the POOL, whichever occurs first.

B. Deductible

For each CYBER SECURITY EVENT, the POOL will pay only such amounts as are in excess of the deductible amount shown in the Declarations.

C. Limits of Liability

1. The limits of liability stated below establish the most the POOL will pay regardless of the number of CYBER SECURITY EVENTS, COVERED PARTIEs, CLAIMs made, SUITs or REGULATORY PROCEEDINGs brought or individuals or entities making CLAIMs or bringing SUITs or REGULATORY PROCEEDINGs.

2. The following general Aggregate limit applies: The POOL will pay no more than $1,000,000, less applicable deductible amounts, for the sum of the following in any one POOL fiscal year:

a. All DAMAGES and CLAIM EXPENSES covered under Section A. 1.;

b. All PRIVACY RESPONSE EXPENSES covered under Section A. 2.; and

c. All REGULATORY PENALTIES and CLAIM EXPENSES covered under Section A. 3..

3. The following per CYBER SECURITY EVENT limit applies: Subject to the general Aggregate Limit specified in Section C. 2., for any one CYBER SECURITY EVENT, the POOL will pay no more than $1,000,000, less the applicable deductible amount, for the sum of the following:

   a. All DAMAGES and CLAIM EXPENSES covered under Section A. 1.;

   b. All PRIVACY RESPONSE EXPENSES covered under Section A. 2.; and

   c. All REGULATORY PENALTIES and CLAIM EXPENSES covered under Section A. 3.

   This CYBER SECURITY EVENT limit is within the general aggregate limit specified in Section C. 2. and does not add to that limit.

4. The following sublimit applies: Subject to the general aggregate and per CYBER SECURITY EVENT limits specified in Section C. 2. and Section C. 3., the POOL will pay no more than $500,000 in aggregate, less applicable deductible amounts, for all PRIVACY RESPONSE EXPENSES covered under Section A. 2. This sublimit is within the general aggregate and per CYBER SECURITY EVENT limits set forth in Section C. 2. and Section C. 3. and does not add to those limits.

5. The following sublimits apply:

   a. Subject to the general aggregate and per CYBER SECURITY EVENT limits specified in Section C. 2. and Section C. 3., the POOL will pay no more than $250,000 in aggregate, less applicable deductible amounts, for all REGULATORY PENALTIES and related CLAIM EXPENSES covered under Section A. 3.

      These sublimits are within the general aggregate and per CYBER SECURITY EVENT limits set forth in Section C. 2. and Section C. 3. and do not add to those limits.

D. Notice to the Pool

1. As a condition precedent to the obligations of the POOL under this coverage, the COVERED PARTY must give written notice to the POOL of any CLAIM made against the COVERED PARTY as soon as practicable, but in no event later than the date the MEMBER withdraws or is terminated from the POOL.

2. If during the period this coverage is in force, any COVERED PARTY becomes aware of a CYBER SECURITY EVENT that may reasonably be expected to give rise to a CLAIM against any COVERED PARTY or

PRIVACY RESPONSE EXPENSES, the COVERED PARTY must give written notice to the POOL of such CYBER SECURITY EVENT as soon as practicable, but in no event later than the date the MEMBER withdraws or is terminated from the POOL. Notice must include:

a. A specific description of the CYBER SECURITY EVENT, including all relevant dates;

b. The names of persons involved in the CYBER SECURITY EVENT, including names of potential claimants and a specific description of any PERSONAL INFORMATION actually or reasonably suspected to have been subject to theft, loss or unauthorized access or disclosure;

c. The specific reasons for anticipating that a CLAIM may result from such CYBER SECURITY EVENT;

d. The specific nature of the alleged or potential DAMAGES arising from such CYBER SECURITY EVENT; and

e. The specific circumstances by which the COVERED PARTY first became aware of the CYBER SECURITY EVENT.

Any CLAIM subsequently made against any COVERED PARTY arising out of such CYBER SECURITY EVENT shall be deemed to be a CLAIM made at the time the CYBER SECURITY EVENT was first reported to the POOL.

E. Exclusions

The following exclusions apply to this coverage in addition to all exclusions that apply to the Public Officials Liability coverage provided under this COVERAGE ADDENDUM.

This coverage does not apply to any CLAIM, SUIT, REGULATORY PROCEEDING, DAMAGES, REGULATORY PENALTIES, CLAIM EXPENSES or PRIVACY RESPONSE EXPENSES:

1. For, arising out of, or resulting from BODILY INJURY or PROPERTY DAMAGE;

2. For, arising out of, or resulting from any contractual liability or obligation, or arising out of or resulting from breach of contract or agreement either oral or written; provided, however, that this exclusion shall not apply to the extent the COVERED PARTY would have been liable in the absence of such contract or agreement;

3. For, arising out of, or resulting from any actual or alleged antitrust violation, restraint of trade, unfair competition, or false or deceptive or

misleading advertising or violation of the Sherman Anti-Trust Act, the Clayton Act, or the Robinson-Patman Act, as amended;

4. For, arising out of or resulting from any actual or alleged false, deceptive or unfair trade practices; however, this exclusion does not apply to any CLAIM or loss covered under this endorsement that results from a theft, loss or unauthorized disclosure of or access to PERSONAL INFORMATION;

5. For, arising out of or resulting from:

   a. The actual or alleged unlawful collection or acquisition of PERSONAL INFORMATION by or on behalf of the COVERED PARTY; or the failure to comply with a legal requirement to provide individuals with the ability to assent to or withhold assent (*i.e.*, opt-in or opt-out) from the collection, disclosure or use of PERSONAL INFORMATION; or

   b. The distribution of unsolicited email, direct mail, or facsimiles, wiretapping, audio or video recording, or telemarketing, if such distribution, wiretapping, recording or telemarketing is done by or on behalf of the COVERED PARTY;

6. For, arising out of or resulting from any of the following conduct by a COVERED PARTY:

   a. Any actual or alleged violation of the Organized Crime Control Act of 1970 (commonly known as the Racketeer Influenced and Corrupt Organizations Act or RICO), as amended, or any regulation promulgated thereunder or any similar federal law or law of any state, locality or foreign government, whether such law is statutory, regulatory or common law;

   b. Any actual or alleged violation of any securities law, regulation or legislation, including but not limited to the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Act of 1940, any state blue sky or securities law, any other federal securities law or legislation, or any other similar law or legislation of any state, locality or foreign government, or any amendment to such laws, or any violation of any order, ruling or regulation issued pursuant to such laws;

   c. Any actual or alleged violation of the Fair Labor Standards Act of 1938, the National Labor Relations Act, the Worker Adjustment and Retraining Act of 1988, the Certified Omnibus Budget Reconciliation Act of 1985, the Occupational Safety and Health Act of 1970, the Employee Retirement Security Act of 1974 or any similar law or legislation of any state, locality or foreign

government, or any amendment to such laws, or any violation of any order, ruling or regulation issued pursuant to such laws; or

d. Any actual or alleged discrimination of any kind including but not limited to age, color, race, sex, creed, national origin, marital status, sexual preference, disability or pregnancy;

7. For, arising out of, or resulting from any criminal, dishonest, fraudulent, or malicious act, error or omission, any intentional security breach, or any intentional or knowing violation of the law committed by any COVERED PARTY; provided, however, this exclusion shall not apply unless there is a final adjudication of such conduct, an admission of such conduct by the COVERED PARTY, or in a criminal proceeding a plea of guilty, *nolo contendere*, no contest or any similar plea by the COVERED PARTY;

8. For, arising out of or resulting from any actual or alleged:

a. Infringement of patent or patent rights or misuse or abuse of patent; or

b. Infringement of copyright arising from or related to software code or software products; or

c. Use or misappropriation of any ideas or trade secrets by a COVERED PARTY or on behalf of, or in collusion with a COVERED PARTY;

9. Arising out of or resulting from any of the following:

a. Trading losses, trading liabilities or change in value of accounts;

b. Any loss of monies, securities or tangible property of others in the care, custody or control of the COVERED PARTY;

c. The monetary value of any electronic fund transfers or transactions by or on behalf of the COVERED PARTY that is lost, diminished, or damaged during transfer from, to or between accounts; or

d. The value of coupons, price discounts, prizes awards, or any other valuable consideration given in excess of the total contracted or expected amount that is lost, diminished or damaged;

10. For damage to, destruction of, corruption of, or any loss of use by any COVERED PARTY of any COMPUTER SYSTEM or data, including without limitation any costs or expenses to the COVERED PARTY to repair or replace any COMPUTER SYSTEM or data;

11. For, arising out of or resulting from any threat, extortion or blackmail including but not limited to ransom payments.

F. Definitions

The following definitions apply to this coverage:

"BODILY INJURY" means physical injury, sickness or disease sustained by any person, including death resulting from these at any time. BODILY INJURY also means mental illness, mental anguish or emotional distress, pain or suffering or shock sustained by any person, whether or not resulting from physical injury, sickness, disease or death of any person.

"CLAIM" means any demand, SUIT for DAMAGES or REGULATORY PROCEEDING resulting from a CYBER SECURITY EVENT. All CLAIMs because of a single CYBER SECURITY EVENT will be deemed to be a single CLAIM and to have been made at the time the first such CLAIM is made against any COVERED PARTY, regardless of the number of individuals or entities making such CLAIMs or the time period over which such CLAIMs are made, even if subsequent CLAIMs are made after the MEMBER withdraws or is terminated from the POOL.

"CLAIM EXPENSES" means:

1. Reasonable and necessary fees charged by attorneys designated by the POOL or designated by the COVERED PARTY with the POOL's prior consent to assist with the investigation, adjustment, negotiation, arbitration, defense or appeal of a CLAIM;

2. All other reasonable and necessary fees, costs and expenses resulting from the investigation, adjustment, negotiation, arbitration, defense or appeal of a CLAIM and incurred by the POOL or by the COVERED PARTY with the POOL's prior consent; and

3. Premiums on appeal bonds, attachment bonds or similar bonds; however, the POOL is not obligated to apply for or furnish any such bond;

Provided, however, CLAIM EXPENSES do not include:

1. Any internal salary, administrative, overhead or other related expenses of any COVERED PARTY or any charges by a COVERED PARTY for time spent cooperating with the investigation and defense of any CLAIM; or

2. PRIVACY RESPONSE EXPENSES.

"COMPUTER SYSTEM" means computers and associated input and output devices, data storage devices, networking equipment and backup facilities:

1. Operated by and either owned by or leased to the MEMBER; or

2. Operated by a third party service provider and used to provide hosted computer application services to the MEMBER or for processing,

maintaining, hosting or storing the MEMBER's electronic data pursuant to a written contract with the MEMBER for such services.

"CYBER SECURITY EVENT" means:

1. The actual or reasonably suspected theft, loss or unauthorized disclosure of or access to electronic PERSONAL INFORMATION in the care, custody or control of the MEMBER or for which the MEMBER is legally responsible; or

2. A violation or failure of the security of a COMPUTER SYSTEM, including but not limited to unauthorized access, unauthorized use, a denial of service attack or receipt or transmission of malicious code.

Any CYBER SECURITY EVENT that is continuous or part of a series of repeated or related CYBER SECURITY EVENTs will be considered to be a single CYBER SECURITY EVENT and will be considered to have commenced when the first such CYBER SECURITY EVENT commenced regardless of:

1. The number of individuals or entities engaged in such CYBER SECURITY EVENTS;

2. The number of individuals or entities affected by such CYBER SECURITY EVENTs;

3. The number of locations where such CYBER SECURITY EVENTs occurred; or

4. The number of such CYBER SECURITY EVENTs occurring or period of time over which they occur, even if subsequent CYBER SECURITY EVENTs take place after the MEMBER withdraws or is terminated from the POOL.

"PERSONAL INFORMATION" means an individual's name in combination with one or more of the following:

1. Information concerning the individual that constitutes "nonpublic personal information" as defined in the Gramm-Leach Bliley Act of 1999, as amended, and implementing regulations;

2. Medical or health care information concerning the individual, including without limitation "protected health information" as defined in the Health Insurance Portability and Accountability Act of 1996, as amended, and implementing regulations;

3. The individual's Social Security number, driver's license or state identification number, credit, debit, or other financial account numbers and associated security codes, access codes, passwords or personal

identification numbers that allow access to the individual's financial account information; or

4. Other nonpublic personally identifiable information, as protected under any local, state, federal or foreign law;

Provided, however, PERSONAL INFORMATION does not include information that is lawfully available to the public, including without limitation information lawfully available from any COVERED PARTY or any local, state, federal or foreign governmental entity.

"PRIVACY RESPONSE EXPENSES" means the following reasonable and necessary costs incurred by the MEMBER within one year of the discovery of a CYBER SECURITY EVENT that results in the actual or reasonably suspected THEFT, loss or unauthorized disclosure of or access to electronic PERSONAL INFORMATION in the care, custody or control of the MEMBER or for which the MEMBER is legally responsible:

1. For the services of a computer security expert designated by the POOL to determine the scope and cause of a CYBER SECURITY EVENT and the extent to which PERSONAL INFORMATION was disclosed to or accessed by unauthorized persons;

2. For the services of consultants or attorneys designated by the POOL to determine the MEMBER's obligations, if any, under applicable law to give notice to affected individuals;

3. To notify affected individuals if required by applicable law or if the MEMBER voluntarily elects to give such notice, and for the services of a contractor designated by the POOL to assist with providing such notice and responding to questions and concerns raised by individuals who are notified;

4. For the services of a contractor designated by the POOL to provide identity theft protection services to affected individuals if the MEMBER elects to provide such services; and

5. For the services of a public relations consultant designated by the POOL to avert or mitigate damage to the MEMBER's reputation as a result of the CYBER SECURITY EVENT;

Provided, however, PRIVACY RESPONSE EXPENSES do not include:

1. Any internal salary, administrative, overhead or other related expenses of any COVERED PARTY or any charges by a COVERED PARTY for time spent cooperating with the investigation and response to any CYBER SECURITY EVENT; or

2. CLAIM EXPENSES.

"PROPERTY DAMAGE" means physical injury to tangible property, including all resulting loss of use or loss of use of tangible property that is not physically injured. For purposes of this definition tangible property does not include information or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, compact disks, tapes, drives, cells, data processing devices or any other media that are used with electronically controlled equipment.

"REGULATORY PENALTIES" means any civil fine or civil monetary penalty imposed in a REGULATORY PROCEEDING payable by a COVERED PARTY to the governmental entity bringing the REGULATORY PROCEEDING and any sum of money that a COVERED PARTY is legally obligated to deposit in a fund as equitable relief for the payment of consumer CLAIMs due to an adverse judgment or settlement of a REGULATORY PROCEEDING.

"REGULATORY PROCEEDING" means a request for information, civil investigative demand, SUIT, civil investigation or civil proceeding commenced by or on behalf any local, state, federal or foreign governmental entity in the entity's regulatory or official capacity.

"SUIT" means a civil proceeding arising out of a CYBER SECURITY EVENT and includes an arbitration proceeding or other alternative dispute resolution proceeding and to which the COVERED PARTY must submit or does submit with the consent of the POOL.

Utah Counties Indemnity Pool

INJUNCTIVE RELIEF DEFENSE ENDORSEMENT

This endorsement attaches to and forms part of Part III General Coverage Exclusions.

PART III GENERAL COVERAGE EXCLUSIONS, Section E. is deleted and replaced with the following:

E. CLAIMS arising for declaratory or injunctive relief. However, notwithstanding the definition of "SUIT" to include a request for DAMAGES to which this coverage applies, a defense may be provided up to a maximum of $100,000 per OCCURRENCE per MEMBER for CLAIMS for injunctive relief if the POOL agrees that DAMAGES may be added to the CLAIM at a later date. This limited defense coverage is subject to all other exclusions and conditions of this ADDENDUM.

Subject otherwise to all terms, clauses and conditions of this ADDENDUM.

