



Meeting of the PSERN Operator - Board of Directors

Location: To be conducted virtually pursuant to Governor Inslee’s proclamation: Microsoft Teams Meeting

Date: Thursday, May 27, 2021

Time: 4:00 p.m. – 5:00 p.m.

Teams Call: Members of the public are invited to participate in the virtual meeting by telephone or video by using the following phone number and meeting ID: 1-425-653-6586 Meeting ID: 357 391 827#

Directors: Lora Ueland, Harold Scoggins, Brenda Bauer, Kurt Triplett, Chris Elwell, Dan Yourkoski

Alternates: Brad Miyake, Kristin Meitzler, Mark Schmidt, Matt Morris, Dwight Dively, Shawn Hayes

Agenda Details:

1. Call to Order – Board Chairperson 4:00 p.m.
2. Roll Call – All 4:01 – 4:05 p.m.
3. Approve the Minutes – Board Chairperson 4:06 – 4:07 p.m.

(Decision: Motion to approve the minutes from the 4-22-21 meeting)

4. Approve the Agenda – Board Chairperson 4:08 – 4:10 p.m.

(Decision: Motion to approve the agenda for today’s meeting)

5. Public Comment – Board Chairperson 4:11 – 4:13 p.m.

Board Chairperson to open floor for public comment. Members of the public are invited to address the Board of Directors for a period of time not to exceed three minutes

6. Staffing Agreement: PSERN Operator and King County – David Mendel 4:14 – 4:18 p.m.

(Discussion)

7. Executive Director Recruitment – David Mendel 4:19 – 4:25 p.m.

8. PSERN Operator Insurance and Related Agreements – David Mendel 4:26 – 4:36 p.m.

(Decision: Motion to approve the PSERN Operator insurance and related agreements – Resolution 21-07)

9. Executive Director and Board of Director’s Work Plan – David Mendel 4:37 – 4:42 p.m.

(Discussion)

10. Board of Directors vs. PSERN Joint Board Duty Analysis – David Mendel 4:43 – 4:48 p.m.

(Discussion)

11. Future Topics – David Mendel 4:49 – 4:54 p.m.

(Discussion)

12. Executive Session – (If needed)

4:55 – 5:00 p.m.

Next Meeting: June 24, 2021



Meeting of the PSERN Operator - Board of Directors – Meeting Minutes

Location: To be conducted virtually pursuant to Governor Inslee’s proclamation: Microsoft Teams Meeting
Date: Thursday, April 22, 2021
Time: 4:00 p.m. – 5:00 p.m.
Teams Call: Members of the public are invited to participate in the virtual meeting by telephone or video by using the following phone number and meeting ID: 1-425-653-6586 Meeting ID: 357 391 827#

Directors: Lora Ueland, Harold D Scoggins, Brenda Bauer, Kurt Triplett, Chris Elwell, Dan Yourkoski

Alternates: Kristen Meitzler, Mark Schmidt

Additional Attendees: Spencer Bahner, Mahak Chopra, Whitney Dickinson, Sean Douglas, Armand Eichhorn, Adrian Englet, Sean Ferguson Young Jang, Janine Joly, Christopher Lombard, David Mendel, Kristin Meitzler, Kimberly Nuber, Michael Webb,

Agenda Details:

1. Call to Order – Board Chairperson 4:01 p.m.
2. Roll Call – All 4:01 – 4:02 p.m.
3. Approve the Agenda – Board Chairperson 4:02 – 4:03 p.m.

MOTION: A motion was made to approve the agenda by Kurt Triplett. The motion was seconded by Chief Harold Scoggins. Members unanimously approved the motion.

4. Public Comment – Board Chairperson 4:03 – 4:04 p.m.

Chief Chris Lombard addressed the board on behalf of the PSERN Operations Board. He congratulated the new PSERN Operator on their official formation. He mentioned that on behalf of the public and the first responders in the Puget Sound region, they look forward to working with the PSERN Operator Board and are excited about the next steps in the process of developing the radio system.

Approval of the minutes 4:04 – 4:05 p.m.

Approval of the minutes of the March 25th, 2021 Special Meeting of the PSERN Operator Board of Directors. The minutes were shared on April 1st, 2021.

MOTION: A motion was made to approve the minutes of the March 25th Special Meeting of the PSERN Operator Board of Directors by Kurt Triplett. The motion was seconded by Brenda Bauer. Members unanimously approved the motion.

5. Ratify and Approve the Articles of Incorporation – David Mendel

4:05 – 4:09 p.m.

- Deanna Gregory submitted the Articles of Incorporation exactly as they were approved by the PSERN Operator Board in March 2021, but they were rejected by the Secretary of State because they were missing two items.
 - PSERN staff gave Deanna Gregory permission to resubmit the articles due to the very minor nature of the needed changes to address the State’s concern.
- There was a change to this agenda topic (#5) and related materials because of feedback received from Attorney Deanna Gregory. Initially the board would have “amended” the articles in this meeting, instead they needed to be “ratified.”
 - There were some minor changes made to the articles from what were approved at the March 25, 2021 meeting.
 - The changes were not substantive.
 - It was more appropriate to “ratify” them to the form that was ultimately submitted and approved by the State than to amend them.
 - “Amending” them would have created a date gap with what was submitted to the State.
- As the staff report indicates the needed change was to add two sentences to the Articles of Incorporation stating: “The operator will have no capital stock” and “the PSERN Operator will not distribute surplus funds to its member, stockholders, or other persons.”
- The Board was asked to ratify the changes, which would be captured in Resolution 21-04-01.

MOTION: A motion was made by Chief Harold Scoggins to approve the Articles of Incorporation of the PSERN Operator, as provided in Attachment A, as hereby ratified in Resolution 21-04-01 and approved as of their date. The motion was seconded by Brenda Bauer. There was no further discussion and the members unanimously approved the motion.

6. Executive Director (ED) Job Announcement – David Mendel

4:09 – 4:24 p.m.

- The language highlighting equal opportunity, diversity inclusion, as well as language regarding the ED’s role in times of emergency were added to the draft Job Announcement.
 - There were no comments or updates to the recommended changes.
- The Board was asked to approve the Job Announcement and allow project staff to make grammatical corrections and have the flexibility to add language explaining a TLT position and the goal of eventually transitioning the position to a permanent non-term limited role. This could be accomplished by the PSERN Operator directly hiring the ED in the future.
- The position will live administratively in the IT Department of King County in the CIO’s organization.
- It was noted that ICS / NIMS training language was included in the Job Announcement.
- A discussion on the categorization of this position took place.
 - After many consultations over the last month, it was discovered that the only way to meet the ILA requirements was for the ED to be an appointed at-will employee or a TLT employee. To do this, either the King County Code must be amended to allow for a new FTE appointed position or the ED could be a Temporary Limited Term (TLT) position.
 - Both of the options would create an at-will position for the ED.

- Using a TLT position limits the employment of the individual to three years within the County.
 - The use of a TLT position is the recommended path forward.
- Brenda Bauer encouraged project staff to pursue adding an appointed FTE position within the County Code that could be used in the future to make an appointed FTE position for the ED.
 - If the position is created within the County the TLT position could be converted to that new permanent position, should the code modified be successful.
- Chief Harold Scoggins suggested adding the phrase “or equivalent” to certain qualifications listed in the Job Announcement. This was because some expectations were thought to be too rigid and adding the phrase “or equivalent” would widen the potential candidate pool. Lora Ueland also agreed with Chief Harold Scoggins, adding “or equivalent experience / qualifications.”

MOTION: A motion was made by Chief Harold Scoggins to approve the Job Announcement as substantially provided in Agenda item #6, “Executive Director (ED) Job Announcement” and its Staff Report, along with the addition of language to explain how the ED position is expected to be a Temporary Limited Term (TLT) position, the addition of “or equivalent experience / qualifications” to certain listed qualifications, language stating the intent to make the ED position permanent in the future, and any needed grammatical corrections. The motion was seconded by Kurt Triplett. There was no further discussion and the members unanimously approved the motion.

7. PSERN Staffing Agreement – David Mendel

4:24 – 4:30 p.m.