Utah Counties Indemnity Pool

EXTENSION OF DEFENSE ENDORSEMENT

This endorsement attaches to and forms part of Part VII Liability Coverage Section.

A. Definitions that Apply to Liability Coverages, Section 2, is amended to define the term "SUIT" as:

"SUIT" means an action filed in court, or a Notice of CLAIM filed with a MEMBER in compliance with Utah Code Annotated 63G-7-40, requesting DAMAGES to which this coverage applies. "SUIT" also includes an alternative dispute resolution proceeding alleging such DAMAGES to which the COVERED PARTY must submit or submits with both our consent, and our agreement to pay for defense.

Subject otherwise to all terms, clauses and conditions of this ADDENDUM.

Utah Counties Indemnity Pool

CO-INSURANCE SUSPENSION ENDORSEMENT

This endorsement attaches to and forms part of Part V Property Coverage Section.

A MEMBER shall be considered in compliance with Part V. A. 5. Value Reporting Provision if the MEMBER agrees to schedule the value of covered PROPERTY at a value documented by a certified appraiser engaged by the POOL to determine PROPERTY values. Compliance with the Value Reporting Provision through use of POOL appraised values will suspend the co-insurance penalty outlined in Part V, D, 3 (k) (ix).

Subject otherwise to all terms, clauses and conditions of this ADDENDUM.

Utah Counties Indemnity Pool

ENERGY EFFICIENCY UPGRADE ENDORSEMENT

This endorsement attaches to and forms part of Part V Property Coverage Section:

The coverages and valuation provision provided by this endorsement only apply if direct physical loss or damage to covered real and/or personal property is caused by any of the perils covered by the Addendum and replacement cost valuation applies. This coverage does not apply to: (1) personal property of others in the Member's care, custody, and control, (2) leased personal property, and/or (3) finished or unfinished stock.

In no event, does this endorsement increase or change the per occurrence limit of liability shown in the Addendum or the annual aggregate for specified perils.

1. Notwithstanding the Valuation Provision of this Addendum or limits of liability applicable to specific locations or perils, if replacement cost valuation applies to real and/or personal property, then the Pool's liability for loss applicable to this endorsement shall be the cost to repair or replace the covered damaged property, subject to the applicable limit of liability, plus the least of the following amounts:

A. The reasonable and necessary amount to upgrade the covered damaged property as described in Coverage Section A - Non-LEED® Certified Coverage *or* as described in Coverage Section B - LEED® Certified Coverage, whichever is applicable; or

B. An additional 25% of the applicable limit of liability for the building and/or business personal property shown in the Statement of Values or similar schedule to upgrade; or

C. $1,000,000 (one million dollars) to upgrade.

At the Member's sole discretion, the Member may elect not to upgrade any or all property for which upgrade coverage is provided under this endorsement. In such case, the Pool will adjust the claim in accordance with the standard provisions of the Addendum, as modified by all other applicable endorsements.

Subject to the least of A., B., or C. above, if business interruption coverage is provided as part of this Addendum, if necessary, the Period of Restoration shall be increased to allow for additional time to upgrade the damaged property plus up to an additional two-week period to meet the requirements set forth in 4.B.

2. COVERAGE SECTION A: NON-LEED CERTIFIED COVERAGE

In the event of direct physical loss or damage by any of the perils covered by the Addendum to a building that is not LEED certified at the time of the loss, or

to the personal property within such a building, the Pool will pay to repair or replace damaged or destroyed:

A. Loss Settlement for Personal Property

(1) "Appliances" or "Office Equipment" with products of like kind and quality that have been identified as "ENERGY STAR®" or equivalent products of such energy efficiency. If there are no such products available at the time of the loss, this upgrade coverage does not apply.

(2) "Systems Furniture" or "Seating", with products of like kind and quality that are certified as GREENGUARD Indoor Air Quality Certified® or products with similar emissions characteristics. If there are no such products available at the time of the loss, this upgrade coverage does not apply.

B. Loss Settlement for Your Building

(1) Interior Finish Materials Upgrade

a. Lower Emissions Products Upgrade Coverage

"Defined Building Materials" with products of like kind and quality that have "Lower Emissions". If there are no such products available at the time of the loss, this upgrade coverage does not apply.

b. Environmentally Preferable Products Upgrade Coverage

Interior wood, carpeting and flooring with products of like kind and quality that have "Lower Emissions", are "Sustainably Produced", are "Rapidly Renewable" or include "Recycled Content". If there are no such products available at the time of the loss, this upgrade coverage does not apply.

(2) Interior Plumbing Systems Upgrade Coverage

Interior plumbing fixtures including, but not limited to, toilets, shower heads and lavatory faucets with products of like kind and quality that are more "Water Efficient". If there are no such products available at the time of the loss, this upgrade coverage does not apply. For damaged or destroyed faucets, the Pool will also pay to install occupant sensors to reduce the potable water demand.

(3) Lighting Systems Upgrade Coverage

Lighting systems, with products of like kind and quality that have been identified as "ENERGY STAR" or equivalent products of such energy

efficiency. If there are no such products available at the time of the loss, this upgrade coverage does not apply. The Pool will also pay to repair or replace damaged light bulbs with light bulbs which have low mercury content.

(4) Efficient Heating and Cooling Equipment Upgrade Coverage

"Heating and cooling equipment" with products of like kind and quality that have been identified as "ENERGY STAR" or equivalent products of such energy efficiency. If there are no such products available at the time of the loss, this upgrade coverage does not apply.

(5) Building Reconstruction Following Total Loss

a. Solely with respect to a "Total Loss" to a building, the Pool will pay to replace the building on its existing foundation using the most cost-effective techniques, products and materials that should satisfy the prerequisites and earn the minimum number of points required to qualify for LEED Silver certification using the LEED New Construction (LEED NC®) Rating System.

b. Certification Expenses

(i) The Pool will pay the reasonable and necessary registration and certification fees charged by the United States Green Building Council (USGBC) that the Member incurs should the Member decide to seek LEED Silver certification. However, the Pool will not pay to modify the reconstructed structure if it is not certified.

(ii) The Sublimit of Coverage for this coverage is $25,000.

3. COVERAGE SECTION B: LEED CERTIFIED COVERAGE

In addition to all Coverages provided in Coverage Section A (with the exception of 2.B.(5) Building Reconstruction Following a Total Loss) and in the event of direct physical loss or damage by any of the perils covered by the Addendum to a building that is LEED certified at the time of the loss, or to the personal property within such building, the Pool will pay to repair or replace damaged or destroyed:

A. Loss Settlement for Trees, Shrubs, and Vegetative Roofs

(1) Trees and shrubs planted specifically to secure the Heat Island Effect: Non-Roof point as described in LEED NC. For the purposes of this coverage only, notwithstanding any other provision of the Addendum to the contrary, trees and shrubs are Covered Property. The Sublimit of Coverage for this coverage is $3,000 per tree or $3,000 per shrub up to a maximum of $25,000.

(2) Vegetative roofs on LEED certified buildings. Notwithstanding any other provision of the Addendum to the contrary, vegetative roofs are Covered Property.

B. Loss Settlement for Your Building

(1) Recertification Expenses

a. In the event of direct physical loss or damage by any of the perils covered by the Addendum that necessitates recertification of the damaged building, the Pool will pay the reasonable and necessary registration and certification fees charged by the USGBC that the Member incurs as a result of the recertification process.

b. The Sublimit of Coverage for this coverage is $25,000.

(2) Building Reconstruction Following Total Loss

a. Solely with respect to a "Total Loss" to a building that is LEED certified at the time of the loss, the Pool will pay to replace the building on its existing foundation using the most cost effective techniques, products and materials that would satisfy the prerequisites and should earn the minimum number of points required to qualify for LEED certification at one level above the certification in effect at the time of the loss using the LEED NC Rating System.

b. Certification Expenses

(i) The Pool will pay the reasonable and necessary registration and certification fees charged by the USGBC that the Member incurs should the Member decide to seek LEED certification. However, the Pool will not pay to modify the reconstructed structure if it is not certified.

(ii) The Sublimit of Coverage for this coverage is $25,000.

4. COVERAGES INCLUDED WITHIN COVERAGE SECTIONS A OR B AND APPLICABLE TO LEED® AND NON-LEED® CERTIFIED BUILDINGS

In the event of direct physical loss or damage by any of the perils covered by the Addendum to a LEED or Non-LEED certified building:

A. Recycling Expenses

(1) The Pool will pay the Member's expenses to clean-up, sort, segregate, and transport debris from the Member's damaged building to recycling facilities, if such debris can be recycled.

(2) The Sublimit of Coverage for this coverage is $25,000 and is in addition to the debris removal expense sublimit provided by the Addendum, if any.

(3) Any income or remuneration derived from this recycling shall be used to reduce the loss.

B. Air Testing and Outdoor Air Ventilation of the Reconstructed Space

(1) In accordance with the requirements for the Construction IAQ Management Plan: Before Occupancy Credit as described in the LEED NC rating system (hereinafter, "Construction IAQ"), the Pool will pay to conduct air testing and a building flush-out (if required because of a failure to meet air quality standards set forth in the Construction IAQ) and follow-up air testing for a total period of time not to exceed two weeks.

(2) After the two-week period of increased outdoor air ventilation of the reconstructed space, the Pool will pay to replace the filtration media with new media.

(3) The Sublimit of Coverage for this coverage is $25,000.

C. Professional Services

The Pool will pay reasonable and necessary expenses to hire a LEED Accredited architect or engineer to participate in the design and/or construction administration of the damaged portion of the building or the entire building, whichever is applicable.

The Sublimit of Coverage for this coverage is $50,000.

D. Building Commissioning Expenses

(1) In the event of direct physical loss or damage to mechanical, electrical, or electronic building systems, by any of the perils covered by the Addendum which necessitates the commissioning or re-commissioning of those systems, the Pool will pay reasonable and necessary expenses of a Professional Engineer to commission or re-commission those damaged systems in accordance with LEED protocols.

(2) The Sublimit of Coverage for this coverage is $25,000.

5. Additional Definitions

A. "Appliances" means products including, but not limited to, dishwashers, refrigerators, freezers, ovens, microwave ovens, room air conditioners, room air cleaners and water heaters.

B. "Defined Building Materials" means: (1) all carpet and floor coverings, including, adhesives to affix them to the floor, (2) all interior paints, architectural coatings, primers, undercoatings, adhesives, sealants, and **(1)** permanently installed composite wood fixtures, including, counters, cabinets, and partitions.

C. "ENERGY STAR" means any product that has been identified by the United States Government Department of Energy, Environmental Protection Agency as ENERGY STAR qualified at the time of the loss.

D. "Heating and Cooling Equipment" means products including, but not limited to, heat pumps, boilers, central air conditioning, ceiling fans, dehumidifiers, exhaust fans, furnaces, thermostats, and ventilating fans.

E. "Lower emissions" means:

(1) With respect to adhesive and sealant products, such as, general construction adhesives, flooring adhesives, fire-stopping sealants, caulking, duct sealants, plumbing adhesives, and cove base adhesives, products that meet the requirements of South Coast Air Quality Management District (SCAQMD) Rule # 1168; with respect to aerosol adhesives, products that meet Green Seal Standard GS-36 requirements;

(2) With respect to architectural paints, coatings, and primers, products that do not exceed the volatile organic compound (VOC) content limits established in Green Seal Standard GS-11, with respect to anti-corrosive and anti-rust paints, products that do not exceed the VOC content limits established in Green Seal Standard GS-03; and with respect to clear wood finishes, floor coatings, stains, and shellacs, products that do not exceed the VOC content limits established by SCAQMD Rule #1113;

(3) With respect to carpet and carpet cushion, products that meet the requirements of the Carpet and Rug Institute's Green Label Plus Program; and

(4) With respect to composite wood and agrifiber products such as particleboard, medium density fiberboard (MDF), plywood, wheatboard, strawboard, panel substrates and door cores as well as laminating adhesives used to fabricate on-site and shop- applied composite wood and agrifiber assemblies, products that contain no added urea-formaldehyde resins.

F. "Office Equipment" means electronic products including, but not limited to, desktop computers, laptop computers, monitors, printers, fax machines, scanners, copiers, and telephones.

G. "Recycled Content" means those products that contain at least 20% post-consumer recycled content.

H. "Rapidly Renewable" means products that are made from plant resources that are harvested within a ten-year cycle or shorter, including, but not limited to, bamboo, eucalyptus, wheat straw, sunflower hulls, cork oak, wheatboard, linoleum, and sorghum.

I. "Seating" means task and guest chairs used with "System Furniture".

J. "Sustainably Produced" means those products certified by the Forest Stewardship Council ("FSC").

K. "System Furniture" means either a panel-based workstation comprised of modular interconnecting panels, hang-on components and drawer/filing components of a freestanding grouping of furniture items and their components that have been designed to work in concert.

L. "Total Loss" means:

(1) The covered building is completely destroyed regardless of whether any damage is done to the foundation or slab, or

(2) The covered building is in such condition after the loss that the standard method of rebuilding or repairing the covered building is to raze the structure except for the foundation or slab or including all or part of the foundation or slab and rebuild the entire structure, whether such structure is actually rebuilt or not.

M. "Water Efficient" means dry fixtures such as composting toilet systems and non-water using urinals, flush toilets using no more than 1.6 gallons of water per flush, and shower heads and faucets with a flow rate of no more than 2.2 gallons per minute.

Utah Counties Indemnity Pool

INCREASED CYBER LIABILITY LIMITS ENDORSEMENT

The Limits of Liability section of Part IX, Cyber Liability and Expense Coverage is amended as follows as respects Davis County only:

1. Limits of Liability

A. The limits of liability stated below establish the most the Pool will pay regardless of the number of CYBER SECURITY EVENTS, COVERED PERSONS, CLAIMs made, SUITs or REGULATORY PROCEEDINGS brought or individuals or entities making CLAIMs or bringing SUITs or REGULATORY PROCEEDINGS.

B. The following general aggregate limit applies: The POOL will pay no more than $4,000,000, less applicable deductible amounts, for the sum of the following in any one POOL fiscal year:

i. All damages and CLAIM EXPENSES covered under Section 1.A;

ii. All PRIVACY RESPONSE EXPENSES covered under Section 1.B; and

iii. All REGULATORY PENALTIES and CLAIM EXPENSES covered under Section 1.C.

C. The following per CYBER SECURITY EVENT limit applies: Subject to the general aggregate limit specified in Section 3.A, for any one CYBER SECURITY EVENT, the POOL will pay no more than $4,000,000, less the applicable deductible amount, for the sum of the following:

i. All damages and CLAIM EXPENSES covered under Section 1.A;

ii. All PRIVACY RESPONSE EXPENSES covered under Section 1.B; and

iii. All REGULATORY PENALTIES and CLAIM EXPENSES covered under Section 1.C.

This CYBER SECURITY EVENT limit is within the general aggregate limit specified in Section 3.A. and does not add to that limit.

D. The following sublimit applies: Subject to the general aggregate and per CYBER SECURITY EVENT limits specified in Sections 3.B and 3.C, the POOL will pay no more than $1,000,000 in aggregate, less applicable deductible amounts, for all PRIVACY RESPONSE EXPENSES covered under Section 1.B. This sublimit is within the general aggregate and per CYBER SECURITY EVENT limits set forth in Sections 3.B and 3.C. and does not add to those limits.

E. The following sublimits apply:

i. Subject to the general aggregate and per CYBER SECURITY EVENT limits specified in Sections 3.B and 3.C, the POOL will pay no more than $250,000 in aggregate, less applicable deductible amounts, for all REGULATORY PENALTIES and CLAIM EXPENSES covered under Section 1.C.

These sublimits are within the general aggregate and per CYBER SECURITY EVENT limits set forth in Sections 3.B and 3.C. and do not add to those limits.

AND:

The Limits of Liability section of Part IV, Cyber Liability and Expense Coverage is amended as follows as respects Iron County only:

2. Limits of Liability

A. The limits of liability stated below establish the most the Pool will pay regardless of the number of CYBER SECURITY EVENTS, COVERED PERSONS, CLAIMs made, SUITs or REGULATORY PROCEEDINGS brought or individuals or entities making CLAIMs or bringing SUITs or REGULATORY PROCEEDINGS.

B. The following general aggregate limit applies: The POOL will pay no more than $5,000,000, less applicable deductible amounts, for the sum of the following in any one POOL fiscal year:

iv. All damages and CLAIM EXPENSES covered under Section 1.A;

v. All PRIVACY RESPONSE EXPENSES covered under Section 1.B; and

vi. All REGULATORY PENALTIES and CLAIM EXPENSES covered under Section 1.C.

C. The following per CYBER SECURITY EVENT limit applies: Subject to the general aggregate limit specified in Section 3.A, for any one CYBER SECURITY EVENT, the POOL will pay no more than $5,000,000, less the applicable deductible amount, for the sum of the following:

iv. All damages and CLAIM EXPENSES covered under Section 1.A;

v. All PRIVACY RESPONSE EXPENSES covered under Section 1.B; and

vi. All REGULATORY PENALTIES and CLAIM EXPENSES covered under Section 1.C.

This CYBER SECURITY EVENT limit is within the general aggregate limit specified in Section 3.A. and does not add to that limit.

D. The following sublimit applies: Subject to the general aggregate and per CYBER SECURITY EVENT limits specified in Sections 3.B and 3.C, the POOL will pay no more than $500,000 in aggregate, less applicable deductible amounts, for all PRIVACY RESPONSE EXPENSES covered under Section 1.B. This sublimit is within the general aggregate and per CYBER SECURITY EVENT limits set forth in Sections 3.B and 3.C. and does not add to those limits.

E. The following sublimits apply:

ii. Subject to the general aggregate and per CYBER SECURITY EVENT limits specified in Sections 3.B and 3.C, the POOL will pay no more than $250,000 in aggregate, less applicable deductible amounts, for all REGULATORY PENALTIES and CLAIM EXPENSES covered under Section 1.C.

These sublimits are within the general aggregate and per CYBER SECURITY EVENT limits set forth in Sections 3.B and 3.C. and do not add to those limits.

Subject otherwise to all terms, clauses and conditions of this ADDENDUM.

Utah Counties Indemnity Pool

EXCESS LIABILITY COVERAGE ENDORSEMENT

The effective date of this endorsement is July 1, 2016.

The ADDENDUM is amended to include the following Part X, Excess Liability Coverage:

PART X EXCESS LIABILITY COVERAGE SECTION

A. Follow Form Excess Coverage Agreement

The POOL will provide excess liability coverage with respect to Part VII, Liability Coverage (including Section A, General Liability; Section B, Public Officials Errors and Omissions Liability; and Section C. Employee Benefits Liability) and Part VIII, Automobile Liability (the "FOLLOWED COVERAGE PARTS") in accordance with the same terms, conditions and limitations (including but not limited to the exclusions and notice requirements) as apply to the FOLLOWED COVERAGE PARTS; provided, however that such excess coverage shall be subject to any terms, conditions and limitations of this Part X that are inconsistent with the terms, conditions or limitations that apply to the FOLLOWED COVERAGE PARTS.

Excess coverage under this Part X shall attach only after exhaustion of the applicable Limit of Coverage under the FOLLOWED COVERAGE PARTS. This Part X does not provide excess coverage above any sublimit of liability under the FOLLOWED COVERAGE PARTS. If payment of amounts subject to a sublimit erode or reduce the Limits of Coverage of a FOLLOWED COVERAGE PART, this Part X will recognize such erosion or reduction in determining when the excess coverage under this Part X attaches.

B. Limits Of Coverage

The Limits of Coverage set forth the column labeled "Excess" in the Member Schedule of Liability Limits and Sublimits are the maximum amounts for which the POOL is liable for all excess coverage under this Part X regardless of the number of CLAIMS made or the time of payment. If the applicable Limit of Coverage for excess coverage is exhausted by the payment of DAMAGES, the POOL's obligations under this Part X shall be deemed completely fulfilled and extinguished.

C. Pool's Rights and Protections

The POOL has the same rights and protections under this Part X as are set forth in the ADDENDUM, including but not limited to all rights and protections that apply to the defense and settlement of any CLAIM or SUIT to which this Part X applies.

Utah Counties Indemnity Pool

TERRORISM ENDORSEMENT

This endorsement attaches to and forms part of Part VII LIABILITY COVERAGE SECTION.

Part III General Coverage Exclusions, paragraph G, excluding any act of terrorism does not apply to the first $3,000,000 per occurrence for General Liability, Law Enforcement Liability and Public Officials claims.

Subject otherwise to all terms, clauses and conditions of this ADDENDUM.

Utah Counties Indemnity Pool

UNMANNED AIRCRAFT ENDORSEMENT

Notwithstanding **Part III GENERAL COVERAGE EXCLUSIONS**, Section K,

1. Subject to the terms, conditions and limits of liability of the ADDENDUM and the terms, conditions, exclusions and limits of liability of this Endorsement, the exclusion to operation or use or entrustment to others of an aircraft does not apply to UNMANNED AIRCRAFT with respect to the liability of a COVERED PERSON for BODILY INJURY, PERSONAL INJURY or PROPERTY DAMAGE caused by an OCCURRENCE and arising out of the ownership, maintenance or use of the UNMANNED AIRCRAFT.

2. Coverage is provided under this Endorsement only if all of the following conditions are met:

   A. The Unmanned Aircraft was scheduled with the Pool prior to the Occurrence resulting in a Claim. For any Unmanned Aircraft not scheduled with the Pool at the time of Occurrence resulting in a Claim, a sublimit shall apply of $100,000 for defense of the claim only.

   B. Ownership, maintenance and use of the UNMANNED AIRCRAFT complies with all applicable laws, regulations, requirements and guidelines of the FEDERAL AVIATION ADMINISTRATION and any other regulatory authority, including but not limited to laws, regulations, requirements and guidelines concerning obtaining and maintaining any Certificate of Waiver or Authorization or other license, permit, waiver, certificate or other authorization; registration and marking of the UNMANNED AIRCRAFT; training, certification and medical condition of the UNMANNED AIRCRAFT operator; maintaining visual line of sight by the operator; using a visual observer; approved scope, place and time of operation; maximum speed and altitude of flight; maximum weight of the UNMANNED AIRCRAFT (including everything on board); airworthiness, inspection and maintenance of the UNMANNED AIRCRAFT and any associated equipment, software or other elements including communication links and components that control or otherwise are used to maintain or operate the UNMANNED AIRCRAFT; and preflight familiarization, inspection and actions.

   C. Maintenance and use of the UNMANNED AIRCRAFT is conducted within the scope of use approved by the MEMBER and in accordance with any requirements or guidelines established by the MEMBER.

3. Coverage under this Endorsement does not apply to claims caused by hijacking or any unlawful seizure or wrongful exercise of control of the UNMANNED AIRCRAFT (including any attempt at such seizure or control) by any person, including but not limited to claims arising while the UNMANNED AIRCRAFT is

outside the control of the COVERED PERSON by reason of such hijacking, unlawful seizure or wrongful exercise of control. The UNMANNED AIRCRAFT shall be deemed to have been restored to the control of the COVERED PERSON on the safe return of the UNMANNED AIRCRAFT to the COVERED PERSON at an airfield or off-airport location within the COVERAGE TERRITORY that is entirely suitable for the operation of the UNMANNED AIRCRAFT (such safe return shall require that the UNMANNED AIRCRAFT be parked with engines shut down and under no duress).

4. The following definitions apply to this Endorsement:

A. FEDERAL AVIATION ADMINISTRATION means the duly constituted authority of the United States of America having jurisdiction over governmental aircraft operations, or its duly constituted equivalent in any other country.

B. UNMANNED AIRCRAFT means an aerial vehicle that is not controlled by a person from within or on the aerial vehicle.

Other terms in this Endorsement that are capitalized and appear in bold have the same meaning as the meaning assigned to them in the body of the COVERAGE AGREEMENT.

Subject otherwise to all terms, clauses and conditions of this ADDENDUM.

Utah Counties Indemnity Pool

PROPERTY LOCATIONS EXCLUDED ENDORSEMENT

This endorsement attaches to and forms part of Part V Property.

The following locations are excluded from coverage, including but not limited to Automatic Coverage and Miscellaneous Unnamed Locations:

Location	Effective Date
Davis County Events Center	01/01/2017

Subject otherwise to all terms, clauses and conditions of this ADDENDUM.

Utah Counties Indemnity Pool

SEWER AND DRAIN COVERAGE EXTENSION ENDORSEMENT

Subject to the Sublimits shown on the MEMBER Schedule of Liability Limits and Sublimits, we will indemnify the MEMBER for those sums that the MEEMBER becomes legally obligated to pay as DAMAGES because of BODILY INJURY, PROPERTY DAMAGE, PERSONAL INJURY or ADVERTISING INJURY, or LOSS ADJUSTMENT EXPENSE for each OCCURRENCE or WRONGFUL ACT arising from the actual, alleged or threatened discharge, dispersal, seepage, migration, release, escape, back up or overflow of any water or sewage from any sewer, drain or sump (whether open or closed).

APPENDIX I—GOVERNMENT CRIME POLICY

EXCESS FOLLOW FORM CERTIFICATE

Great American Insurance Company
(herein called COMPANY)

Policy No.: XSC E454632 00 00

Named Insured: Utah Counties Indemnity Pool
(herein called Insured)

Address: 5397 S. Vine Street
Woods Cross, UT 84087-6757

The COMPANY**,** in consideration of an agreed premium, and in reliance upon the statements and information furnished to the COMPANY by the INSURED, and subject to the terms and conditions of the underlying coverage scheduled in Item **3.** below, as excess and not contributing insurance, agrees to pay the INSURED for loss which:

(a) Would have been paid under the Underlying but for the fact that such loss exceeds the limit of liability of the Underlying Carrier(s) listed in Item **3.**, and

(b) for which the Underlying Carrier(s) has (have) made payment, and the Insured has collected, the full amount of the expressed limit of the Underlying Carrier's(s) liability.

Item **1.** Policy Period: from 12:01 a.m. on 01/01/2019 (inception) to 12:01 a.m. on 01/01/2020 (expiration)

Item **2.** Single Loss Limit of Liability at Inception: $ 7,500,000

Coverage(s) Provided:

Employee Theft (not including Faithful Performance of Duty Coverage)

Item **3.** Underlying Coverage Schedule:

A)

Company:	National Union Fire Insurance Company of Pittsburgh, PA.
Single Loss Limit:	$ 2,500,000
Deductible Amount:	$ 250,000
Policy Number:	03-582-28-37
Policy Period:	from 12:01 a.m. on 01/01/2019 to 12:01 a.m. on 01/01/2020

Item **4.** Coverage provided by this Policy is subject to the following attached Endorsement(s): 1 & 2

Item **5.** By acceptance of this Coverage Part, you give us notice canceling prior Policy No. N/A, the cancellation to be effective at the same time this Coverage Part become effective.

ENDORSEMENT NO. 1

EXCLUDE ALL SUB-LIMITED COVERAGE(S)

To be attached to and form part of **Excess Follow Form Certificate**

Policy No.: XSC E454632 00 00

In favor of: Utah Counties Indemnity Pool

It is agreed that:

1. Coverage provided by this Policy shall not respond as excess over any sub-limited coverage(s) that are part of the Underlying Policy(s).

2. Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Policy other than as stated herein.

3. This Endorsement shall become effective as of 12:01 a.m. on 01/01/2019 standard time.

ENDORSEMENT NO. 2

INCLUDE RETROACTIVE DATE

To be attached to and form part of **Excess Follow Form Certificate**

Policy No.: XSC E454632 00 00

In favor of: Utah Counties Indemnity Pool

It is agreed that:

1. The attached Policy is amended by inserting the following:

Item 6. Retroactive Date: 01/01/2019

This Policy applies only to a Single Loss which was sustained in its entirety after the Retroactive Date set forth above. All acts or omissions causing or contributing to such Single Loss (including acts or omissions causing a loss within the Underlying Coverage of this excess Policy set forth in **Item 3.**) must occur after the Retroactive Date for Coverage under this Policy to apply to such Single Loss. Such Single Loss must be discovered by the Insured during the policy period of this excess Policy.

2. Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Policy other than as stated herein.

3. This Endorsement shall become effective as of 12:01 a.m. on 01/01/2019 standard time.

IN WITNESS CLAUSE

In Witness Whereof, we have caused this Policy to be executed and attested, and, if required by state law, this Policy shall not be valid unless countersigned by our authorized representative.

PRESIDENT

SECRETARY

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POLICY NUMBER:
03-582-28-37
REPLACEMENT OF
POLICY NUMBER:
04-650-00-85

GOVERNMENT CRIME POLICY DECLARATIONS

In Return For The Payment Of The Premium, And Subject To All The Terms And Conditions Of This Policy, We Agree With You To Provide The Insurance As Stated In This Policy.

Coverage Is Written:

[X] **Primary** [ ] **Excess** [ ] **Coindemnity** [ ] **Concurrent**

Company Name Area:	*National Union Fire Insurance Company of Pittsburgh, Pa.*
Producer Name Area:	*ARTHUR J. GALLAGHER & CO. INSURANCE BROKERS OF CAL* *18201 VON KARMAN AVENUE* *SUITE 200* *IRVINE, CA 92612*
Named Insured:	*UTAH COUNTIES INDEMNITY POOL*
(including any Employee Welfare or Benefit Plans)	
Mailing Address:	*5397 S VINE STREET* *MURRAY, UT 84087-6757*
Policy Period	
From:	*January 1, 2019*
To:	*January 1, 2020* 12:01 A.M. at your mailing address shown above.

Insurance Agreements	Limit of Insurance Per Occurrence	Deductible Amount Per Occurrence
1. Employee Theft - Per Loss Coverage	*$2,500,000*	*$250,000*
2. Employee Theft - Per Employee Coverage	*Not Covered*	*Not Covered*
3. Forgery Or Alteration	*$2,500,000*	*$250,000*
4. Inside The Premises - Theft Of Money And Securities	*$2,500,000*	*$250,000*
5. Inside The Premises - Robbery Or Safe Burglary Of Other Property	*$2,500,000*	*$250,000*
6. Outside The Premises	*$2,500,000*	*$250,000*
7. Computer Fraud	*$2,500,000*	*$250,000*
8. Funds Transfer Fraud	*$2,500,000*	*$250,000*
9. Money Orders And Counterfeit Money	*$2,500,000*	*$250,000*

If "Not Covered" is inserted above opposite any Insuring Agreement, such Insuring Agreement and any other reference thereto in this policy is deleted.

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POLICY NUMBER:
03-582-28-37
REPLACEMENT OF
POLICY NUMBER:
04-650-00-85

GOVERNMENT CRIME
POLICY DECLARATIONS

Endorsements Forming Part Of This Policy When Issued:
#1,#2,#3,#4,#5,#6,#7,#8,#9,#10,#11,#12,#13,#14,#15

Cancellation Of Prior Insurance Issued By Us:
By acceptance of this Policy you give us notice cancelling prior policy Nos. *4-650-00-85;* **the cancellation to be effective at the time this Policy becomes effective.**

Premium: *$26,418*

Countersignature Of Authorized Representative

Name:

Title:

Signature:

Date:

IN WITNESS WHEREOF, the Insurer has caused this Policy to be signed by its President, Secretary and Authorized Representative. This Policy shall not be valid unless signed below at the time of issuance by an authorized representative of the insurer.