- Before the recruitment of the Operator’s Executive Director can begin through the approved hiring methodology, a related staffing agreement between King County and the Operator needs to be executed.
- Once the agreement is fully developed and legal reviews and revisions are complete, the agreement can be put before the Board of Directors for decision at their May 27, 2021 meeting.
 - Once the draft agreement is ready, it will be reviewed by attorney Tom Brubaker on behalf of the Operator.
- Work on the agreement was started about eight weeks ago and a draft of the agreement is still in progress.
- Since the major hurdles of FTE vs. TLT have been resolved, progress should now be more easily achieved.
- As per the ILA, the Job announcement needs to be posted for six to eight weeks.
- PSERN staff recommended posting the job prior to the agreement being signed and wanted a consensus on the same.
 - Lora Ueland was in favor of posting the job announcement prior to getting the staffing agreement signed.
 - Brenda Bauer supported to move forward with the timing of the job posting.
 - No formal actions were taken, and no motion was required to proceed with the recommendation of posting the position.

8. PSERN Operator Insurance – David Mendel

4:31 – 4:40 p.m.

- As per the staff report, it was recommended to make sure that the Board was striving to get the right amount of insurance for the Operator at the best price.
- A detailed staff report was shared with the Board.
 - The two agencies were highlighted in the report: Enduris and WCIA (both are insurance pools).

- At this time the Operator only needs basic directors and officer's liability insurance, as well as general liability insurance. Once PSERN takes over operations, it will need a larger policy, which will include coverage for vehicles, property, and increased liability insurance.
- As per the staff report, Enduris wants a large amount of data for them to provide a new quote, even for the limited amount of insurance we seek.
- If the choice is going with WCIA, the Board must enter the pool's interlocal agreement, which will require action from the Board.
- Given these issues, the best approach is to get quotes from both agencies, analyze them and then present these to the Board for a decision at their May 27th Board meeting.
 - Chief Harold Scoggins will send the staff report and related materials to the Risk Manager at the City of Seattle for feedback.

9. Open Public Meetings Act – David Mendel

4:40 – 4:45 p.m.

- Washington State requires each officer of an agency to be trained in the Open Public Meetings Act (OPMA) within 90 days of assuming their duties.
 - We now have ~60 days to complete the training.
- Attorney Deanna Gregory indicated that there are needed refresher trainings if officers stay in their positions long-term.
 - Even if training was recently completed one would still need to do it again, as the PSERN Board of Directors was only recently formed.
- To address the requirements, it is recommended that training from the Municipal Research and Services Center (MSRC) website be completed.
 - OPMA training can be reviewed in about 45 minutes, then when complete, a certification form can be filled out and downloaded as proof of the training.
 - The Public Records Act Training was also recommended (about a 40-minute process).
- The training recommendations were approved. The related training information from the MSRC will be shared with the Board Members and alternates following the meeting.
- Project staff will also track the Board's progress to make sure everyone meets the 90-day deadline.

Proposed May Meeting Topics – David Mendel

4:45 – 4:49 p.m.

- Proposed topics for the next meeting of the Board of Directors:
 - Approval of the Staffing Agreement between the PSERN Operator and King County.
 - Decision on Insurance for the PSERN Operator.
 - 2021 Board of Director's Workplan.
 - This will include topics related to budget formation, rate stabilization, and overall rates as Lora Ueland suggested.
 - Executive Director's Work Plan.
- Kurt Triplett requested direction on the topic of PSERN Operator Board members who also serve on the PSERN Joint Board, as they are two separate entities.
 - A formal letter was requested, stating that there are no conflicts or violations if members serve on both boards.

10. Executive Session – Not needed

4:50 p.m.

Adjourn 4:50 p.m.
Next Meeting: May 27, 2021

**PSERN Operator
Staff Report
Agenda Item #8**

Title: PSERN Operator Insurance and Related Agreements
Meeting Date: May 27, 2021
Staff Contact: David Mendel



BACKGROUND:

A number of foundational events and documents have led to the formation of the PSERN Operator (or “Operator”). As of April 1, 2021, the Operator is fully incorporated within the State of Washington. Being a new entity, in its pre-operations phase, the current levels of risk for the Operator are relatively low. However, insurance coverage does not currently exist for the PSERN Operator, but it needs to be established. The securing appropriate levels of insurance coverage are needed to protect the Operator and the members of its Board of Directors.

Staff had thought, as recently as March 2021, that insurance would be purchased rapidly. However, staff now believes the best option is to be methodical about exploring options, presenting those options to the Board, and for the Board to select the best option. The following analysis explores insurance options for the Operator and the related PSERN staff recommended policy. The expectation is the BoD will review the provided insurance information and make a decision on which option to pursue the May 27, 2021 meeting.

ISSUES:

The PSERN Operator is currently functioning without insurance coverage. A policy should be established as soon as possible to protect both the Operator and the Board of Directors. In order to establish a policy an insurer and policy must be approved. Moreover, the related policy agreement must be executed.

Issue #1: Does the PSERN Operator approve of executing an agreement to establish an initial general liability insurance policy with the Washington Cities Insurance Authority (WCIA)?

Issue #2: Does the PSERN Operator approve of executing an agreement to establish an initial general liability insurance policy with Enduris Washington?

ANALYSIS:

This section provides an overview of the WCIA and Enduris Washington, as well as information on their relevant insurance policies. The issues noted in the above section are also addresses below.

Discussions have occurred with two Washington State-based insurance providers that could offer appropriate levels of coverage for the Operator both now and into the future. The insurers are the Washington Cities Insurance Authority (WCIA) and Enduris Washington. Staff are familiar with the WCIA and has communicated with various regional agencies that have acquired their insurance coverage through them. Through direct communication, staff have learned that the agencies contacted were satisfied with the policies, coverage, costs, and service acquired through the WCIA.

Enduris Washington is less known to staff. However, both insurers offer similar policies that are based on a shared risk pool and provide coverage and risk management solutions that are comprehensive. Enduris membership includes 540 local governments or special purpose districts that “pool” resources to share risk and reduce cost.

Both options require a review by the insurance carrier prior to establishing coverage. In this regard, the WCIA requires the execution of an interlocal agreement. This was included for review in the April Board of Directors (BoD) meeting materials packet. Also, approval will be needed by their governing board prior to establishing coverage. The next meeting of their governing board is early to mid-June 2021.

Enduris Washington requires the completion of an extensive application, which was also included for review in the April 2021 Board of Directors meeting materials packet. The execution of a master agreement will also be needed. The information requested in the

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coverage applications included details that will help inform the bases of future coverage (e.g. coverage for property, vehicles, and leases). In mid-April the application for the Enduris policy was submitted for their review. Based on this information Enduris developed a coverage proposal with an updated price schedule. These documents, as well as their master agreement, are provided in the materials packet for the May 27, 2021 meeting of the BoD and a summary of the price quote is included later in this report.

The following are key facts about the noted insurers and their relevant policy information.

Issue #1: Does the PSERN Operator approve of executing an agreement to establish an initial general liability insurance policy with the Washington Cities Insurance Authority (WCIA)?

- **Washington Cities Insurance Authority (WCIA)**

Washington Cities Insurance Authority (WCIA) is a municipal risk pool authorized under RCW 48.62, RCW 39.34 and WAC 200.100.010. Through Interlocal agreement, 161 cities and public entities create WCIA to self-insure their exposures. To establish coverage through the WCIA an interlocal agreement needs to be executed between the entity and WCIA. This agreement was included in the April 22, 2021 Board Materials packet for review.

Since the Operator, at this time, only has a governing board, WCIA offers a minimum policy, which includes general liability as well as coverage for Officers and Directors. The estimated annual cost for this initial level of coverage would be \$5,000. This provides for \$20 million in liability coverage. Property and auto rates are separate and will depend on the replacement cost of the property and actual cash value for vehicles. Also, rates would vary depending on the deductible choice. These additional coverages can be added to the policy at a later date.

As described in the WCIA Information Packet:

WCIA distinguishes itself from the private insurance industry by evaluating claims based upon legal liability not financial expediency. Annually, WCIA handles approximately 1,700 claims and lawsuits with over \$31 million being paid out on behalf of members in settlements and litigation defense costs. We believe in making good case law that benefits all public entities and actively litigate in the appeals courts, including the US Supreme Court. To reduce the number of claims and lawsuits, WCIA offers pre-loss services, allowing for legal consultation on potential actions which could give rise to liability such as Employment practices and Land Use.

WCIA advances effective risk management practices and procedures and requires active participation as an element of pool membership. Through comprehensive training and committed field risk management services there is a systematic reduction of loss exposures for members. The WCIA COMPACT [or general agreement requires...] all members to participate in training, risk management and pool governance.

WCIA's Risk Management team is experienced and skilled in municipal risks. Each member has an assigned Risk Management Representative that provides individual attention, personal communication and detailed risk analysis in support of the formal comprehensive COMPACT program. WCIA staff provides on-site risk management advice, conduct loss control inspections and offer training on specific exposures and controls. The Risk Management Representatives review indemnification hold harmless and insurance requirements in contracts and are always available to research and analyze liability questions and concerns. Questions or concerns that require a legal review are handled under our Risk Management Consultation Program and often result in Risk Management Bulletins that our available to all members.

As part of the COMPACT, members annually undergo a risk management audit regarding a specific department or loss exposure, i.e. police, employment, land use. The comprehensive audit reviews current policies and procedures with recommendations and mandatory requirements to ensure a reduction in risk exposures. WCIA has developed an extensive training and education program offering municipal risk management trainings statewide. Annually approximately 400 educational offerings are provided with approximately 13,000 attendees from the membership. WCIA collaborates with various municipal organizations resulting in an expanded offering of co-sponsored trainings. Members with travel restrictions benefit from our website's Virtual Classroom which offers On-Demand videos. In addition to the comprehensive training programs

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offered, WCIA provides a Member Reimbursement program to assist members in the professional development and accreditation of their staff. The membership receives reimbursements for municipal accreditations, individual and group certifications, and registration for association schools and institutes.

Issue #2: Does the PSERN Operator approve of executing an agreement to establish an initial general liability insurance policy with Enduris Washington?

- **Enduris Washington**

The Washington Governmental Entity Pool (WGEP) was organized in 1987 by four founding members who found liability insurance in the open market either unaffordable or unavailable. WGEP was established to provide risk financing to its member government entities for liability and property coverage. The Pool’s general objectives are to formulate, develop and administer on behalf of the members, a program of insurance that offers lower costs for broader coverage and comprehensive loss control programs. The Pool transfers its risk by buying reinsurance and excess insurance over the Pool’s self-insured retention. In 2008, WGEP changed its name to Enduris Washington.

Enduris is a premier risk sharing pool for special purpose districts in Washington. Their membership includes 544 local governments or special purpose districts that “pool” resources to share risk and reduce cost. Current membership includes:

- Adams County FPD numbers: 1 and 6
- King County FPD #45
- King County Water District numbers: 1, 19, 20, 49
- Klickitat County FPD numbers: 1, 3, 4, 11, 13, 14
- South King Fire & Rescue
- South Kitsap Fire & Rescue
- Spokane County FPD numbers: 2, 3, 5, 10, 12, 13,
- Stevens County FPD numbers: 1, 2, 5, 7, 9, 10, 11, 12, 13,
- Whatcom County FPD numbers: 11 and 17

In terms of estimated costs and coverage for the PSERN Operator, a quote for the Operator’s initial coverage was provided by Enduris on May 14, 2021. Information from the quote is provided below.

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If Puget Sound Emergency Radio Network Operator chooses to join Enduris, a commitment to remain in the Pool for one policy year is required with a 60 day notice to withdraw. The Enduris policy year begins September 1 and goes through August 31st. If you decide to join mid-term, the Enduris Annual Member Contribution will be prorated through August 31 2021.

Type of Coverage	Limit	Quote
General Liability (Based on 0 L&I hours)	\$20,000,000	\$2,610
Public Officials Errors and Omissions Liability	\$20,000,000	Included
Employment Practices Liability	\$20,000,000	Included
Automobile Liability	\$20,000,000	Included
Automobile Physical Damage	Schedule	\$0
Property – Blanket Coverage (Replacement Cost)	\$0	\$0
Equipment Breakdown, Boiler and Machinery	\$0	Included
Crime – Blanket Coverage	\$2,500	\$0
Identity Theft	\$25,000	Included
Cyber Coverage	\$100,000	Included
MRSC	Unlimited Access	Included
Employment Law Legal Consultations		Included
Pre-Claim Defense Program		Included
ANNUAL MEMBER CONTRIBUTION		\$2,610

This proposal is non-binding and is an indication of contribution based on information received and current rates. Rates and eligibility within the proposal are effective 60 days from date of presentation. Please consult the Enduris Memorandum of Coverage for actual policy language, conditions, and exclusions.

Given the above estimate from Enduris, the initial policy cost for the Operator’s pre-operations period would be \$2,610 annually. This includes the above noted types of coverage and stated limits. It should be noted that if the Operator chooses to directly hire staff the price quote will need to be adjusted higher to account for the related liability of directly employing staff.

At the start of operations additional coverage could be considered for expanding limits as well as adding property, vehicles, and crime coverage. A conservative budget for the expanded levels of insurance, based on the estimate provides by Enduris in 2019, would have an annual cost of approximately \$180,000.

- **Coverage Summary**

Table 1, noted below, provides a coverage comparison between the proposed policies offered by the WCIA and Enduris Washington:

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Coverage Type	Enduris Washington	WCIA
General Liability	\$20,000,000 in coverage	\$20,000,000 in coverage
Public Officials Errors and Omissions Liability	Included	Included
Employment Practices Liability	Included	Included
Auto Liability	Included	Included
Identity Theft	Included	With Additional Cost
Cyber Coverage	Included	Included
Premises Pollution Liability	With Additional Cost	Included
Employment Law Legal Consultations	Included	Included
Pre-Claim Defense Program	Included	Included
Annual Premium	\$2610	\$5000

ADDITIONAL INFORMATION:

It should be noted that there is no insurance funding in the Operator seed money. However, due to the low estimates for initial coverage, there should not be a substantial impact to the related budget. This is especially true since we are moving slower than we expected related to the hiring of the Operator’s Executive Director. As a result, there may be some net savings due to the current hiring timeline.

RECOMMENDATION:

PSERN staff recommends the following option for establishing the initial insurance policy for the PSERN Operator.

Issue #1: Does the PSERN Operator approve of executing an agreement to establish an initial general liability insurance policy with the Washington Cities Insurance Authority (WCIA)?

Due to the higher premium costs for comparable coverage offered from the Enduris, it is recommended by PSERN staff that the Operator not pursue a policy with the WCIA. Rather, a policy should be sought from Enduris Washington.

Issue #2: Does the PSERN Operator approve of executing an agreement to establish an initial general liability insurance policy with Enduris Washington?

Given the information provided by the two insurers, it is recommended that the PSERN Operator proceed with establishing an initial liability insurance policy with Enduris Washington. This will include the execution of their master agreement, which was shared as part of the May 2021 Board of Directors meeting materials packet.

CONCLUSION:

The preceding analysis explored insurance options for the PSERN Operator. The expectation is the Board of Directors will review the provided insurance information and make a decision on which option to pursue at the May 27, 2021 meeting. Depending on which option is selected, either the execution of the WCIA interlocal agreement or the Enduris Washington master agreement will be completed. At the time of the meeting Resolution 21-07 will formalize the BoD’s decision.

Staff Report Reference Documents:

1. Exhibit A - WCIA Interlocal Agreement
2. WCIA Information Packet 2019
3. WCIA Example ILA APPENDIX Signature Page
4. Enduris Washington Application

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5. Enduris Washington Master Agreement
6. Enduris Washington Quote Sheet
7. Resolution 21-07 - PSERN Operator Insurance and Related Agreement

RESOLUTION NO. 21-07

RESOLUTION TO APPROVE THE INSURANCE AND RELATED AGREEMENT FOR THE
PUGET SOUND EMERGENCY RADIO NETWORK (PSERN) OPERATOR

A **RESOLUTION** of the Puget Sound Emergency Radio Network Operator authorizing membership with Enduris for the purpose of providing liability and property insurance for the Puget Sound Emergency Radio Network Operator, approving a Master Agreement and authorizing execution thereof; and accepting a Memorandum of Insurance Coverages under such contract.

WHEREAS, the Puget Sound Emergency Radio Network Operator, is authorized, pursuant to Chapters 48.62 and 39.34 RCW, to join with other governmental entities of the State through an interlocal cooperation agreement for the purpose of providing property and liability insurance coverage for the Puget Sound Emergency Radio Network Operator.

WHEREAS, the Puget Sound Emergency Radio Network Operator hereby finds and determines that the best, most cost-effective means for securing such insurance is to become a member of Enduris Washington.

NOW, THEREFORE, BE IT RESOLVED by the PSERN Operator Board of Directors as follows:

Section 1. Master Agreement. The form of Master Agreement attached hereto as Appendix A is hereby approved: and the Chair of the Board is hereby authorized and directed to execute the Master Agreement on behalf of the Puget Sound Emergency Radio Network Operator.