PRESIDENT

SECRETARY

AUTHORIZED REPRESENTATIVE

1401096

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GOVERNMENT CRIME POLICY
(LOSS SUSTAINED FORM)

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is or is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section **F.** Definitions.

A. Insuring Agreements

Coverage is provided under the following Insuring Agreements for which a Limit of Insurance is shown in the Declarations and applies to loss that you sustain resulting directly from an "occurrence" taking place during the Policy Period shown in the Declarations, except as provided in Condition **E.1.n.** or **E.1.o.,** which is "discovered" by you during the Policy Period shown in the Declarations or during the period of time provided in the Extended Period To Discover Loss Condition **E.1.i.:**

1. Employee Theft - Per Loss Coverage

We will pay for loss of or damage to "money", "securities" and "other property" resulting directly from "theft" committed by an "employee", whether identified or not, acting alone or in collusion with other persons.

For the purposes of this Insuring Agreement, "theft" shall also include forgery.

2. Employee Theft - Per Employee Coverage

We will pay for loss of or damage to "money", "securities" and "other property" resulting directly from "theft" committed by each "employee", whether identified or not, acting alone or in collusion with other persons.

For the purposes of this Insuring Agreement, "theft" shall also include forgery.

3. Forgery Or Alteration

a. We will pay for loss resulting directly from "forgery" or alteration of checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in "money" that are:

(1) Made or drawn by or drawn upon you; or

(2) Made or drawn by one acting as your agent;

or that are purported to have been so made or drawn.

For the purposes of this Insuring Agreement, a substitute check as defined in the Check Clearing for the 21st Century Act shall be treated the same as the original it replaced.

b. If you are sued for refusing to pay any instrument covered in Paragraph **3.a.,** on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur and pay in that defense. The amount that we will pay is in addition to the Limit of Insurance applicable to this Insuring Agreement.

4. Inside The Premises - Theft Of Money And Securities

a. We will pay for loss of "money" and "securities" inside the "premises" or "banking premises":

(1) Resulting directly from "theft" committed by a person present inside such "premises" or "banking premises"; or

(2) Resulting directly from disappearance or destruction.

b. We will pay for loss from damage to the "premises" or its exterior resulting directly from an actual or attempted "theft" of "money" and "securities", if you are the owner of the "premises" or are liable for damage to it.

c. We will pay for loss of or damage to a locked safe, vault, cash register, cash box or cash drawer located inside the "premises" resulting directly from an actual or attempted "theft" of or unlawful entry into those containers

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5. **Inside The Premises - Robbery Or Safe Burglary Of Other Property**

   a. We will pay for loss of or damage to "other property":

      (1) Inside the "premises" resulting directly from an actual or attempted "robbery" of a "custodian"; or

      (2) Inside the "premises" in a safe or vault resulting directly from an actual or attempted "safe burglary".

   b. We will pay for loss from damage to the "premises" or its exterior resulting directly from an actual or attempted "robbery" or "safe burglary" of "other property", if you are the owner of the "premises" or are liable for damage to it.

   c. We will pay for loss of or damage to a locked safe or vault located inside the "premises" resulting directly from an actual or attempted "robbery" or "safe burglary".

6. **Outside The Premises**

   a. We will pay for loss of "money" and "securities" outside the "premises" in the care and custody of a "messenger" or an armored motor vehicle company resulting directly from "theft", disappearance or destruction.

   b. We will pay for loss of or damage to "other property" outside the "premises" in the care and custody of a "messenger" or an armored motor vehicle company resulting directly from an actual or attempted "robbery".

7. **Computer Fraud**

   We will pay for loss of or damage to "money", "securities" and "other property" resulting directly from the use of any computer to fraudulently cause a transfer of that property from inside the "premises" or "banking premises":

   a. To a person (other than a "messenger") outside those "premises"; or

   b. To a place outside those "premises".

8. **Funds Transfer Fraud**

   We will pay for loss of "funds" resulting directly from a "fraudulent instruction" directing a financial institution to transfer, pay or deliver "funds" from your "transfer account".

9. **Money Orders And Counterfeit Money**

   We will pay for loss resulting directly from your having accepted in good faith, in exchange for merchandise, "money" or services:

   a. Money orders issued by any post office, express company or bank that are not paid upon presentation; or

   b. "Counterfeit money" that is acquired during the regular course of business.

B. Limit Of Insurance

The most we will pay for all loss resulting directly from an "occurrence" is the applicable Limit of Insurance shown in the Declarations.

If any loss is covered under more than one Insuring Agreement or Coverage, the most we will pay for such loss shall not exceed the largest Limit of Insurance available under any one of those Insuring Agreements or Coverages.

C. Deductible

We will not pay for loss resulting directly from an "occurrence" unless the amount of loss exceeds the Deductible Amount shown in the Declarations. We will then pay the amount of loss in excess of the Deductible Amount, up to the Limit of Insurance.

D. Exclusions

1. This policy does not cover:

   a. **Acts Committed By You**

      Loss resulting from "theft" or any other dishonest act committed by you, whether acting alone or in collusion with other persons.

   b. **Acts Of Employees Learned Of By You Prior To The Policy Period**

      Loss caused by an "employee" if the "employee" had also committed "theft" or any other dishonest act prior to the effective date of this policy and you or any of your officials, not in collusion with the "employee", learned of that "theft" or dishonest act prior to the Policy Period shown in the Declarations.

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c. Acts Of Officials, Employees Or Representatives

Loss resulting from "theft" or any other dishonest act committed by any of your officials, "employees" or authorized representatives:

(1) Whether acting alone or in collusion with other persons; or

(2) While performing services for you or otherwise;

except when covered under Insuring Agreement **A.1.** or **A.2.**

d. Confidential Information

Loss resulting from:

(1) The unauthorized disclosure of your confidential information including, but not limited to, patents, trade secrets, processing methods or customer lists; or

(2) The unauthorized use or disclosure of confidential information of another person or entity which is held by you including, but not limited to, financial information, personal information, credit card information or similar non-public information.

e. Governmental Action

Loss resulting from seizure or destruction of property by order of governmental authority.

f. Indirect Loss

Loss that is an indirect result of an "occurrence" covered by this policy including, but not limited to, loss resulting from:

(1) Your inability to realize income that you would have realized had there been no loss of or damage to "money", "securities" or "other property".

(2) Payment of damages of any type for which you are legally liable. But, we will pay compensatory damages arising directly from a loss covered under this policy.

(3) Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this policy.

g. Legal Fees, Costs And Expenses

Fees, costs and expenses incurred by you which are related to any legal action, except when covered under Insuring Agreement **A.3.**

h. Nuclear Hazard

Loss or damage resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

i. Pollution

Loss or damage caused by or resulting from pollution. Pollution means the discharge, dispersal, seepage, migration, release or escape of any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

j. War And Military Action

Loss or damage resulting from:

(1) War, including undeclared or civil war;

(2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

(3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

2. Insuring Agreements **A.1.** and **A.2.** do not cover:

a. Bonded Employees

Loss caused by any "employee" required by law to be individually bonded.

b. Inventory Shortages

Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:

(1) An inventory computation; or

(2) A profit and loss computation.

However, where you establish wholly apart from such computations that you have sustained a loss, then you may offer your inventory records and actual physical count of inventory in support of the amount of loss claimed.

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c. Trading

Loss resulting from trading, whether in your name or in a genuine or fictitious account.

d. Treasurers Or Tax Collectors

Loss caused by any treasurer or tax collector by whatever name known.

3. Insuring Agreements **A.4., A.5.** and **A.6.** do not cover:

a. Accounting Or Arithmetical Errors Or Omissions

Loss resulting from accounting or arithmetical errors or omissions.

b. Exchanges Or Purchases

Loss resulting from the giving or surrendering of property in any exchange or purchase.

c. Fire

Loss or damage resulting from fire, however caused, except:

(1) Loss of or damage to "money" and "securities"; and

(2) Loss from damage to a safe or vault.

d. Money Operated Devices

Loss of property contained in any money operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.

e. Motor Vehicles Or Equipment And Accessories

Loss of or damage to motor vehicles, trailers or semi-trailers or equipment and accessories attached to them.

f. Transfer Or Surrender Of Property

(1) Loss of or damage to property after it has been transferred or surrendered to a person or place outside the "premises" or "banking premises":

(a) On the basis of unauthorized instructions;

(b) As a result of a threat to do bodily harm to any person;

(c) As a result of a threat to do damage to any property;

(d) As a result of a threat to introduce a denial of service attack into your computer system;

(e) As a result of a threat to introduce a virus or other malicious instruction into your computer system which is designed to damage, destroy or corrupt data or computer programs stored within your computer system;

(f) As a result of a threat to contaminate, pollute or render substandard your products or goods; or

(g) As a result of a threat to disseminate, divulge or utilize:

(i) Your confidential information; or

(ii) Weaknesses in the source code within your computer system.

(2) But, this Exclusion does not apply under Insuring Agreement **A.6.** to loss of "money", "securities" or "other property" while outside the "premises" in the care and custody of a "messenger" if you:

(a) Had no knowledge of any threat at the time the conveyance began; or

(b) Had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat.

g. Vandalism

Loss from damage to the "premises" or its exterior, or to any safe, vault, cash register, cash box, cash drawer or "other property" by vandalism or malicious mischief.

h. Voluntary Parting Of Title To Or Possession Of Property

Loss resulting from your, or anyone acting on your express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property.

4. Insuring Agreement **A.7.** does not cover:

a. Credit Card Transactions

Loss resulting from the use or purported use of credit, debit, charge, access, convenience, identification, stored-value or other cards or the information contained on such cards.

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b. Funds Transfer Fraud

Loss resulting from a "fraudulent instruction" directing a financial institution to transfer, pay or deliver "funds" from your "transfer account".

c. Inventory Shortages

Loss, or that part of any loss, the proof which as to its existence or amount is dependent upon:

(1) An inventory computation; or

(2) A profit and loss computation.

5. Insuring Agreement **A.8.** does not cover:

COMPUTER FRAUD

Loss resulting from the use of any computer to fraudulently cause a transfer of "money", "securities" or "other property".

E. Conditions

1. Conditions Applicable To All Insuring Agreements

a. Additional Premises Or Employees

If, while this policy is in force, you establish any additional "premises" or hire additional "employees", such "premises" and "employees" shall automatically be covered under this policy. Notice to us of an increase in the number of "premises" or "employees" need not be given and no additional premium need be paid for the remainder of the Policy Period shown in the Declarations.

b. Cancellation Of Policy

(1) The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.

(2) We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:

(a) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or

(b) 30 days before the effective date of cancellation if we cancel for any other reason.

(3) We will mail or deliver our notice to the first Named Insured's last mailing address known to us.

(4) Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.

(5) If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.

(6) If notice is mailed, proof of mailing will be sufficient proof of notice.

c. 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 by us and made a part of this policy.

d. Concealment, Misrepresentation Or Fraud

This policy is void in any case of fraud by you as it relates to this policy at any time. It is also void if you or any other Insured, at any time, intentionally conceal or misrepresent a material fact concerning:

(1) This policy;

(2) The property covered under this policy;

(3) Your interest in the property covered under this policy; or

(4) A claim under this policy.

e. Cooperation

You must cooperate with us in all matters pertaining to this policy as stated in its terms and conditions.

f. Duties In The Event Of Loss

After you "discover" a loss or a situation that may result in loss of or damage to "money", "securities" or "other property" you must:

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(1) Notify us as soon as possible. If you have reason to believe that any loss (except for loss covered under Insuring Agreement **A.1.**, **A.2.** or **A.3.**) involves a violation of law, you must also notify the local law enforcement authorities.

(2) Submit to examination under oath at our request and give us a signed statement of your answers.

(3) Produce for our examination all pertinent records.

(4) Give us a detailed, sworn proof of loss within 120 days.

(5) Cooperate with us in the investigation and settlement of any claim.

g. Employee Benefit Plans

(1) The employee benefit plans shown in the Declarations (hereafter referred to as Plan) are included as Insureds under Insuring Agreement **A.1.** or **A.2.**

(2) Any payment we make for loss sustained by any Plan will be made to the Plan sustaining the loss.

(3) The Deductible Amount applicable to Insuring Agreement **A.1.** or **A.2.** does not apply to loss sustained by any Plan.

h. 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 shown in the Declarations and up to 3 years afterward.

i. Extended Period To Discover Loss

We will pay for loss that you sustained prior to the effective date of cancellation of this policy, which is "discovered" by you no later than 1 year from the date of that cancellation.

However, this extended period to "discover" loss terminates immediately upon the effective date of any other insurance obtained by you, whether from us or another insurer, replacing in whole or in part the coverage afforded under this policy, whether or not such other insurance provides coverage for loss sustained prior to its effective date.

j. Inspections And Surveys

(1) We have the right to:

(a) Make inspections and surveys at any time;

(b) Give you reports on the conditions we find; and

(c) Recommend changes.

(2) 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. And we do not warrant that conditions:

(a) Are safe or healthful; or

(b) Comply with laws, regulations, codes or standards.

(3) Paragraphs **j.(1)** and **j.(2)** apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

k. Joint Insured

(1) If more than one Insured is named in the Declarations, the first Named Insured will act for itself and for every other Insured for all purposes of this policy. If the first Named Insured ceases to be covered, then the next Named Insured will become the first Named Insured.

(2) If any Insured or official of that Insured has knowledge of any information relevant to this policy, that knowledge is considered knowledge of every Insured.

(3) An "employee" of any Insured is considered to be an "employee" of every Insured.

(4) If this policy or any of its coverages is cancelled as to any Insured, loss sustained by that Insured is covered only if it is "discovered" by you no later than 1 year from the date of that cancellation.

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However, this extended period to "discover" loss terminates immediately upon the effective date of any other insurance obtained by that Insured, whether from us or another insurer, replacing in whole or in part the coverage afforded under this policy, whether or not such other insurance provides coverage for loss sustained prior to its effective date.

(5) We will not pay more for loss sustained by more than one Insured than the amount we would pay if all such loss had been sustained by one Insured.

(6) Payment by us to the first Named Insured for loss sustained by any Insured, other than an employee benefit plan, shall fully release us on account of such loss.

l. Legal Action Against Us

You may not bring any legal action against us involving loss:

(1) Unless you have complied with all the terms of this policy;

(2) Until 90 days after you have filed proof of loss with us; and

(3) Unless brought within 2 years from the date you "discovered" the loss.

If any limitation in this Condition is prohibited by law, such limitation is amended so as to equal the minimum period of limitation provided by such law.

m. Liberalization

If we adopt any revision that would broaden the coverage under this policy without additional premium within 45 days prior to or during the Policy Period shown in the Declarations, the broadened coverage will immediately apply to this policy.

n. Loss Sustained During Prior Insurance Issued By Us Or Any Affiliate

(1) Loss Sustained Partly During This Policy And Partly During Prior Insurance

If you "discover" loss during the Policy Period shown in the Declarations, resulting directly from an "occurrence" taking place:

(a) Partly during the Policy Period shown in the Declarations; and

(b) Partly during the Policy Period(s) of any prior cancelled insurance that we or any affiliate issued to you or any predecessor in interest;

and this policy became effective at the time of cancellation of the prior insurance, we will first settle the amount of loss that you sustained during this Policy Period. We will then settle the remaining amount of loss that you sustained during the Policy Period(s) of the prior insurance.

(2) Loss Sustained Entirely During Prior Insurance

If you "discover" loss during the Policy Period shown in the Declarations, resulting directly from an "occurrence" taking place entirely during the Policy Period(s) of any prior cancelled insurance that we or any affiliate issued to you or any predecessor in interest, we will pay for the loss, provided:

(a) This policy became effective at the time of cancellation of the prior insurance; and

(b) The loss would have been covered under this policy had it been in effect at the time of the "occurrence".

We will first settle the amount of loss that you sustained during the most recent prior insurance. We will then settle any remaining amount of loss that you sustained during the Policy Period(s) of any other prior insurance.