Section 2. Severability. If any provision of this Resolution or the agreement authorized herein on behalf of the Puget Sound Emergency Radio Network Operator is declared by any court of competent jurisdiction to be contrary to law, such provision shall be null and void and deemed separable from the remaining provisions to assure continuous insurance coverage for the Puget Sound Emergency Radio Network Operator.

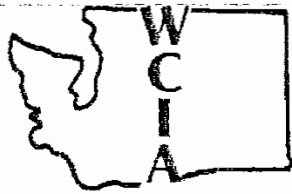
Section 3. If any portion of this resolution is declared unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining portions of the resolution.

Section 4. This resolution shall take effect immediately upon its passage.

ADOPTED at the regular meeting of the PSERN Operator Board of Directors, this 27th day of May 2021.

**PSERN OPERATOR
KING COUNTY, WASHINGTON**

Lora Ueland, Chair



INTERLOCAL AGREEMENT

CREATING THE WASHINGTON CITIES INSURANCE AUTHORITY

**INTERLOCAL AGREEMENT:
CREATING THE WASHINGTON CITIES
INSURANCE AUTHORITY**

THIS AGREEMENT is made and entered into in the State of Washington by and among the municipal corporations organized and existing under the Constitution or laws of the State of Washington, hereinafter collectively referred to as "**Member Cities**" or "**Cities**", and individually as "**Member City**" or "**City**" which are parties signatory to this Agreement and listed in Appendix A, which is attached hereto and made a part hereof. Said Cities are sometimes referred to herein as "**parties**".

RECITALS

WHEREAS, Ch. 48.62 RCW provides that two or more local governmental entities may, by interlocal agreement, jointly purchase insurance, jointly self insure, and/or jointly hire risk management services for any authorized purpose by any one or more of certain specified methods, and;

WHEREAS, each of the parties to this Agreement desires to join together with the other parties for the purpose of pooling their self-insured losses and jointly purchasing excess insurance and administrative services in connection with a Joint Protection Program for said parties, and;

WHEREAS, it appears economically feasible and practical for the parties to this Agreement to do so;

NOW, THEREFORE, for and in consideration of all of the mutual benefits, covenants and agreements contained herein, the parties hereto agree as follows:

ARTICLE I

Definitions

The following definitions shall apply to the provisions of the Agreement:

(a) "**Authority**" shall mean the Washington Cities Insurance Authority created by this Agreement.

(b) "**Board of Directors**" or "**Board**" shall mean the governing body of the Authority.

(c) "**Claims**" shall mean demands made against the Authority arising out of occurrences which are within the Authority's Joint Protection Program as developed by the Board of Directors.

(d) "**Excess Insurance**" shall mean that insurance purchased on behalf of the Authority to protect the funds of the Authority against catastrophes or an unusual frequency of losses during a single year.

(e) **"Executive Committee"** shall mean the Executive Committee of the Board of Directors of the Authority.

(f) **"Fiscal Year"** shall mean that period of twelve months which is established as the fiscal year of the Authority.

(g) **"Coverage"** shall mean and include self-insurance through a funded program and/or any commercial insurance contract.

(h) **"Executive Director"** shall mean that employee of the Authority who is appointed by the Board of Directors, and responsible for the management and administration of the Joint Protection Program of the Authority.

ARTICLE 2

Purpose

This Agreement is entered into by Cities in order to provide more comprehensive and economical liability coverage, to provide for the economical and self insurance pooling of risk exposures for all forms of insurance available or required by law for municipal corporations and for which State law authorizes the formation of pooling organizations to provide such insurance, to reduce the amount and frequency of Cities losses, and to decrease the cost incurred by Cities in the handling and litigation of claims. This purpose shall be accomplished through the exercise of the powers of Cities jointly in the creation of a separate entity, the Washington Cities Insurance Authority, to administer a Joint Protection Program wherein cities will jointly pool and self insure their losses and claims, and may jointly purchase excess insurance and administrative and other services including claims adjusting, data processing, risk management consulting, loss prevention, legal and related services.

It is also the purpose of this Agreement to provide, to the extent permitted by law, for the inclusion at a subsequent date of such additional municipal corporations organized and existing under the Constitution or laws of the State of Washington as may desire to become parties to this Agreement and members of the Authority, subject to approval by the Board of Directors.

It is also the purpose of this Agreement to provide, to the extent permitted by law, that the Authority may, in the discretion of its Directors, contract with non-member Cities or other municipal corporations in the State of Washington to provide, at a reasonable charge, such non-member Cities or municipal corporations administrative and other services including claims adjusting, data processing, risk management consulting, loss prevention and training.

ARTICLE 3

Parties to Agreement

Each party to this Agreement certifies that it intends to and does contract with all other parties who are signatories of this Agreement and, in addition, with such other parties as may later be added to and signatories of this Agreement pursuant to Article 19. Each party to this Agreement also certifies that the deletion of any party from this Agreement, pursuant to Articles 20 and 21, shall not affect this Agreement nor such party's intent to contract as described above with the other parties to the Agreement then remaining.

ARTICLE 4

Term of Agreement

This Agreement shall become effective on January 1, 1981, and shall continue for not less than three years until and unless terminated as hereinafter provided.

ARTICLE 5

Creation of Authority

Pursuant to Ch. 48.62 RCW, the debts, liabilities and obligations of the Authority shall not constitute debts, liabilities or obligations of any party to this Agreement.

ARTICLE 6

Powers of Authority

(a) The Authority shall have the powers common to Cities and is hereby authorized to do all acts necessary for the exercise of said common powers, including, but not limited to, any or all of the following:

- (1) To make and enter into contracts;
- (2) To incur debts, liabilities or obligations;
- (3) To acquire, hold or dispose of property, contributions and donations of property, funds, services and other forms of assistance from persons, firms, corporations and governmental entities;
- (4) To sue and be sued in its own name; and
- (5) To exercise all powers necessary and proper to carry out the terms and provisions of this Agreement, or otherwise authorized by law.

(b) Said powers shall be exercised pursuant to the terms hereof and in the manner provided by law.

ARTICLE 7

Board of Directors

(a) The Authority shall be governed by the Board of Directors which is hereby established and which shall be composed of one representative from each Member City who is an employee or official of that City, as appointed by the City Council, Commission, or appointing official of that City. Each City Council, Commission, or appointing official in addition to appointing a member of the Board, shall appoint at least one alternate who also shall be an officer or employee of that City. The alternate appointed by a City shall have the authority to attend, participate in and vote at any meeting of the Board when the regular member for whom he or she is an alternate is absent from said meeting.

(b) Each member or alternate of the Board shall be appointed for a one year term and until a successor is appointed. Each member or alternate shall serve at the pleasure of the City by which he or she has been appointed as long as he or she is an officer or employee of the City.

(c) Each member of the Board shall have one vote.

ARTICLE 8

Powers of the Board of Directors

The Board of Directors of the Authority shall have the following powers and functions:

(a) The Board may elect from its members, pursuant to Article 10 of this Agreement, an Executive Committee to which it may give authority to make and implement any decisions, including those involving the administration of the Authority, except those decisions that would require an amendment of this Agreement, under Article 26 herein.

(b) The Board may review all acts of the Executive Committee, and shall have the power to modify and/or override any decision or action of the Executive Committee upon a majority vote of the entire Board of Directors.

(c) The Board shall review, modify if necessary, and approve the annual operating budget of the Authority.

(d) The Board shall receive and review periodic accounting of all funds under Article 14 and 15 of this Agreement.

(e) The Board shall have the power to conduct on behalf of the Authority, all business of the Authority which the Authority may conduct under the provisions hereof and pursuant to law.

(f) The Board shall determine and select a Joint Protection Program for the Authority.

(g) The Board shall determine and select all necessary instruments of coverage to carry out the Joint Protection Program of the Authority.

(h) The Board shall have the authority to contract for or develop various services for the Authority, including, but not limited to claims adjusting, loss control and risk management consulting services.

(i) The Board shall appoint an Executive Director of the Authority and shall receive and act upon reports of the Executive Director.

(j) The Executive Director shall have the power to hire such persons as the Board authorizes for the administration of the Authority, including the "borrowing" of management-level employees from one or more of the Member Cities to assist in the development phase of the Joint Protection Program of the Authority, subject to the approval of the Member City. Any Member City whose employee is so "borrowed" according to this provision shall be reimbursed by the Authority for that employee's time spent or services rendered on behalf of the Authority.