(3) In settling loss subject to this Condition:

(a) The most we will pay for the entire loss is the highest single Limit of Insurance applicable during the period of loss, whether such limit was written under this policy or was written under the prior insurance issued by us.

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(b) We will apply the applicable Deductible Amount shown in the Declarations to the amount of loss sustained under this policy. If no loss was sustained under this policy, we will apply the Deductible Amount shown in the Declarations to the amount of loss sustained under the most recent prior insurance.

If the Deductible Amount is larger than the amount of loss sustained under this policy, or the most recent prior insurance, we will apply the remaining Deductible Amount to the remaining amount of loss sustained during the prior insurance.

We will not apply any other Deductible Amount that may have been applicable to the loss.

(4) The following examples demonstrate how we will settle losses subject to this Condition **E.1.n.**:

EXAMPLE NO. 1:

The insured sustained a covered loss of $10,000 resulting directly from an "occurrence" taking place during the terms of Policy **A** and Policy **B.**

POLICY A

The current policy. Written at a Limit of Insurance of $50,000 and a Deductible Amount of $5,000.

POLICY B

Issued prior to Policy **A.** Written at a Limit of Insurance of $50,000 and a Deductible Amount of $5,000.

The amount of loss sustained under Policy **A** is $2,500 and under Policy **B** is $7,500.

The highest single Limit of Insurance applicable to this entire loss is $50,000 written under Policy **A.** The Policy **A** Deductible Amount of $5,000 applies. The loss is settled as follows:

1. The amount of loss sustained under Policy **A** ($2,500) is settled first. The amount we will pay is nil ($0.00) because the amount of loss is less than the Deductible Amount (i.e., $2,500 loss - $5,000 deductible = $0.00).

2. The remaining amount of loss sustained under Policy **B** ($7,500) is settled next. The amount recoverable is $5,000 after the remaining Deductible Amount from Policy **A** of $2,500 is applied to the loss (i.e., $7,500 loss - $2,500 deductible = $5,000).

The most we will pay for this loss is $5,000.

EXAMPLE NO. 2:

The insured sustained a covered loss of $250,000 resulting directly from an "occurrence" taking place during the terms of Policy **A** and Policy **B.**

POLICY A

The current policy. Written at a Limit of Insurance of $125,000 and a Deductible Amount of $10,000.

POLICY B

Issued prior to Policy **A.** Written at a Limit of Insurance of $150,000 and a Deductible Amount of $25,000.

The amount of loss sustained under Policy **A** is $175,000 and under Policy **B** is $75,000.

The highest single Limit of Insurance applicable to this entire loss is $150,000 written under Policy **B.** The Policy **A** Deductible Amount of $10,000 applies. The loss is settled as follows:

1. The amount of loss sustained under Policy **A** ($175,000) is settled first. The amount we will pay is the Policy **A** Limit of $125,000 because $175,000 loss - $10,000 deductible = $165,000 which is greater than the $125,000 policy limit.

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2. The remaining amount of loss sustained under Policy **B** ($75,000) is settled next. The amount we will pay is $25,000 (i.e., $150,000 Policy **B** limit - $125,000 paid under Policy **A** = $25,000).

The most we will pay for this loss is $150,000.

EXAMPLE NO. 3:

The insured sustained a covered loss of $2,000,000 resulting directly from an "occurrence" taking place during the terms of Policies **A, B, C** and **D.**

POLICY A

The current policy. Written at a Limit of Insurance of $1,000,000 and a Deductible Amount of $100,000.

POLICY B

Issued prior to Policy **A.** Written at a Limit of Insurance of $750,000 and a Deductible Amount of $75,000.

POLICY C

Issued prior to Policy **B.** Written at a Limit of Insurance of $500,000 and a Deductible Amount of $50,000.

POLICY D

Issued prior to Policy **C.** Written at a Limit of Insurance of $500,000 and a Deductible Amount of $50,000.

The amount of loss sustained under Policy **A** is $350,000, under Policy **B** is $250,000, under Policy **C** is $600,000 and under Policy **D** is $800,000.

The highest single Limit of Insurance applicable to this entire loss is $1,000,000 written under Policy **A.** The Policy **A** Deductible Amount of $100,000 applies. The loss is settled as follows:

1. The amount of loss sustained under Policy **A** ($350,000) is settled first. The amount we will pay is $250,000 (i.e., $350,000 loss - $100,000 deductible = $250,000).
2. The amount of loss sustained under Policy **B** ($250,000) is settled next. The amount we will pay is $250,000 (no deductible is applied).
3. The amount of loss sustained under Policy **C** ($600,000) is settled next. The amount we will pay is $500,000, the policy limit (no deductible is applied).
4. We will not make any further payment under Policy **D** as the maximum amount payable under the highest single Limit of Insurance applying to the loss of $1,000,000 under Policy **A** has been satisfied.

The most we will pay for this loss is $1,000,000.

o. Loss Sustained During Prior Insurance Not Issued By Us Or Any Affiliate

(1) If you "discover" loss during the Policy Period shown in the Declarations, resulting directly from an "occurrence" taking place during the Policy Period of any prior cancelled insurance that was issued to you or a predecessor in interest by another company, and the period of time to discover loss under that insurance had expired, we will pay for the loss under this policy, provided:

(a) This policy became effective at the time of cancellation of the prior insurance; and

(b) The loss would have been covered under this policy had it been in effect at the time of the "occurrence".

(2) In settling loss subject to this Condition:

(a) The most we will pay for the entire loss is the lesser of the Limits of Insurance applicable during the period of loss, whether such limit was written under this policy or was written under the prior cancelled insurance.

(b) We will apply the applicable Deductible Amount shown in the Declarations to the amount of loss sustained under the prior cancelled insurance.

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(3) The insurance provided under this Condition is subject to the following:

(a) If loss covered under this Condition is also partially covered under Condition **E.1.n.,** the amount recoverable under this Condition is part of, not in addition to, the amount recoverable under Condition **E.1.n.**

(b) For loss covered under this Condition that is not subject to Paragraph **(3)(a),** the amount recoverable under this Condition is part of, not in addition to, the Limit of Insurance applicable to the loss covered under this policy and is limited to the lesser of the amount recoverable under:

(i) This policy as of its effective date; or

(ii) The prior cancelled insurance had it remained in effect.

p. Other Insurance

If other valid and collectible insurance is available to you for loss covered under this policy, our obligations are limited as follows:

(1) Primary Insurance

When this policy is written as primary insurance, and:

(a) You have other insurance subject to the same terms and conditions as this policy, we will pay our share of the covered loss. Our share is the proportion that the applicable Limit of Insurance shown in the Declarations bears to the total limit of all insurance covering the same loss.

(b) You have other insurance covering the same loss other than that described in Paragraph **(1)(a),** we will only pay for the amount of loss that exceeds:

(i) The Limit of Insurance and Deductible Amount of that other insurance, whether you can collect on it or not; or

(ii) The Deductible Amount shown in the Declarations;

whichever is greater. Our payment for loss is subject to the terms and conditions of this policy.

(2) Excess Insurance

(a) When this policy is written excess over other insurance, we will only pay for the amount of loss that exceeds the Limit of Insurance and Deductible Amount of that other insurance, whether you can collect on it or not. Our payment for loss is subject to the terms and conditions of this policy.

(b) However, if loss covered under this policy is subject to a Deductible, we will reduce the Deductible Amount shown in the Declarations by the sum total of all such other insurance plus any Deductible Amount applicable to that other insurance.

q. Ownership Of Property; Interests Covered

The property covered under this policy is limited to property:

(1) That you own or lease; or

(2) That you hold for others whether or not you are legally liable for the loss of such property.

However, this policy is for your benefit only. It provides no rights or benefits to any other person or organization. Any claim for loss that is covered under this policy must be presented by you.

r. Premiums

The first Named Insured shown in the Declarations:

(1) Is responsible for the payment of all premiums; and

(2) Will be the payee for any return premiums we pay.

s. Records

You must keep records of all property covered under this policy so we can verify the amount of any loss.

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t. Recoveries

(1) Any recoveries, whether effected before or after any payment under this policy, whether made by us or you, shall be applied net of the expense of such recovery:

(a) First, to you in satisfaction of your covered loss in excess of the amount paid under this policy;

(b) Second, to us in satisfaction of amounts paid in settlement of your claim;

(c) Third, to you in satisfaction of any Deductible Amount; and

(d) Fourth, to you in satisfaction of any loss not covered under this policy.

(2) Recoveries do not include any recovery:

(a) From insurance, suretyship, reinsurance, security or indemnity taken for our benefit; or

(b) Of original "securities" after duplicates of them have been issued.

u. Territory

This policy covers loss that you sustain resulting directly from an "occurrence" taking place within the United States of America (including its territories and possessions) and Puerto Rico.

v. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent.

w. Transfer Of Your Rights Of Recovery Against Others To Us

You must transfer to us all your rights of recovery against any person or organization for any loss you sustained and for which we have paid or settled. You must also do everything necessary to secure those rights and do nothing after loss to impair them.

x. Valuation - Settlement

(1) The value of any loss for purposes of coverage under this policy shall be determined as follows:

(a) Loss of "money" but only up to and including its face value.

(b) Loss of "securities" but only up to and including their value at the close of business on the day the loss was "discovered". We may, at our option:

(i) Pay the market value of such "securities" or replace them in kind, in which event you must assign to us all your rights, title and interest in and to those "securities"; or

(ii) Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the "securities". However, we will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of the:

i. Market value of the "securities" at the close of business on the day the loss was "discovered"; or

ii. The Limit of Insurance applicable to the securities.

(c) Loss of or damage to "other property" or loss from damage to the "premises" or its exterior for the replacement cost of the property without deduction for depreciation. However, we will not pay more than the least of the following:

(i) The cost to replace the lost or damaged property with property of comparable material and quality and used for the same purpose;

(ii) The amount you actually spend that is necessary to repair or replace the lost or damaged property; or

(iii) The Limit of Insurance applicable to the lost or damaged property.

With regard to Paragraphs **x.(1)(c)(i)** through **x.(1)(c)(iii),** we will not pay on a replacement cost basis for any loss or damage:

i. Until the lost or damaged property is actually repaired or replaced; and

ii. Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.

If the lost or damaged property is not repaired or replaced, we will pay on an actual cash value basis.

(2) Any property that we pay for or replace becomes our property.

2. Conditions Applicable To Insuring Agreements A.1. And A.2.

a. Indemnification

We will indemnify any of your officials who are required by law to give individual bonds for the faithful performance of their duties against loss through "theft" committed by "employees" who serve under them, subject to the applicable Limit of Insurance.

b. Termination As To Any Employee

This Insuring Agreement terminates as to any "employee":

(1) As soon as:

(a) You; or

(b) Any of your officials or employees authorized to manage, govern or control your "employees" not in collusion with the "employee";

learn of "theft" or any other dishonest act committed by the "employee" whether before or after becoming employed by you.

(2) On the date specified in a notice mailed to the first Named Insured. That date will be at least 30 days after the date of mailing.

We will mail or deliver our notice to the first Named Insured's last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.

c. Territory

We will pay for loss caused by any "employee" while temporarily outside the territory specified in the Territory Condition **E.1.u.** for a period of not more than 90 consecutive days.

3. Conditions Applicable To Insuring Agreement A.3.

a. Deductible Amount

The Deductible Amount does not apply to legal expenses paid under Insuring Agreement **A.3.**

b. Electronic And Mechanical Signatures

We will treat signatures that are produced or reproduced electronically, mechanically or by other means the same as handwritten signatures.

c. Proof Of Loss

You must include with your proof of loss any instrument involved in that loss, or, if that is not possible, an affidavit setting forth the amount and cause of loss.

d. Territory

We will cover loss that you sustain resulting directly from an "occurrence" taking place anywhere in the world. Territory Condition **E.1.u.** does not apply to Insuring Agreement **A.3.**

4. Conditions Applicable To Insuring Agreements A.5. And A.6.

a. Armored Motor Vehicle Companies

Under Insuring Agreement **A.6.,** we will only pay for the amount of loss you cannot recover:

(1) Under your contract with the armored motor vehicle company; and

(2) From any insurance or indemnity carried by, or for the benefit of customers of, the armored motor vehicle company.

b. Special Limit Of Insurance For Specified Property

We will only pay up to $5,000 for any one "occurrence" of loss of or damage to manuscripts, drawings, or records of any kind, or the cost of reconstructing them or reproducing any information contained in them.

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5. **Conditions Applicable To Insuring Agreement A.7.**

a. **Special Limit Of Insurance For Specified Property**

We will only pay up to $5,000 for any one "occurrence" of loss of or damage to manuscripts, drawings, or records of any kind, or the cost of reconstructing them or reproducing any information contained in them.

b. **Territory**

We will cover loss that you sustain resulting directly from an "occurrence" taking place anywhere in the world. Territory Condition **E.1.u.** does not apply to Insuring Agreement **A.7.**

F. Definitions

1. "Banking premises" means the interior of that portion of any building occupied by a banking institution or similar safe depository.

2. "Counterfeit money" means an imitation of "money" that is intended to deceive and to be taken as genuine.

3. "Custodian" means you, or any "employee" while having care and custody of property inside the "premises", excluding any person while acting as a "watchperson" or janitor.

4. "Discover" or "discovered" means the time when you first become aware of facts which would cause a reasonable person to assume that a loss of a type covered by this policy has been or will be incurred, regardless of when the act or acts causing or contributing to such loss occurred, even though the exact amount or details of loss may not then be known.

"Discover" or "discovered" also means the time when you first receive notice of an actual or potential claim in which it is alleged that you are liable to a third party under circumstances which, if true, would constitute a loss under this policy.

5. "Employee":

a. "Employee" means:

(1) Any natural person:

(a) While in your service and for the first 30 days immediately after termination of service, unless such termination is due to "theft" or any other dishonest act committed by the "employee";

(b) Who you compensate directly by salary, wages or commissions; and

(c) Who you have the right to direct and control while performing services for you;

(2) Any natural person who is furnished temporarily to you:

(a) To substitute for a permanent "employee" as defined in Paragraph **a.(1),** who is on leave; or

(b) To meet seasonal or short-term work load conditions;

while that person is subject to your direction and control and performing services for you, excluding, however, any such person while having care and custody of property outside the "premises";

(3) Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary employee as defined in Paragraph **a.(2);**

(4) Any natural person who is:

(a) A trustee, officer, employee, administrator or manager, except an administrator or manager who is an independent contractor, of any employee benefit plan; and

(b) An official of yours while that person is engaged in handling "funds" or "other property" of any employee benefit plan;

(5) Any natural person who is a former official, "employee", or trustee retained as a consultant while performing services for you; or

(6) Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of property outside the "premises".

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b. "Employee" does not mean any agent, independent contractor or representative of the same general character not specified in Paragraph **5.a.**

6. "Forgery" means the signing of the name of another person or organization with intent to deceive; it does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose.

7. "Fraudulent instruction" means:

a. An electronic, telegraphic, cable, teletype, telefacsimile or telephone instruction which purports to have been transmitted by you, but which was in fact fraudulently transmitted by someone else without your knowledge or consent;

b. A written instruction (other than those described in Insuring agreement **A.3.**) issued by you, which was forged or altered by someone other than you without your knowledge or consent, or which purports to knowledge or consent, or which purports to have been issued by you, but was in fact fraudulently issued without your knowledge or consent; or

c. An electronic, telegraphic, cable, teletype, telefacsimile, telephone or written instruction initially received by you which purports to have been transmitted by an "employee" but which was in fact fraudulently transmitted by someone else without your or the "employee's" knowledge or consent.

8. "Funds" means "money" and "securities".

9. "Messenger" means you or any "employee" while having care and custody of property outside the "premises".

10. "Money" means:

a. Currency, coins and bank notes in current use and having a face value; and

b. Travelers checks, register checks and money orders held for sale to the public.

11. "Occurrence" means:

a. Under Insuring Agreement **A.1.**:

(1) An individual act;

(2) The combined total of all separate acts whether or not related; or

(3) A series of acts whether or not related;

committed by an "employee" acting alone or in collusion with other persons, during the Policy Period shown in the Declarations, except as provided under Condition **E.1.n.** or **E.1.o.**

b. Under Insuring Agreement **A.2.**:

(1) An individual act;

(2) The combined total of all separate acts whether or not related; or

(3) A series of acts whether or not related;

committed by each "employee" acting alone or in collusion with other persons, during the Policy Period shown in the Declarations, except as provided under Condition **E.1.n.** or **E.1.o.**

c. Under Insuring Agreement **A.3.**:

(1) An individual act;

(2) The combined total of all separate acts whether or not related; or

(3) A series of acts whether or not related;

committed by a person acting alone or in collusion with other persons, involving one or more instruments, during the Policy Period shown in the Declarations, except as provided under Condition **E.1.n.** or **E.1.o.**

d. Under All Other Insuring Agreements:

(1) An individual act or event;

(2) The combined total of all separate acts or events whether or not related; or

(3) A series of acts or events whether or not related;

committed by a person acting alone or in collusion with other persons, or not committed by any person, during the Policy Period shown in the Declarations, except as provided under Condition **E.1.n.** or **E.1.o.**

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12. "Other property" means any tangible property other than "money" and "securities" that has intrinsic value. "Other property" does not include computer programs, electronic data or any property specifically excluded under this policy.

13. "Premises" means the interior of that portion of any building you occupy in conducting your business.

14. "Robbery" means the unlawful taking of property from the care and custody of a person by one who has:

a. Caused or threatened to cause that person bodily harm; or

b. Committed an obviously unlawful act witnessed by that person.

15. "Safe burglary" means the unlawful taking of:

a. Property from within a locked safe or vault by a person unlawfully entering the safe or vault as evidenced by marks of forcible entry upon its exterior; or

b. A safe or vault from inside the "premises".

16. "Securities" means negotiable and nonnegotiable instruments or contracts representing either "money" or property and includes:

a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and

b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;

but does not include "money".

17. "Theft" means the unlawful taking of property to the deprivation of the Insured.

18. "Transfer account" means an account maintained by you at a financial institution from which you can initiate the transfer, payment or delivery of "funds":

a. By means of electronic, telegraphic, cable, teletype, telefacsimile or telephone instructions communicated directly through an electronic funds transfer system; or

b. By means of written instructions (other than those described in Insuring Agreement **A.3.**) establishing the conditions under which such transfers are to be initiated by such financial institution through an electronic funds transfer system.

19. "Watchperson" means any person you retain specifically to have care and custody of property inside the "premises" and who has no other duties.

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ENDORSEMENT# *1*

CRIME AND FIDELITY
CR 02 33 08 07

This endorsement, effective *12:01 am* *January 1, 2019* forms a part of policy number *03-582-28-37*
issued to *UTAH COUNTIES INDEMNITY POOL*

by *National Union Fire Insurance Company of Pittsburgh, Pa.*

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

UTAH CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME POLICY
EMPLOYEE THEFT AND FORGERY POLICY
GOVERNMENT CRIME POLICY
KIDNAP/RANSOM AND EXTORTION POLICY

A. The following is added to the **Cancellation Of Policy** Condition:

(7) If this policy has been in effect for more than 60 days or if this is a renewal of a policy we issued, we may cancel this policy only for one or more of the following reasons:

(a) Nonpayment of premium;

(b) Material misrepresentation;

(c) Substantial change in the risk assumed unless we should reasonably have foreseen the change or contemplated the risk when entering the contract; or

(d) Substantial breaches of contractual duties, conditions or warranties.

If we cancel for nonpayment of premium, notice of cancellation must state the reason for cancellation.

(8) Notice of cancellation must be delivered or mailed by first class mail.

B. The following is added and supersedes any other provision to the contrary:

NONRENEWAL

1. If we elect to not renew this policy, we will mail, by first class mail, written notice of nonrenewal to the first Named Insured, at the last mailing address known to us, at least 30 days before the expiration or anniversary date of this policy.

2. We need not mail this notice if:

a. You have accepted replacement coverage;

b. You have requested or agreed to nonrenewal; or

c. This policy is expressly designated as nonrenewable.

3. If notice is mailed, proof of mailing is sufficient proof of notice.

C. Under the Commercial Crime Policy and Government Crime Policy, Paragraphs **(1)** and **(4)** of the **Duties In The Event Of Loss** are replaced by the following:

(1) Notify us or our agent as soon as possible. If you have reason to believe that any loss (except for loss covered under the Employee Theft Insuring Agreement or Forgery Or Alteration Insuring Agreement) involves a violation of law, you must also notify the local law enforcement authorities.

You may fulfill this requirement by mailing the notice to us, postage prepaid, through first class mail deposited in a United States Post Office.

(4) Give us a detailed, sworn proof of loss within 120 days. We will, on request, promptly furnish you with any necessary forms and instructions.

Failure to submit the requested proof of loss within 120 days does not invalidate your claim, if you show that it was not reasonably possible to do so and that you submitted the proof of loss to us as soon as reasonably possible.

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You may fulfill this requirement by mailing the proof of loss to us, postage prepaid, through first class mail deposited in a United States Post Office.

D. Under the Kidnap/Ransom And Extortion Policy, Paragraphs **(4)** and **(6)** of the **Duties In The Event Of An Occurrence** Condition is replaced by the following:

(4) Notify us or our agent as soon as possible. You may fulfill this requirement by mailing the notice to us, postage prepaid, through first class mail deposited in a United States Post Office.

(6) Give us a detailed, sworn proof of loss within 120 days. We will, on request, promptly furnish you with any necessary forms and instructions.

Failure to submit the requested proof of loss within 120 days does not invalidate your claim, if you show that it was not reasonably possible to do so and that you submitted the proof of loss to us as soon as reasonably possible.

You may fulfill this requirement by mailing the proof of loss to us, postage prepaid, through first class mail deposited in a United States Post Office.

E. Under the Commercial Crime Policy, Government Crime Policy and Employee Theft And Forgery Policy, the **Legal Action Against Us** Condition is replaced by the following:

LEGAL ACTION AGAINST US

You may not bring any legal action against us involving loss:

1. Unless proof of loss has been waived; or

2. Unless full payment has been denied; or

3. Until 60 days after you have filed proof of loss with us;

whichever is earlier; and

4. Unless brought within 3 years from the date you "discover" the loss.

F. Under the Kidnap/Ransom And Extortion Policy, the **Legal Action Against Us** Condition is replaced by the following:

LEGAL ACTION AGAINST US

You may not bring any legal action against us involving loss:

1. Unless proof of loss has been waived; or

2. Unless full payment has been denied; or

3. Until 60 days after you have filed proof of loss with us;

whichever is earlier; and

4. Unless brought within 3 years from the date you reported the loss to us.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

AUTHORIZED REPRESENTATIVE

END 001

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ENDORSEMENT# 2

This endorsement, effective 12:01 am January 1, 2019 forms a part of policy number 03-582-28-37
issued to UTAH COUNTIES INDEMNITY POOL

by National Union Fire Insurance Company of Pittsburgh, Pa.

CRIME ADVANTAGE℠

This endorsement modifies insurance provided under the following:

GOVERNMENT CRIME POLICY

1. **E. Conditions**, **Conditions Applicable To Insuring Agreements A.1. And A.2.**, **Termination As To Any Employee**, section (2) is deleted in its entirety and replaced with the following:

   (2) On the date specified in a notice mailed to the first Named Insured. That date will be at least 90 days after the date of mailing.

   We will mail or deliver notice to the first Named Insured's last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.

2. **E. Conditions, Conditions Applicable To All Insuring Agreements**, **Cancellation Of Policy**, section (2) is deleted in its entirety and replaced with the following:

   (2) We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:

   (a) 10 days before the effective date of cancellation if we cancel for non-payment of premium; or

   (b) 90 days before the effective date of cancellation if we cancel for any other reason.

3. **F. Definitions, "Employee," a. (1)(a)** is deleted in its entirety and replaced with the following:

   (a) While in your service and for the first 90 days immediately after termination of service, unless such termination is due to "theft" or any other dishonest act committed by the "employee";

4. **F. Definitions, "Employee," a.** is amended by adding the following at the end thereof:

   "Employee" is also deemed to include:

   (a) Any of your directors, trustees or non-compensated officers while performing acts within the scope of the usual duties of an "employee"

   (b) Any of your directors or trustees who are members of any of your elected or appointed committees to perform on your behalf specific, as distinguished from general, directorial acts

   (c) Students gaining work experience

   (d) Any non-compensated natural person other than one who is a fund solicitor, while performing service for you that are usual to the duties of an "employee"

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END 002

(e) Any of your part- time "employees"

(f) Any natural person, whether or not compensated, while performing services for you as the chairman, or a member of any committee

5. With respect to a loss for which coverage is provided by this policy and which is sustained partly during the period of other policies providing coverage for such loss issued to you or to any predecessor in interest of yours and terminated or canceled or allowed to expire as of the inception date of this policy, the amount of the deductible that is applicable to the portion of the loss sustained during this Policy Period shall be reduced, in whole or in part, by:

   (a) The amount of the loss which is sustained by you during the period of such other policies if such loss is less than the amount of the deductible applicable to that loss under such other policies, or

   (b) The amount of the deductible applicable to the loss sustained by you during the period of such other policies if the applicable deductible is less than the amount of the loss sustained during such period.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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END 002

ENDORSEMENT# 3

This endorsement, effective 12:01 am January 1, 2019 forms a part of policy number 03-582-28-37
issued to UTAH COUNTIES INDEMNITY POOL

by National Union Fire Insurance Company of Pittsburgh, Pa.

ADDITIONAL NAMED INSURED

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME POLICY
GOVERNMENT CRIME POLICY

Schedule

The following Insured(s) is/are added as Named Insured(s):

NAMED INSURED

Beaver County
Box Elder County
Box Elder Redevelopment Agency
Canyon Land County Improvement District
Central Health Department
Daggett County
Davis County
Duchesne County
Duchesne/Wasatch Blue Bench Landfill Special Service District
Emery County
Five County Association of Governments
Garfield County
Iron County
Iron County Ambulance
Iron Special Service District #1

This endorsement, effective 12:01 am January 1, 2019 forms a part of policy number 03-582-28-37
issued to UTAH COUNTIES INDEMNITY POOL

by National Union Fire Insurance Company of Pittsburgh, Pa.

Iron Special Service District #3
Juab County
Juab Special Service District #2
Juab Special Service Fire District
Kane County
Kane Recreation & Transportation Special Service District
Millard County
Morgan County
Municipal Building Authority of Beaver County
Municipal Building Authority of Duchesne County
Municipal Building Authority of Emery County
Municipal Building Authority of Kane County
Municipal Building Authority of Piute County
Municipal Building Authority of Sevier County
Municipal Building Authority of Six County Infrastructure Coalition
Municipal Building Authority of Uintah Count
Municipal Building Authority of Washington County
Municipal Building Authority of Wayne County
Municipal Building Authority of Weber County

This endorsement, effective 12:01 am January 1, 2019 forms a part of policy number 03-582-28-37
issued to UTAH COUNTIES INDEMNITY POOL

by National Union Fire Insurance Company of Pittsburgh, Pa.

Piute County
Rich County
San Juan County
San Juan Transportation Special Service District
Sanpete County
Seven County Infrastructure Coalition Municipal Building Authority
Sevier County
Southeastern Utah District Health Department
Southwest Utah Public Health Department
Tri-County Health Department
Uintah County
UCIP Administration
Utah Counties Indemnity Pool
Wasatch County
Wasatch Special Service Area #1

This endorsement, effective 12:01 am January 1, 2019 forms a part of policy number 03-582-28-37
issued to UTAH COUNTIES INDEMNITY POOL

by National Union Fire Insurance Company of Pittsburgh, Pa.

Washington County
Washington County/St. George Interlocal Agency
Wayne County
Weber County
Weber-Morgan Health Department
Weber Human Services
Wilson Arch Sewer & Water Special Service District
Grand County Emergency Medical Services Special Service District
Daggett County Redevelopment Agency
Wasatch County Health Department
Wasatch County Parks & Recreation Special Service District #21
Wasatch County Solid Waste Disposal District
Wasatch County Special Service District #9
Wayne County Special Service District #1
Wayne County Special Service District #3
Wayne County Water Conservancy District
San Juan Spanish Valley Special Service District

No Limit of Insurance during any period will be cumulative with any other amount applicable to the same coverage during any other period.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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ENDORSEMENT# *4*

CRIME AND FIDELITY
CR 25 20 08 07

This endorsement, effective *12:01 am* *January 1, 2019* forms a part of policy number *03-582-28-37*
issued to *UTAH COUNTIES INDEMNITY POOL*

by *National Union Fire Insurance Company of Pittsburgh, Pa.*

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADD CREDIT, DEBIT OR CHARGE CARD FORGERY

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME COVERAGE FORM
COMMERCIAL CRIME POLICY
EMPLOYEE THEFT AND FORGERY POLICY
GOVERNMENT CRIME COVERAGE FORM
GOVERNMENT CRIME POLICY

and applies to the Forgery Or Alteration Insuring Agreement:

SCHEDULE

Limit Of Insurance	Covered Instruments
$2,500,000	[X] **Includes written instruments required in conjunction with any credit, debit or charge card issued to you or any "employee" for business purposes.**
	[ ] **Limited to written instruments required in conjunction with any credit, debit or charge card issued to you or any "employee" for business purposes.**
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

1. Covered Instruments either includes or is limited to, whichever is indicated as applicable in the Schedule, written instruments required in conjunction with any credit, debit or charge card issued to you or any "employee" for business purposes.

2. The most we will pay in any one "occurrence" is the Limit of Insurance shown in the Schedule.

3. The following exclusion is added to Section **D.**:

The Forgery Or Alteration Insuring Agreement does not apply to:

NON-COMPLIANCE WITH CREDIT, DEBIT OR CHARGE CARD ISSUER'S REQUIREMENTS

Loss arising from any credit, debit or charge card if you have not complied fully with the provisions, conditions or other terms under which the card was issued.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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END 004

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ENDORSEMENT# *5*

CRIME AND FIDELITY
CR 25 19 05 06

This endorsement, effective *12:01 am* *January 1, 2019* forms a part of
policy number *03-582-28-37*
issued to *UTAH COUNTIES INDEMNITY POOL*

by *National Union Fire Insurance Company of Pittsburgh, Pa.*

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADD FAITHFUL PERFORMANCE OF DUTY COVERAGE FOR GOVERNMENT EMPLOYEES

This endorsement modifies insurance provided under the following:

GOVERNMENT CRIME COVERAGE FORM
GOVERNMENT CRIME POLICY

and applies to the Insuring Agreements designated below:

SCHEDULE

	Insuring Agreement	Limit Of Insurance
☒	**Employee Theft - Per Loss Coverage**	*$2,500,000*
☐	**Employee Theft - Per Employee Coverage**	
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

1. The following is added to the Employee Theft Insuring Agreement designated above:

We will pay for loss or damage to "money", "securities" and "other property" resulting directly from the failure of any "employee" to faithfully perform his or her duties as prescribed by law, when such failure has as its direct and immediate result a loss of your covered property. The most we will pay for loss arising out of any one "occurrence" is the Limit of Insurance shown in the Schedule. That Limit, is part of, not in addition to, the Limit of Insurance shown in the Declarations.

2. The following exclusions are added to Section **D.2. Exclusions:**

a. Loss resulting from the failure of any entity acting as a depository for your property or property for which you are responsible.

b. Damages for which you are legally liable as a result of:

(1) The deprivation or violation of the civil rights of any person by an "employee"; or

(2) The tortious conduct of an "employee", except the conversion of property of other parties held by you in any capacity.