(k) The Executive Director shall have the general supervisory control over the day-to-day decisions and administrative activities of the Authority.

(l) The Board shall have such other powers and functions as are provided for in this Agreement, including, but not limited to, the power to authorize the contracts with non-member Cities or municipal corporations and the "Authority", to provide services to such non-members as set forth in Article 2, upon such terms and conditions as the Director shall decide appropriate.

ARTICLE 9

Meetings of the Board of Directors

(a) **Meetings.** The Board shall provide for its regular, adjourned regular and special meetings; provided, however, that it shall hold at least one regular meeting annually.

(b) **Minutes.** The Board of the Authority shall cause minutes of regular, adjourned regular and special meetings to be kept and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each member of the Board and to each City.

(c) **Quorum.** A majority of the members of the Board shall constitute a quorum for the transaction of business, except that less than a quorum may adjourn from time to time. A vote of the majority of those members present at a meeting shall be sufficient to constitute action by the Board.

ARTICLE 10

Executive Committee

The Board of Directors may appoint at any time of the year during a Board meeting an Executive Committee of the Board of Directors which shall consist of an odd number of not less than five nor more than nine members, as determined by the Board of Directors. Two of the members of the Executive Committee shall be the President of the Board of Directors, and the Vice President of the Board of Directors; the remainder of the members, after their original election, shall be elected by the Board of Directors at the same time the officers of the Board are elected in January of each calendar year. The President of the Authority, or the Vice President in his or her absence, shall serve as the Chairperson of the Executive Committee. The Board of Directors may delegate any of the powers of the Board as outlined in Article 8 to the Executive Committee and may establish and delegate any other powers and duties the Board deems appropriate.

ARTICLE 11

Officers of the Authority

(a) **President and Vice President.** The Board shall elect a President and Vice President of the Authority at its first meeting, each to hold office for one year term and until successor is elected. Thereafter in January of each succeeding calendar year, the Board shall elect or re-elect the President and Vice President for the ensuing year. In the event the President or Vice President so elected ceases to be a member of the Board, the resulting vacancy in the office of President or Vice President shall be filled at the next regular or special meeting of the Board held after such vacancy occurs. In the absence or inability of the President to act, the Vice President shall act as President. The President, or in his or her absence, the Vice President, shall preside at and conduct all meetings of the Board and shall be a member and the Chairperson of the Executive Committee.

(b) **Executive Director.** The Executive Director shall have the general administrative responsibility for the activities of the Joint Protection Program and shall appoint all necessary employees thereof.

(c) **Treasurer.** The Treasurer shall be appointed by the Board and shall be a person other than the Executive Director. The duties of the Treasurer are set forth in Article 14 and 15 of this Agreement.

(d) **Attorney.** The Board of Directors shall select an attorney for the Authority. The attorney may be, but is not required to be, a City Attorney, from a Member City. In the event the attorney is precluded from acting because of a conflict of interest or legal impediment, or for other good reason, the Board may employ independent counsel as the attorney for the Authority. The attorney shall serve at the pleasure of the Board of Directors.

ARTICLE 12

Coverage

(a) The coverage provided for Member Cities by the Authority shall be defined by the Board and may allow or require protection for comprehensive liability, personal injury, errors and omissions, contractual liability, and such other areas of coverage as the State shall require or the Board shall determine.

(b) The Authority shall maintain a coverage limit for Member Cities determined by the Board of Directors to be adequate. The Board may arrange purchase of a group insurance policy for Member Cities interested in obtaining additional coverage above this limit, at an additional cost to those participating Cities.

(c) The Board may arrange for the purchase of any other insurance deemed necessary to protect the funds of the Authority against catastrophes.

ARTICLE 13

Development of the Joint Protection Program

(a) As soon as practicable after the effective date of this Agreement, but prior to the effective date of the Joint Protection Program, the Board of Directors shall adopt the Authority's Joint Protection Program, including the coverage provided for in Article 12, the amount of initial assessment, the precise cost allocation plan and formula, the pro forma financial statement of the Authority, and the amount and type of excess insurance which may be procured.

(b) The Joint Protection Program provided by the Authority shall extend to all city department operations except transit, aviation and hospitals, unless otherwise excluded by the Board of Directors.

(c) The initial assessment for each City shall be determined by the Board, in its discretion, based upon a fair formula which may consider, but not be limited to, total City worker hours, total City payroll, administrative experience of the City, the previous loss experience of the City, the liability risks of the City and the costs to the Authority of adding the City as a member.

(d) The cost allocation plan and formula adopted by the Board shall provide for an adjustment in the Member Cities' assessments at the end of the first year of operation, and annually thereafter, in order to produce an assessment for the following year for each City shall consider, but not be limited to, the following:

- (1) That amount of losses borne individually by the City, as determined by the Board; and
- (2) The City's share of pooled losses and other expenses, as determined by the Board; and
- (3) The City's contribution to a catastrophe fund and reserves for incurred-but-not-reported losses, and amount of such fund and reserves to be determined by the Board.

(e) The Board may at any time make additional assessment adjustments to correct any fund deficit as the Board deems necessary to maintain the financial integrity of the Authority..

(f) The Board shall adopt criteria for determining each City's annual share of pooled losses, expenses and contribution to a catastrophe fund which may include the City's payroll as compared to the total payroll of all Member Cities, the City's individual loss experience, and such other criteria as the Board may determine to be relevant.

(g) The annual readjustment of the amount of assessment shall be made and notices for readjusted assessment amounts and the next year's assessments shall be distributed at least ninety (90) days prior to the close of each fiscal year. This assessment amount, together with any readjusted amount due under paragraph (c) above, shall be due and payable on or before fifteen (15) days after the beginning of the fiscal year.

(h) Inasmuch as some Member Cities may experience an unusual frequency of losses during a single fiscal year, which could increase their final assessment substantially for that year and cause budgetary problems, the Board may provide for payment of a portion of

such assessment to be made over a period of time, not to exceed three years, plus reasonable interest.

ARTICLE 14

Accounts and Records

(a) **Annual Budget.** The Authority shall annually adopt an operating budget, pursuant to Article 8(c) of this Agreement.

(b) **Funds and Accounts.** The Authority shall establish and maintain such funds and accounts as may be required by state law and proper accounting practices. Books and records of the Authority shall be in the hands of the Treasurer and shall be open to any inspection at all reasonable times by representatives of Member Cities.

(c) **Executive Director's Report.** The Executive Director, within one hundred and twenty (120) days after the close of each fiscal year, shall give a complete written report of all financial activities for such fiscal year to the Board and to each Member City.

(d) **Annual Audit.** The Board may provide for a certified, annual audit of the accounts and records of the Authority such audit shall conform to generally accepted auditing standards. When such an audit of the accounts and records is made by a Certified Public Accountant, a report thereof shall be filed as a public record with each of the Member Cities. Such report shall be filed within six (6) months of the end of the year under examination.

(e) **Costs.** Any costs of the audit, including contracts with, or employment of, Certified Public Accountants, in making an audit pursuant to this Article, shall be borne by the Authority and shall be considered included within the term "administrative costs".

ARTICLE 15

Responsibility for Monies

(a) The Treasurer of the Authority shall have the custody of and disburse the Authority's funds subject to Board approval. He or she shall have the authority to delegate the signatory function to such persons as are authorized by the Board.

(b) A bond in the amount set by the Board, as outlined by State RCW shall be required of all officers and personnel authorized to disburse funds of the Authority, such bond to be paid for by the Authority.

(c) The Treasurer's duties shall include:

(1) Receive and receipt for all money of the Authority and place it in the treasury to the credit of the Authority;

(2) Be responsible upon his or her official bond for the safekeeping and disbursement of all of the Authority's money so held by him or her;

(3) Pay, when due, out of money of the Authority so held by him or her, all sums payable on outstanding debts of the Authority;

(4) Pay any other sums due from the Authority money only upon request for payment signed by the President of the Board or the Executive Director. The Board may designate an alternate signature for each; and

(5) Verify the report in writing on the first day of July, October, January and April of each year to the Authority and to Member Cities the amount of money held for the Authority, the amount of receipts since the last report, and the amount paid out since the last report.

ARTICLE 16

Responsibilities of the Authority

The Authority shall perform the following functions in discharging its responsibilities under this Agreement:

(a) Provide coverage by whatever means and methods the Board deems appropriate, including but not limited to a self-insurance fund and commercial insurance, as well as excess coverage and umbrella insurance, by negotiation or bid, and purchase, as necessary.

(b) Assist Cities in obtaining insurance coverages for risks not included within the basic coverage of the Authority.

(c) Assist each City's assigned risk manager with the implementation of that function within the City.

(d) Provide loss prevention and safety and consulting services to Cities as required.

(e) Provide claims adjusting and subrogation services for claims covered by the Authority's Joint Protection Program.

(f) Provide loss analysis by the use of statistical analysis, data processing, and record and file-keeping services, in order to identify high exposure operations and to evaluate proper levels of self-retention and deductibles.

(g) Provide for Cities, as needed, a review of their contracts to determine sufficiency of indemnity and insurance provisions.

(h) Conduct risk management audits to review the participation of each City in the program. The audit shall be performed by the Executive Director, or, at the discretion of the Board, an independent auditor may be retained by contract to conduct the audits.

(i) The Authority shall have such other responsibilities as deemed necessary by the Board of Directors in order to carry out the purposes of this Agreement.

ARTICLE 17

Responsibilities of Member Cities

Member Cities shall have the following responsibilities:

(a) The City Council, Commission, or appointing official of each City shall appoint a representative and at least one alternate representative to the Board of Directors, pursuant to Article 7 of this Agreement.

(b) Each City shall appoint an employee of the City to be responsible for the risk management function within that City, and to serve as a liaison between the City and the Authority as to risk management.

(c) Each City shall maintain an active safety officer and/or committee, and shall consider all recommendations of the Authority concerning the development and implementation of a loss control policy to prevent unsafe practices.

(d) Each City shall maintain its own set of records, as a loss log, in all categories of loss to insure accuracy of the Authority's loss reporting system.

(e) Each City shall pay its assessment and any readjusted assessment promptly to the Authority when due. After withdrawal or termination, each City shall pay promptly to the Authority its share of any additional assessment and accrued interest at a rate determined by the Board when and if required of it by the Board under Article 22 or 23 of this Agreement.

(f) Each City shall provide the Authority with such other information or assistance as may be necessary for the Authority to carry out the Joint Protection Program under this Agreement.

(g) Each City shall in any and all ways cooperate with and assist the Authority, and any insurer of the Authority, in all matters relating to this Agreement and covered losses, and will comply with all by-laws, rules and regulations adopted by the Board of Directors.

ARTICLE 18

Interim Period and Effective Date of Program

(a) **Interim Period.** Once this Agreement has been initially signed, the estimated deposit charge for each City shall be developed and presented to each City by written notice. Each City shall have thirty (30) days from the receipt of such notice to withdraw from the Agreement.

After the end of this thirty (30) day period, and prior to December 1, 1980, each City's actual deposit charge shall be determined. Each City which signed the Agreement shall be bound thereby unless the actual deposit charge for the first year exceeds the estimated deposit charge in the written notice. If the actual deposit charge exceeds the estimated deposit charge, a Member City may nevertheless, elect to proceed with its participation in the Joint Protection Program by informing the Authority, in writing, of its decision to that effect.

(b) **Effective Date.** After each City's actual deposit charge for the first year has been determined, written notice to that effect shall immediately be given to all Cities. The Joint Protection Program shall become effective thirty (30) days from the date of such notice.

(c) **Joint Protection Program.** After this Agreement becomes effective, the Authority shall develop the details of the Joint Protection Program more fully described in Article 12 and 13 of this Agreement.

ARTICLE 19

New Members

After the effective date of the Joint Protection Program is established by the Authority, according to the provisions of Article 18, additional Cities shall not be permitted to become signatories to this Agreement, or to enter the Joint Protection Program, during the first year of operation. Following the first year of operation, the Authority shall allow entry in the program of new members approved by the Board at such time during the year as the Board deems appropriate. Cities entering under this Article will be required to pay their share of organizational expenses as determined by the Board, including those necessary to analyze their loss data and determine their assessment.

ARTICLE 20

Withdrawal and Cancellation

(a) City Withdrawal From Authority Membership

(1) A Member City may withdraw as a party to this Agreement pursuant to requirements of Article 18.

(2) A Member City which signs the Agreement and enters the Joint Protection Program pursuant to Article 18 may not withdraw as a party to this Agreement and as a member of the Authority for a three-year period commencing on the effective date of the Joint Protection Program, as determined by Article 18.

(3) After the initial three-year non-cancelable commitment to the program, a Member City may withdraw from membership only at the end of any fiscal year of the Authority, provided it has given the Authority twelve months prior written notice of its intent to withdraw from this Agreement. Such notice shall be hand carried or mailed to the offices of the Authority by certified mail.

(4) Withdrawal of membership will result in automatic cancellation of such Member City's participation in the Joint Protection Program, any excess insurance and any other programs offered by the Authority effective the date of withdrawal. Further, the Authority reserves the right to non-renew said withdrawing Member City's coverage in any Authority program during such City's notice period.

(b) Authority Termination of City Membership

(1) The Authority shall have the right to terminate any City's membership in the Authority at any time. Such Termination of Membership shall be upon a majority vote of the Board of Directors present at a full Board meeting where such motion for termination of membership is presented. A City's termination of membership shall become effective no later than sixty (60) days after the date such motion is passed, but in no event shall membership extend beyond the last day of coverage in the current Authority program in which said City is a participant.

(2) For purposes of this section, Membership in the Authority consists of a Member City's right to have a representative on the Board of Directors and to vote on Board matters, and the right to participate or receive coverage in any Joint Protection Program, self-insured retention or excess insurance program, and to utilize any Authority services or programs.

(3) The Authority shall notify a City in writing of its intent to vote on a motion for Termination of Membership of the City at least 30 days before the meeting at which the motion is to be voted upon. The notification shall include reasons for the proposed Termination of Membership. The affected City has the right to be represented at the meeting where the motion for Termination of Membership is to be voted upon and will be provided an opportunity to address the Board members present if they so choose.

ARTICLE 21

Cancellation of Coverage

(a) The Authority shall have the right to cancel any Member City's participation in any coverage program offered by or through the Authority. The terms of such cancellation of coverage will be specified in each of the coverage documents for the Authority's various programs, except that excess coverage in any program shall automatically cancel effective the date of cancellation of its self-insured coverage. Further coverage in all Authority programs shall cease effective the date of Member City's voluntary withdrawal of membership from the Authority.

(b) The Authority may cancel any Member City's participation in any coverage program offered by or through the Authority without termination of the Member City's membership in the Authority. However, any City whose Membership in the Authority has been terminated pursuant to Article 20(B) shall automatically be canceled from participation in all coverage programs offered by or through the Authority as of the effective date of termination of membership.

ARTICLE 22

Effect of Withdrawal

(a) The withdrawal of any City from this Agreement shall not terminate the same and no City by withdrawing shall be entitled to payment or return of any assessment, consideration of property paid, or donated by the City to the Authority, or to any distribution of assets.

(b) The withdrawal of any City after the effective date of the Joint Protection Program shall not terminate its responsibility to contribute its share of funds to any fund or program created by the Authority until all claims, or other unpaid liabilities, covering the period the City was signatory hereto have been finally resolved and a determination of the final amount of payments due by the City or credits to the City for the period of its membership has been made by the Board of Directors. In connection with this determination, the Board may exercise similar powers to those provided for in Article 23(c) of this Agreement.

ARTICLE 23

Termination and Distribution

(a) This Agreement may be terminated any time during the first three noncancelable years by the written consent of all Member Cities, and thereafter by the written consent of three-fourths of the Member Cities; provided, however, that this Agreement and the Authority shall continue to exist for the purpose of disposing of all claims, distribution of assets and all other functions necessary to wind up the affairs of the Authority.

(b) Upon termination of this Agreement, all assets of the Authority shall be distributed only among the parties that have been Members of the Joint Protection Program, including any of those parties which previously withdrew pursuant to Article 20 or 21 of this Agreement, in accordance with and proportionate to their cash (including assessment) payments and property (at market value when received) contributions made during the term of this Agreement. The Board shall determine such distribution within six months after the last pending claim or loss covered by this Agreement has been finally disposed of.