3. The **Indemnification** Condition is replaced by the following:

We will indemnify any of your officials who are required by law to give bonds for the faithful performance of their duties against loss through the failure of any "employee" under the supervision of that official to faithfully perform his or her duties as prescribed by law, when such failure has as its direct and immediate result a loss of your covered property.

4. Part **(l)** of the **Termination As To Any Employee** Condition is replaced by the following:

(1) As soon as:

(a) You; or

(b) Any official or employee authorized to manage, govern or control your "employees" learn of any act committed by the "employee" whether before or after becoming employed by you which would constitute a loss covered under the terms of the Employee

END 005

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Theft Insuring Agreement, as amended by this endorsement.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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END 005

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ENDORSEMENT# *6*

CRIME AND FIDELITY
CR 25 12 08 07

This endorsement, effective *12:01 am* *January 1, 2019* forms a part of
policy number *03-582-28-37*
issued to *UTAH COUNTIES INDEMNITY POOL*

by *National Union Fire Insurance Company of Pittsburgh, Pa.*

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

INCLUDE TREASURERS OR TAX COLLECTORS AS EMPLOYEES

This endorsement modifies insurance provided under the following:

GOVERNMENT CRIME COVERAGE FORM
GOVERNMENT CRIME POLICY

SCHEDULE

Treasurers Or Tax Collectors
Any Treasurer or Collector of the Insured
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

1. The definition of "employee" is amended to include your treasurers or tax collectors shown in the Schedule.
2. Exclusion **D.2.d. Treasurers Or Tax Collectors** is deleted.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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END 006

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ENDORSEMENT# 7

This endorsement, effective 12:01 am January 1, 2019 forms a part of policy number 03-582-28-37
issued to UTAH COUNTIES INDEMNITY POOL

by National Union Fire Insurance Company of Pittsburgh, Pa.

PRIOR THEFT OR DISHONESTY

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME POLICY
GOVERNMENT CRIME POLICY

A. Schedule*

Prior Theft or Dishonesty Amount:	$25,000
*Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.	

B. E. **Conditions** is modified as follows:

The paragraph entitled **Termination As To Any Employee** is deleted in its entirety from:

- **Conditions Applicable to Insuring Agreement A.1.**
  (with respect to the Commercial Crime Policy)
- **Conditions Applicable to Insuring Agreement A.1. And A.2.**
  (with respect to the Government Crime Policy)

and replaced with the following:

Termination As To Any Employee

(1) This Insuring Agreement is cancelled as to any "employee" immediately upon discovery by:
  (a) You; or
  (b) (with respect to the Commercial Crime Policy) Any of your partners, "members", "managers", officers, directors, or trustees not in collusion with the "employee";
  (with respect to the Government Crime Policy) Any of your officials or employees authorized to manage, govern or control your "employees" not in collusion with the "employee"

  of "theft" or any other dishonest act committed by the "employee"
  - after becoming employed by you; or
  - prior to becoming employed by you, provided that such conduct involved Loss of Money, Securities or other property valued at the amount specified in the schedule above or more.

(2) The Insuring Agreement terminates as to any "employee" on the date specified in a notice mailed to the first Named Insured. The date will be at least 30 days after the date of mailing. We will mail or deliver our notice to the first named

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Insured's last mailing address known to us. If notice is mailed proof of mailing will be sufficient proof of notice.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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END 007

ENDORSEMENT# *8*

This endorsement, effective *12:01 am* *January 1, 2019* forms a part of
policy number *03-582-28-37*
issued to *UTAH COUNTIES INDEMNITY POOL*

by *National Union Fire Insurance Company of Pittsburgh, Pa.*

BONDED EMPLOYEES EXCLUSION DELETED

This endorsement modifies insurance provided under the following:

GOVERNMENT CRIME POLICY

In Section **D. Exclusions**, subparagraph 2., the exclusion entitled **Bonded Employees** is deleted in its entirety.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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END 008

ENDORSEMENT# *9*

This endorsement, effective at *12:01 am January 1, 2019* forms a part of
Policy number *03-582-28-37*
Issued to: *UTAH COUNTIES INDEMNITY POOL*

By: *National Union Fire Insurance Company of Pittsburgh, Pa.*

INDIRECT OR CONSEQUENTIAL LOSS EXCLUSION

This endorsement modifies insurance provided under the following:

ISO COMMERCIAL CRIME POLICY
ISO GOVERNMENT CRIME POLICY

It is agreed that:

1. Clause D.1.f. Indirect Loss Exclusion is deleted in its entirety and replaced with the following:

   f. Indirect or Consequential Loss

   Loss that is an indirect or consequential result of an "occurrence", including but not limited to loss resulting from:

   (1) Your inability to realize income that you would have realized had there been no loss of or damage to "money", "securities" or "other property".
   (2) Payment of damages of any type for which you are legally liable.
   (3) Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this policy.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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END 009

ENDORSEMENT# *10*

This endorsement, effective at *12:01 am* *January 1, 2019* forms a part of
Policy number *03-582-28-37*
Issued to: *UTAH COUNTIES INDEMNITY POOL*

By: *National Union Fire Insurance Company of Pittsburgh, Pa.*

PROTECTED INFORMATION EXCLUSION

This endorsement modifies insurance provided under the following:

ISO COMMERCIAL CRIME POLICY
ISO GOVERNMENT CRIME POLICY

In consideration of the premium charged, it is hereby understood and agreed that this policy does not cover loss resulting directly or indirectly from the: (i) "theft," disappearance or destruction of; (ii) unauthorized use or disclosure of; (iii) unauthorized access to; or (iv) failure to protect any:

(1) confidential or non-public; or
(2) personal or personally identifiable;

information that any person or entity has a duty to protect under any law, rule or regulation, any agreement or any industry guideline or standard.

This exclusion shall not apply to the extent that any unauthorized use or disclosure of a password enables a "theft" by your "employee" of your "money," "securities" or "other property" or that you are holding for a third party; provided, however, this exception shall not apply to the extent that such unauthorized use or disclosure of a password enables a "theft" of or disclosure of information.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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END 010

ENDORSEMENT# *11*

This endorsement, effective *12:01 am* *January 1, 2019* forms a part of policy number *03-582-28-37*
issued to *UTAH COUNTIES INDEMNITY POOL*

by *National Union Fire Insurance Company of Pittsburgh, Pa.*

NOTICE OF CLAIM
(REPORTING BY E-MAIL)

In consideration of the premium charged, it is hereby understood and agreed as follows:

1. *Email Reporting of Claims*: In addition to the postal address set forth for any Notice of Claim Reporting under this policy, such notice may also be given in writing pursuant to the policy's other terms and conditions to the Insurer by email at the following email address:

   c-claim@AIG.com

   Your email must reference the policy number for this policy. The date of the Insurer's receipt of the emailed notice shall constitute the date of notice.

   In addition to Notice of Claim Reporting via email, notice may also be given to the Insurer by mailing such notice to: AIG, Financial Lines Claims, P.O. Box 25947, Shawnee Mission, KS 66225 or faxing such notice to (866) 227-1750.

2. *Definitions*: For this endorsement only, the following definitions shall apply:

   (a) "Insurer" means the "Insurer," "Underwriter" or "Company" or other name specifically ascribed in this policy as the insurance company or underwriter for this policy.

   (b) "Notice of Claim Reporting" means "notice of claim/circumstance," "notice of loss" or other reference in the policy designated for reporting of claims, loss or occurrences or situations that may give rise or result in loss under this policy.

   (c) "Policy" means the policy, bond or other insurance product to which this endorsement is attached.

3. This endorsement does not apply to any Kidnap & Ransom/Extortion Coverage Section, if any, provided by this policy.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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END 011

ENDORSEMENT# 12

This endorsement, effective at 12:01 am January 1, 2019 forms a part of
Policy number 03-582-28-37
Issued to: UTAH COUNTIES INDEMNITY POOL

By: National Union Fire Insurance Company of Pittsburgh, Pa.

Product Name: Government Crime Policy

IMPERSONATION FRAUD COVERAGE

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME POLICY (DISCOVERY FORM)
COMMERCIALCRIME POLICY (LOSS SUSTAINED FORM)
GOVERNMENT CRIME POLICY (DISCOVERY FORM)
GOVERNMENT CRIME POLICY (LOSS SUSTAINED FORM)

It is agreed that in consideration of the additional premium of $0, the policy is hereby amended as follows:

1. Insuring Agreement "Funds Transfer Fraud" is amended by adding the following to the end thereof:

   Impersonation Fraud Coverage

   We will also pay for loss of "funds" resulting directly from a "fraudulent instruction" directing a financial institution to transfer, pay or deliver "funds" from your "transfer account."

   Notwithstanding the above requirement that the loss of "funds" result directly from a "fraudulent instruction," we will also pay for the loss of "funds" resulting from your receipt of a "fraudulent instruction" from a purported vendor, which advises you that the vendor's bank account information has been changed and you suffer a loss of "funds".

2. Solely with respect to Impersonation Fraud Coverage provided by this endorsement, in Section F. Definitions, the definition of "Fraudulent Instruction" is deleted in its entirety and replaced with the following:

   "Fraudulent instruction" means an electronic, telegraphic, cable, teletype, telefacsimile, telephone or written instruction communicated by you or your "employee" based upon an instruction received and relied upon by you or your "employee" which was transmitted:

   a. by a purported director, officer, partner, member or sole proprietor of yours or by another "employee"-or by an individual acting in collusion with such purported director, officer, partner, member, sole proprietor or other "employee"-but which was in fact fraudulently transmitted by someone else without your or your "employee's" knowledge; or

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b. by a purported director, officer, partner, member, sole proprietor or employee of your "vendor" or "client"-or by an individual acting in collusion with such purported director, officer or employee-but which was in fact fraudulently transmitted by someone else without your or your "employee's" knowledge; provided, however, "fraudulent instruction" shall not include any such instruction transmitted by an actual director, officer, partner, member, sole proprietor or employee of your "vendor" or "client" who was acting in collusion with any third party in submitting such instruction.

3. Solely for purposes of this endorsement, the following definitions are added:

   "Vendor" means any person, firm, company, corporation, organization, association or other entity that provides goods or services to you pursuant to a legitimate relationship that pre-exists the loss of "funds" that is the subject of the coverage provided by this endorsement.

   "Client" means any person, firm, company, corporation, organization, association or other entity to whom you provide goods or services for a fee pursuant to a legitimate written contract that pre-exists the loss of "funds" that is the subject of the coverage provided by this endorsement.

4. Our total liability for coverage provided by this endorsement for all loss arising from a single act or series of related acts is *$100,000* ("Impersonation Fraud Limit"). All amounts paid by us pursuant to this endorsement will be part of, and not in addition to, the applicable Limit of Insurance shown in the Declarations.

5. Solely with respect to coverage provided by this endorsement, the applicable per occurrence Deductible Amount is *$25,000*.

6. Solely for purposes of this endorsement, the following exclusion shall apply:

   The coverage afforded by this endorsement does not apply to any loss occurring prior to *January 1, 2016*.

7. The most we will pay for all loss resulting directly from an "occurrence" under this endorsement is the Impersonation Fraud Limit shown in Section 4 above.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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ENDORSEMENT# 13

This endorsement, effective 12:01 am January 1, 2019 forms a part of policy number 03-582-28-37
issued to UTAH COUNTIES INDEMNITY POOL

by National Union Fire Insurance Company of Pittsburgh, Pa.

LOSS PAYABLE

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME COVERAGE FORM
COMMERCIAL CRIME POLICY
EMPLOYEE THEFT AND FORGERY POLICY
GOVERNMENT CRIME COVERAGE FORM
GOVERNMENT CRIME POLICY

SCHEDULE

Name Of Loss Payee: The State of Utah by and through the Permanent Community Impact Fund Board **Address Of Loss Payee:** 2110 State Office Building Salt Lake City, UT 84114-1031
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

1. You agree that any loss payable under this insurance shall be paid to the Loss Payee shown in the Schedule as its interests m ay appear and any such payment shall constitute payment to you. We agree that we will make all such payments to the Loss Payee, and we will not make any payment solely to you unless we receive a request in writing from the Loss Payee to make such payment to you.

2. This insurance is for your benefit only. It provides no rights or benefits to any other person or organization including the Loss Payee, other than to receive payment for loss as set forth in this endorsement.

   Any claim for loss that is covered under this insurance must be pre-sented by you.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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ENDORSEMENT# 14

This endorsement, effective at 12:01 am January 1, 2019 forms a part of
Policy number 03-582-28-37
Issued to: UTAH COUNTIES INDEMNITY POOL

By: National Union Fire Insurance Company of Pittsburgh, Pa.

Product Name: Government Crime Policy

ECONOMIC SANCTIONS ENDORSEMENT

This endorsement modifies insurance provided under the following:

Coverage shall only be provided and payment of loss under this policy shall only be made in full compliance with enforceable United Nations economic and trade sanctions and the trade and economic sanction laws or regulations of the European Union and the United States of America, including, but not limited to, sanctions, laws and regulations administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC").

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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ENDORSEMENT# *15*

This endorsement, effective *12:01 am* *January 1, 2019* forms a part of
policy number *03-582-28-37*
issued to *UTAH COUNTIES INDEMNITY POOL*

by *National Union Fire Insurance Company of Pittsburgh, Pa.*

FORMS INDEX ENDORSEMENT

The contents of the Policy is comprised of the following forms:

FORM NUMBER	EDITION DATE	FORM TITLE
CRDS04	08/07	GOVERNMENT CRIME POLICY DECLARATIONS
CR0027	05/06	GOVERNMENT CRIME POLICY (LOSS SUSTAINED FORM)
CR0233	08/07	UTAH CHANGES
95427	08/07	CRIME ADVANTAGE
95417	08/07	ADDITIONAL NAMED INSURED
CR2520	08/07	ADD CREDIT, DEBIT OR CHARGE CARD FORGERY
CR2519	05/06	ADD FAITHFUL PERFORMANCE OF DUTY COVERAGE FOR GOVERNMENT EMPLOYEES
CR2512	08/07	INCLUDE TREASURER OR TAX COLLECTORS AS EMPLOYEES
95442	08/07	PRIOR THEFT OR DISHONESTY
95419	08/07	BONDED EMPLOYEES EXCLUSION DELETED
113024	10/12	INDIRECT OR CONSEQUENTIAL LOSS EXCLUSION
113013	10/12	PROTECTED INFORMATION EXCLUSION
99758	08/08	NOTICE OF CLAIM (REPORTING BY E-MAIL)
116956	01/17	IMPERSONATION FRAUD COVERAGE (ISO)
CR 20 14	08/07	LOSS PAYABLE
119679	09/15	ECONOMIC SANCTIONS ENDORSEMENT
78859	10/01	FORMS INDEX ENDORSEMENT

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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END 015

ENDORSEMENT# *16*

CRIME AND FIDELITY
CR 20 02 08 07

This endorsement, effective *12:01 am* *January 1, 2019* forms a part of
policy number *03-582-28-37*
issued to *UTAH COUNTIES INDEMNITY POOL*

by *National Union Fire Insurance Company of Pittsburgh, Pa.*

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLICY CHANGE
(LOSS SUSTAINED FORM)

This endorsement modifies insurance provided under the Loss Sustained Form version of the following:

COMMERCIAL CRIME COVERAGE FORM
COMMERCIAL CRIME POLICY
EMPLOYEE THEFT AND FORGERY POLICY
GOVERNMENT CRIME COVERAGE FORM
GOVERNMENT CRIME POLICY

SCHEDULE

Change Number	Date Of Issue	Effective Date Of Change
1	*February 8, 2019*	12:01 A.M. on: *January 1, 2019*

The Named Insured is changed to:

The following Insured(s) is added as a Named Insured:
Box Elder County Special Service District

The following Insured(s) is deleted as a Named Insured:

The Mailing Address is changed to:

The Policy Period is:
Extended to: **Reduced to:**

The following Insuring Agreement(s) is:
☐ **Added to the Coverage Form/Policy**

Insuring Agreement(s)	Limit Of Insurance	Deductible Amount

END 016

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☐ **Deleted from the Coverage Form/Policy**

Insuring Agreement(s)	Limit Of Insurance	Deductible Amount

☐ **Changed as respects the Limit(s) of Insurance and/or Deductible Amount(s)**

Insuring Agreement(s)	Limit Of Insurance	Deductible Amount

The following Endorsement(s) is:

☐ **Added to the Coverage Form/Policy**

Endorsement(s)	Limit Of Insurance

☐ **Deleted from the Coverage Form/Policy**

Endorsement(s)	Limit Of Insurance

☐ **Changed as respects the Limit(s) of Insurance**

Endorsement(s)	Limit Of Insurance

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

END 016

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Application of changes affected by this Endorsement:

1. **Addition Of Deductible Or Increase In Deductible Amount**

   This change applies to loss or damage that you sustain resulting directly from an "occurrence" taking place at any time, whether before or after the Effective Date of Change which is "discovered" by you after the Effective Date of change.