(c) The Board is vested with all powers of the Authority for the purpose of winding up and dissolving the business affairs of the Authority. These powers shall include the power to require Member Cities, including those which were Member Cities at the time the claim arose or at the time the loss was incurred, to pay their share of any additional amount of assessment deemed necessary by the Board for final disposition of all claims and losses covered by this Agreement. A City's share of such additional assessment shall be determined on the same basis as that provided for annual assessments in Article 13(d) and (e) of this Agreement, and shall be treated as if it were the next year's annual assessment for that City, subject to the limits described in Article 13(h) of this Agreement.

ARTICLE 24

Provisions for By-Laws and Manual

As soon as practicable after the first meeting of the Board of Directors, and within the first twelve months of the Authority's existence, the Board shall cause to be developed Authority By-Laws and a policy and procedure manual to govern the day-to-day operations of the Authority. Each Member City shall receive a copy of any By-Laws, policy statement or manual developed under this Article.

ARTICLE 25

Notices

Notices to Member Cities hereunder shall be sufficient if mailed to the office of the City Clerk of the respective Member City.

ARTICLE 26

Amendment

This Agreement may be amended at any time by the written approval of two-thirds of all City Councils or Commissions of Cities signatory to it, or by an amendment adopted in the manner provided for in the By-Laws.

ARTICLE 27

Prohibition Against Assignment

No City may assign any right, claim or interest it may have under this Agreement, and no creditor, assignee or third party beneficiary of any City shall have any right, claim or title to any part, share, interest, fund, assessment or asset of the Authority.

ARTICLE 28

Agreement Complete

The foregoing constitutes the full and complete Agreement to the parties. There are no oral understandings or agreements not set forth in writing herein.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by Authorized officials thereof on the date indicated in the appropriate Appendix.

Washington Cities Insurance Authority

PO Box 88030
Tukwila, WA 98138
(206) 575-6046
Fax (206) 575-7426
www.wciapool.org

Washington Cities Insurance Authority (WCIA) is a municipal risk pool authorized under RCW 48.62, RCW 39.34 and WAC 200.100.010. Through Interlocal agreement, 161 cities and public entities create WCIA to self-insure their exposures. WCIA's mission is to take a leadership role to provide professional risk management and stable risk financing programs that respond to members' needs.

WCIA has over \$161 million in assets, of which \$60 million is undesignated member reserves to handle contingencies beyond predicted events. These are the strongest financials of any Washington risk pool. Through the use of an actuary, the group annually creates over \$35 million in assessments to cover liability and property risks. WCIA's administrative budget is approximately \$6.2 million, with \$1.8 million going directly back to the members in the form of training, reimbursements and legal assistance. WCIA believes the Full Board should be fully aware, and in control, of all pool operations-the insured's run the insurance company.

WCIA distinguishes itself from the private insurance industry by evaluating claims based upon legal liability not financial expediency. Annually, WCIA handles approximately 1,700 claims and lawsuits with over \$31 million being paid out on behalf of members in settlements and litigation defense costs. We believe in making good case law that benefits all public entities and actively litigate in the appeals courts, including the US Supreme Court. To reduce the number of claims and lawsuits, WCIA offers pre-loss services, allowing for legal consultation on potential actions which could give rise to liability such as Employment practices and Land Use.

WCIA advances effective risk management practices and procedures and requires active participation as an element of pool membership. Through comprehensive training, and committed field risk management services there is a systematic reduction of loss exposures for members. The WCIA COMPACT is a commitment made by all members to participate in training, risk management and pool governance. The COMPACT has received national honors from the Association of Governmental Risk Pools.

WCIA's Risk Management team is experienced and skilled in municipal risks. Each member has an assigned Risk Management Representative that provides individual attention, personal communication and detailed risk analysis in support of the formal comprehensive COMPACT program. WCIA staff provides on-site risk management advice, conduct loss control inspections and offer training on specific exposures and controls. The Risk Management Representatives review indemnification, hold harmless and insurance requirements in contracts and are always available to research and analyze liability questions and concerns. Questions or concerns that require a legal review are handled under our Risk Management Consultation Program and often result in Risk Management Bulletins that are available to all members.

As part of the COMPACT, members annually undergo a risk management audit regarding a specific department or loss exposure, i.e. police, employment, land use. The comprehensive audit reviews current policies and procedures with recommendations and mandatory requirements to ensure a reduction in risk exposures.

WCIA has developed an extensive training and education program offering municipal risk management trainings state wide. Annually approximately 400 educational offerings are provided with approximately 13,000 attendees from the membership. WCIA collaborates with various municipal organizations resulting in an expanded offering of co-sponsored trainings. Members with travel restrictions benefit from our website's Virtual Classroom which offers On-Demand videos.

In addition to the comprehensive training programs offered, WCIA provides a Member Reimbursement program to assist members in the professional development and accreditation of their staff. The membership receives reimbursements for municipal accreditations, individual and group certifications, and registration for association schools and institutes.

For more detailed information on all of our programs and services, please visit our website www.wciapool.org.

Claims and Litigation

The Authority believes that each member should have direct participation in its claims and litigation. We believe in evaluating claims based upon legal liability not financial expediency.

Our experienced in-house claim staff handles the majority of claims and lawsuits filed against the membership. Members are included throughout the claim and litigation process and their input is welcome and sought. The claims staff's detailed knowledge of municipal exposures, case law and case values allows for expeditious and fair claims handling. When claims require field contact, such as sewer back-ups, we contract with Evergreen Adjustment Service who also provides 24-hour emergency claim services.

When litigation is commenced WCIA hires experienced trial attorneys and allow them to pursue an aggressive defense, when warranted. Our membership is desirous of creating good case law, supporting their employees, and not encouraging frivolous litigation through nuisance settlements. The Authority also takes into account that our trial and appellate work can impact municipalities across the State. On average over 50% of all litigation is resolved with no payment made to the plaintiffs through motion practice and trial results.

Pre-Defense Review Program

In 1989, WCIA implemented a new program to assist Members with potential sensitive exposures. Our pre-emptive “damage control” perspective produced a program called Pre-Defense Review.

Program Description:

- Participation is voluntary. WCIA strongly encourages program use, but it is not a requirement for coverage and/or defense.
- Funding for the program comes from the WCIA Administrative Budget. Pre-Defense Review monies are not included in any individual member assessment calculation or loss cost.
- Discretion of the use of the program lies solely with the Risk Services Manager. The Risk Services Manager makes determination of the Pre-Defense progression, from incident to claim or litigation status. The program ends once a formal claims status is recognized. The Risk Services Manager controls assignment of the Pre-Defense Attorney. The same attorney usually continues as the Defense Attorney in any resulting litigation for the purpose of continuity.
- Communication and cooperation among team members are required for program success – the team includes the City Attorney, Member Human Resources staff, and particular Department staff, Risk Services Manager and Defense Attorney.

Procedure:

- WCIA Member Delegate notifies the WCIA of the request for help. Initial contact may be by phone but should always be followed up with a written request including all backup materials, correspondence, etc.
- The WCIA Risk Services Manager will determine if the Pre-Defense Program applies
- WCIA will assign the issue to the appropriate Defense Attorney.
- The assigned Attorney will contact the WCIA Member and work directly with them until the situation is resolved.

Examples of Program Usage:

- Harassment Complaint
- Disability Accommodation Issues
- Potential Termination

2019 COMPACT REQUIREMENTS SUMMARY

Organizational Attentiveness Requirements:

- Attend one of the three Full Board Meetings held annually
- Pay Assessments on Time – by January 31st postmark
- Appoint a WCIA Delegate and Alternate – update when changes occur
- Report Claims in a timely manner – per the Claims Manual policies online
- Complete requests for underwriting data accurately and in a timely manner

Educational Requirements:

- Attend three WCIA educational sessions
 - One session in a core topic area; core topics are correlated to areas of loss experience and/or best risk management practices.
Core Topics include: Employment, Law Enforcement, Land Use or WCIA staff trainings (Council Do's and Don'ts, WCIA Risk Management Trainings for General Risk Management, Fleet, Volunteer, Parks & Recreation, Special Events, Public Works, City Council Risk Management 101)
 - Two additional sessions in any topic area
- Delegates must attend at least one session

2019 Annual Audit:

Members will work with their assigned Risk Management Representative to select from one of three options that best meets the member's needs.

Option 1: Traditional Audit covering Public Works, Personnel, or Parks & Recreation Programs

Option 2: Targeted Risk Management Review to include a review of all or part of the following: Contracts/Right of Way Ordinances; Special Events/Facility Use Agreements; and/or Premises walk through and inspection for liability exposures.