2. **Deletion Of Coverage Or Decrease In Limit Of Insurance**

   This change applies to loss or damage that you sustain resulting directly from an "occurrence" taking place:

   a. On or after the Effective Date of Change which is "discovered" by you after the Effective Date of change; and also

   b. Before the Effective Date of Change if "discovered" by you after 1 year from that date.

3. **All Changes Other Than In Paragraphs 1. And 2.**

   This change applies to loss or damage that you sustain resulting directly from an "occurrence" taking place on or after the Effective Date of Change which is "discovered" by you after the Effective Date of change.

Accepted
First Named Insured:
Name:
Title:

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

AUTHORIZED REPRESENTATIVE

END 016

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ENDORSEMENT# *17*

This endorsement, effective *12:01 am* *January 1, 2019* forms a part of
policy number *03-582-28-37*
issued to *UTAH COUNTIES INDEMNITY POOL*

by *National Union Fire Insurance Company of Pittsburgh, Pa.*

FORMS INDEX (AMENDED)

In consideration of the premium charged, it is hereby understood and agreed that the "Forms Index" Endorsement is amended to include the following:

FORM NUMBER	EDITION DATE	FORM TITLE
CR2002	08/07	POLICY CHANGE (LOSS SUSTAINED FORM)
SYSLIB	01/05	FORMS INDEX (AMENDED)

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

AUTHORIZED REPRESENTATIVE

END 017

ENDORSEMENT# *18*

CRIME AND FIDELITY
CR 20 02 08 07

This endorsement, effective *12:01 am* *January 1, 2019* forms a part of
policy number *03-582-28-37*
issued to *UTAH COUNTIES INDEMNITY POOL*

by *National Union Fire Insurance Company of Pittsburgh, Pa.*

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLICY CHANGE
(LOSS SUSTAINED FORM)

This endorsement modifies insurance provided under the Loss Sustained Form version of the following:

COMMERCIAL CRIME COVERAGE FORM
COMMERCIAL CRIME POLICY
EMPLOYEE THEFT AND FORGERY POLICY
GOVERNMENT CRIME COVERAGE FORM
GOVERNMENT CRIME POLICY

SCHEDULE

Change Number	Date Of Issue	Effective Date Of Change
2	*April 29, 2019*	12:01 A.M. on: *January 1, 2019*

The Named Insured is changed to:

The following Insured(s) is added as a Named Insured:

The following Insured(s) is deleted as a Named Insured:

The Mailing Address is changed to:

The Policy Period is:
Extended to: **Reduced to:**

The following Insuring Agreement(s) is:
☐ **Added to the Coverage Form/Policy**

Insuring Agreement(s)	Limit Of Insurance	Deductible Amount

END 018

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CLAIM REPORTING FORM
FIDELITY SUPPLEMENTAL

(Only complete this supplemental if the Claim is being reported under Fidelity Coverage)

Issuing Company: *National Union Fire Insurance Company of Pittsburgh, Pa.*

Reported under Policy/Bond Number: *03-582-28-37*

Date of Discovery: _____ Estimated Amount of loss: _____

Cause of Loss:

Employee Dishonesty	_____	Computer Fraud	_____
Funds Transfer	_____	Robbery/Burglary	_____
ID Theft	_____	Forgery	_____
Client Property	_____	In Transit	_____
ERISA	_____	Credit Card Forgery	_____
Other	_____	if Other, describe:	_____

Send Notice Of Claims To:

AIG
Financial Lines Claims
P.O. Box 25947
Shawnee Mission, KS 66225

Phone: (888) 602-5246
Fax: (866) 227-1750
Email: c-Claim@AIG.com

☐ **Deleted from the Coverage Form/Policy**

Insuring Agreement(s)	Limit Of Insurance	Deductible Amount

☐ **Changed as respects the Limit(s) of Insurance and/or Deductible Amount(s)**

Insuring Agreement(s)	Limit Of Insurance	Deductible Amount

The following Endorsement(s) is:

☐ **Added to the Coverage Form/Policy**

Endorsement(s)	Limit Of Insurance

☒ **Deleted from the Coverage Form/Policy**

Endorsement(s)	Limit Of Insurance
3 ADDITIONAL NAMED INSURED	

☐ **Changed as respects the Limit(s) of Insurance**

Endorsement(s)	Limit Of Insurance

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

END 018

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Application of changes affected by this Endorsement:

1. **Addition Of Deductible Or Increase In Deductible Amount**

   This change applies to loss or damage that you sustain resulting directly from an "occurrence" taking place at any time, whether before or after the Effective Date of Change which is "discovered" by you after the Effective Date of change.

2. **Deletion Of Coverage Or Decrease In Limit Of Insurance**

   This change applies to loss or damage that you sustain resulting directly from an "occurrence" taking place:

   a. On or after the Effective Date of Change which is "discovered" by you after the Effective Date of change; and also

   b. Before the Effective Date of Change if "discovered" by you after 1 year from that date.

3. **All Changes Other Than In Paragraphs 1. And 2.**

   This change applies to loss or damage that you sustain resulting directly from an "occurrence" taking place on or after the Effective Date of Change which is "discovered" by you after the Effective Date of change.

Accepted
First Named Insured:
Name:
Title:

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

AUTHORIZED REPRESENTATIVE

END 018

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ENDORSEMENT# *19*

This endorsement, effective *12:01 am* *January 1, 2019* forms a part of policy number *03-582-28-37*
issued to *UTAH COUNTIES INDEMNITY POOL*

by *National Union Fire Insurance Company of Pittsburgh, Pa.*

ADDITIONAL NAMED INSURED

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME POLICY
GOVERNMENT CRIME POLICY

Schedule

The following Insured(s) is/are added as Named Insured(s):

NAMED INSURED

Beaver County
Beaver County Municipal Building Authority
Box Elder County
Box Elder County Special Service District (*Added via End't #16)*
Box Elder Redevelopment Agency
Canyon Land Improvement District
Central Utah Public Health Department
Daggett County
Daggett County Redevelopment Agency
Davis County
Duchesne County
Duchesne County Municipal Building Authority
Duchesne/Wasatch Bluebench Landfill Special Service District
Emery County
Emery County Municipal Building Authority
Five County Association of Governments
Garfield County
Grand County Emergency Medical Services Special Service District
Iron County

This endorsement, effective *12:01 am* *January 1, 2019* forms a part of policy number *03-582-28-37*
issued to *UTAH COUNTIES INDEMNITY POOL*

by *National Union Fire Insurance Company of Pittsburgh, Pa.*

Iron Special Service District #1
Juab County
Juab Special Service District #2
Juab Special Service Fire District
Kane County
Kane County Municipal Building Authority
Kane Recreation & Transportation Special Service District
Millard County
Morgan County
Piute County
Piute County Municipal Building Authority
Piute Special Service District #1
Rich County
San Juan County
San Juan Spanish Valley Special Service District
San Juan Transportation Special Service District
Sanpete County
Seven County Infrastructure Coalition
Sevier County
Sevier County Municipal Building Authority
Southeastern Utah District Health Department
Southwest Utah Public Health Department
TriCounty Health Department
Uintah County
Uintah County Municipal Building Authority
Utah Counties Indemnity Pool
Wasatch County
Wasatch County Health Department

This endorsement, effective *12:01 am* *January 1, 2019* forms a part of policy number *03-582-28-37*
issued to *UTAH COUNTIES INDEMNITY POOL*

by *National Union Fire Insurance Company of Pittsburgh, Pa.*

Wasatch County Special Service Area #1
Wasatch Parks & Recreation Special Service District #21
Wasatch Solid Waste Disposal District
Wasatch Special Service District #9
Washington County
Washington County Municipal Building Authority
Washington County/St. George Interlocal Agency
Wayne County
Wayne County Municipal Building Authority
Wayne County Special Service District #1
Wayne County Special Service District #3
Wayne County Water Conservancy District
Weber County
Weber County Municipal Building Authority
Weber Human Services
Weber-Morgan Health Department
Wilson Arch Water & Sewer Special Service District

No Limit of Insurance during any period will be cumulative with any other amount applicable to the same coverage during any other period.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

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AUTHORIZED REPRESENTATIVE

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ENDORSEMENT# *20*

This endorsement, effective *12:01 am* *January 1, 2019* forms a part of
policy number *03-582-28-37*
issued to *UTAH COUNTIES INDEMNITY POOL*

by *National Union Fire Insurance Company of Pittsburgh, Pa.*

FORMS INDEX (AMENDED)

In consideration of the premium charged, it is hereby understood and agreed that the "Forms Index" Endorsement is amended to include the following:

FORM NUMBER	EDITION DATE	FORM TITLE
CR2002	08/07	POLICY CHANGE (LOSS SUSTAINED FORM)
95417	08/07	ADDITIONAL NAMED INSURED
SYSLIB	01/05	FORMS INDEX (AMENDED)

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

AUTHORIZED REPRESENTATIVE

ENDORSEMENT# *21*

CRIME AND FIDELITY
CR 20 02 08 07

This endorsement, effective *12:01 am* *May 20, 2019* forms a part of
policy number *03-582-28-37*
issued to *UTAH COUNTIES INDEMNITY POOL*

by *National Union Fire Insurance Company of Pittsburgh, Pa.*

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLICY CHANGE
(LOSS SUSTAINED FORM)

This endorsement modifies insurance provided under the Loss Sustained Form version of the following:

COMMERCIAL CRIME COVERAGE FORM
COMMERCIAL CRIME POLICY
EMPLOYEE THEFT AND FORGERY POLICY
GOVERNMENT CRIME COVERAGE FORM
GOVERNMENT CRIME POLICY

SCHEDULE

Change Number	Date Of Issue	Effective Date Of Change
3	*May 23, 2019*	12:01 A.M. on: *May 20, 2019*

The Named Insured is changed to:

The following Insured(s) is added as a Named Insured:
Multi-County Appraisal Trust

The following Insured(s) is deleted as a Named Insured:

The Mailing Address is changed to:

The Policy Period is:
Extended to: **Reduced to:**

The following Insuring Agreement(s) is:
☐ **Added to the Coverage Form/Policy**

Insuring Agreement(s)	Limit Of Insurance	Deductible Amount

END 021

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☐ **Deleted from the Coverage Form/Policy**

Insuring Agreement(s)	Limit Of Insurance	Deductible Amount

☐ **Changed as respects the Limit(s) of Insurance and/or Deductible Amount(s)**

Insuring Agreement(s)	Limit Of Insurance	Deductible Amount

The following Endorsement(s) is:

☐ **Added to the Coverage Form/Policy**

Endorsement(s)	Limit Of Insurance

☐ **Deleted from the Coverage Form/Policy**

Endorsement(s)	Limit Of Insurance

☐ **Changed as respects the Limit(s) of Insurance**

Endorsement(s)	Limit Of Insurance

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

END 021

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Application of changes affected by this Endorsement:

1. **Addition Of Deductible Or Increase In Deductible Amount**

   This change applies to loss or damage that you sustain resulting directly from an "occurrence" taking place at any time, whether before or after the Effective Date of Change which is "discovered" by you after the Effective Date of change.

2. **Deletion Of Coverage Or Decrease In Limit Of Insurance**

   This change applies to loss or damage that you sustain resulting directly from an "occurrence" taking place:

   a. On or after the Effective Date of Change which is "discovered" by you after the Effective Date of change; and also

   b. Before the Effective Date of Change if "discovered" by you after 1 year from that date.

3. **All Changes Other Than In Paragraphs 1. And 2.**

   This change applies to loss or damage that you sustain resulting directly from an "occurrence" taking place on or after the Effective Date of Change which is "discovered" by you after the Effective Date of change.

Accepted
First Named Insured:
Name:
Title:

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

AUTHORIZED REPRESENTATIVE

END 021

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ENDORSEMENT# *22*

This endorsement, effective *12:01 am* *May 20, 2019* forms a part of
policy number *03-582-28-37*
issued to *UTAH COUNTIES INDEMNITY POOL*

by *National Union Fire Insurance Company of Pittsburgh, Pa.*

FORMS INDEX (AMENDED)

In consideration of the premium charged, it is hereby understood and agreed that the "Forms Index" Endorsement is amended to include the following:

FORM NUMBER	EDITION DATE	FORM TITLE
CR2002	08/07	POLICY CHANGE (LOSS SUSTAINED FORM)
SYSLIB	01/05	FORMS INDEX (AMENDED)

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

AUTHORIZED REPRESENTATIVE

END 022

CLAIM REPORTING FORM

Issuing Company: *National Union Fire Insurance Company of Pittsburgh, Pa.*

Reported under Policy/Bond Number: *03-582-28-37* Date: _____

Type of Coverage: D&O _____ E&O _____ Fidelity _____ (complete the Fidelity Supplemental on the next page)

Insured's Name, as given on Policy Declarations (Face Page):

UTAH COUNTIES INDEMNITY POOL

Contact Person: _____

Title: _____

Phone: (_____) _____ - _____ Ext _____

eMail: _____ @ _____

Case or Claimant Name: _____

If the party involved is different from "Insured" Name (as given on Policy Declarations) state relationship:

_____

Insurance Broker/Agent: *ARTHUR J. GALLAGHER & CO. INSURANCE BROKERS OF CAL*

Address: *18201 VON KARMAN AVENUE, SUITE 200*

Address: *IRVINE, CA 92612*

Contact: *STEFANIE SALAZAR* Phone: _____

eMail: *Stefanie_Salazar@ajg.com*

Send Notice of Claims to:

AIG
Financial Lines Claims
P.O. Box 25947
Shawnee Mission, KS 66225

Phone: (888) 602-5246
Fax: (866) 227-1750
Email: c-Claim@AIG.com

CLAIM REPORTING FORM
FIDELITY SUPPLEMENTAL

(Only complete this supplemental if the Claim is being reported under Fidelity Coverage)

Issuing Company: *National Union Fire Insurance Company of Pittsburgh, Pa.*

Reported under Policy/Bond Number: *03-582-28-37*

Date of Discovery: _____ Estimated Amount of loss: _____

Cause of Loss:

Employee Dishonesty	_____	Computer Fraud	_____
Funds Transfer	_____	Robbery/Burglary	_____
ID Theft	_____	Forgery	_____
Client Property	_____	In Transit	_____
ERISA	_____	Credit Card Forgery	_____
Other	_____	if Other, describe:	_____

Send Notice Of Claims To:

AIG
Financial Lines Claims
P.O. Box 25947
Shawnee Mission, KS 66225

Phone: (888) 602-5246
Fax: (866) 227-1750
Email: c-Claim@AIG.com