Option 3: Loss and Exposure Reduction Plan: The member will work with their assigned Risk Management Rep to review their risk profile and loss runs to identify the member's top priorities, and then develop an action plan addressing 1-3 issues.

2019 Annual Review:

The Risk Management Representative reviews the following information:

- WCIA Liability, Auto, Property, Boiler and Machinery, Crime and Fidelity coverages, rates and deductibles, and any special programs
- Property & Auto Schedules
- Risk Profile and/or Current Liability Loss Runs
- COMPACT Status Report/WCIA Services/Stewardship Report
- Analysis of Loss History providing specific direction for training and/or consulting

Risk Services and Consultation Program

WCIA Risk Services Department provides an assortment of risk management services to assist the Membership. The following provides an overview of the various types of services available:

On-Site Analysis:

Your assigned Risk Management Representative is available for on-site analysis of risk management exposures common to municipal government, such as playground and building inspections. They are also available to attend meetings with department heads and/or staff to discuss your agency's particular risk management issues, and to provide New Member, New Delegate or New Department Head Orientations.

Liability Inquiries:

If you have a liability question or concern, your assigned Risk Management Representative is available to research and respond to you either by phone or by email.

Legal Consultations:

- Legal consultations are available to the Membership to include legal review of personnel policies or practices, land use issues, or other general liability issues that are not particular to a potential claim, but that require the assistance of an attorney.
- Funding for the program comes from the WCIA Administrative Budget. Legal consultation costs are not included in any individual Member assessment calculation.

Procedure:

- WCIA Member Delegate notifies the WCIA Risk Management Representative or Risk Services Manager of the consultation request, either by phone or by email. Any documents for review should be forwarded via email.
- The WCIA Risk Services Manager will determine if the Consultation Program applies, and will assign the issue to the appropriate Defense Attorney.
- The assigned Attorney will contact the WCIA Member and work directly with them until the situation is resolved.

Risk Reduction Grant Program

The Risk Reduction Grant Program is intended to supplement and support WCIA goals and the member's risk management programs, and reduce covered liability or property exposures for current WCIA members.

Types of Grants

WCIA will award two types of risk reduction grants to member agencies on an annual basis for specific, identifiable needs.

1. Mitigation Grants:

- For the reduction of liability and property exposures, examples of such exposures include premises liability to include trip and falls on sidewalks, automobile liability exposures, theft, police excessive force, etc. Mitigation grants will not be awarded to studies.
- The Risk Reduction Grant Committee will give priority consideration to projects that support the WCIA COMPACT, Action Plan, and Risk Management Goals, projects that mitigate high risk/claim incidents in the member's risk profile and/or loss reports, and projects that are ready to move forward immediately if grant funds are awarded.
- It is encouraged that all mitigation grants include a matching of funds or in-kind labor/services.
- Mitigation grants are not intended to replace routine maintenance.
- Joint applications from member entities will be considered.

2. Staff Development Grants:

- For education or staff development that is directly related to risk management, such as attendance at AGRIP or PRIMA conferences or the PRIMA Institute, as determined by the Grant Committee. Grant funds not intended for training already provided for by WCIA (i.e., such as Defense Driving, Certified Playground Safety Inspector).
- Member staff person applying for a staff development grant must:
 - Be a Member Employee
 - Perform the risk management function of the agency
 - Be the WCIA Claims contact, Delegate or Alternate. One application per Member. Reimbursement is subject to WCIA travel criteria.

Trainings and Reimbursements

2019 Education Summary

911 Communications

WCIA Training

- The Power of Resilience-How to Beat Dispatcher Burnout

Co-sponsored/Reimbursement Programs

- Association of Public-Safety Communications Officials (APCO) Project 33 Agency Training Program Certification
- Association of Public-Safety Communications Officials (APCO) Registered Public Leader (RPL)
- Association of Public-Safety Communications Officials (APCO) - National Emergency Number Association (NENA) WA 911 Forums
- Commission on Accreditation for Law Enforcement Agencies (CALEA) Accreditation
- Emergency Medical Services (EMS) Online Dispatch Training (Certifications or Re-Certifications)
- International Academies of Emergency Dispatch (IAED) Accreditation
- International Academies of Emergency Dispatch (IAED) Training (Certifications or Re-Certifications)
- International Association of Emergency Management (IAEM) Certified Emergency Manager (CEM)
- National Emergency Number Association (NENA) Emergency Number Professional (ENP)

Administration

WCIA Trainings

- Verbal De-Escalation Course **Exclusive*
- WSAMA (Washington State Association of Municipal Attorneys) WCIA Pre-Conference

Co-sponsored/Reimbursement Programs

- Association of Washington Cities (AWC) Webinar Series-Elected Officials Essentials
- Certified Information Systems Security Professional (CISSP)
- Municipal Research Services Center (MRSC) Webinar – A Legal Deep Dive-2019 Labor, Housing, and Privacy Bills
- Municipal Research Services Center (MRSC) Webinar – Affordable Housing and Homelessness Series, Part 1 of 3-Limitations of Homelessness Enforcement
- Municipal Research Services Center (MRSC) Webinar – Affordable Housing and Homelessness Series, Part 2 of 3-Legal Considerations and Case Studies in Affordable Housing
- Municipal Research Services Center (MRSC) Webinar – Crisis Communications-How to Respond Effectively When the Public is Watching
- Municipal Research Services Center (MRSC) Webinar-Ethical Considerations for Local Government Staff and Officials
- Municipal Research Services Center (MRSC) Webinar-Land Use Case Law Update-Summer 2019

Administration

Co-sponsored/Reimbursement Programs

- Municipal Research Services Center (MRSC) Webinar-PRA and OPMA Case Law Update
- Washington Municipal Clerks Association (WMCA) Northwest Clerks Institute Professional Development, Courses I, II, III or IV
- Washington Municipal Clerks Association (WMCA) Spring (aka Advanced) Academy/Fall Academy

Auto/Fleet

WCIA Trainings

- Evergreen Safety Council – EverSafe Defensive Driving (Classroom) **Exclusive*
- NW Safety Consultants – Behind the Wheel Driver Skills Course **Exclusive*
- WCIA Fleet Risk Management 101

Co-sponsored/Reimbursement Programs

- Criminal Justice Training Commission (CJTC) Vehicle Simulation Program
- Emergency Vehicle Operator Course (EVOC) – Police
- Emergency Vehicle Incident Prevention (EVIP) – Fire
- Pacific NW Fleet Managers Association (PFMA) WA Chapter Meeting

Employment

WCIA Trainings

- Managing Challenging Conversations
- New Supervisor Boot Camp
- Promoting a Workplace Free of Harassment, Discrimination and Retaliation **Exclusive*
- WCIA Human Resources Forums

WCIA Supervisory Skills Credentialed Program

- Building Supervisory Skills - 101, 201 and 301
- Employment Law for Supervisors

WCIA Supervisory Skills Credentialed Program-Continuing Education

- Approaching Supervisory Situations with Confidence
- Best Practices for Coaching, Counseling and Transitioning to Discipline
- Navigating the Performance Evaluation Process

Co-sponsored/Reimbursement Programs

- Association of Washington Cities (AWC) Labor Relations Institute
- Association of Washington Cities (AWC) Webinar-WA Paid Family & Medical Leave
- WA Department of Enterprise Services (DES)
 - DES-Crucial Conversations
 - DES-Fierce Conversations
 - DES-Leading Others
 - DES-Leading Teams
 - DES-Steps to Becoming a Supervisor
 - DES-Supervisor Essentials, Phase II
- Northwest Leadership Seminar
- Summit Law Group Webinars
- Washington Public Employer Labor Relations Association (WAPELRA) Fall Conference
- 2019 Washington Public Employer Labor Relations Association (WAPELRA) Autumn Training

Employment

Co-sponsored/Reimbursement Programs

- 2019 Washington Public Employer Labor Relations Association (WAPELRA) Spring Training

Fire

Co-sponsored/Reimbursement Programs

- Emergency Vehicle Incident Prevention (EVIP)
- International Academies of Emergency Dispatch (IAED) Emergency Fire Dispatcher Training (EFD) Certifications or Re-Certifications
- Lexipol-Fire
- Washington Fire Chiefs (WFC) Annual Fire Symposium

Land Use/ Planning

WCIA Trainings

- WCIA Land Use Liability Prevention **Exclusive*

Co-sponsored/Reimbursement Programs

- American Planning Association (APA) WA Chapter-Planning for Temporary Encampments
- International Code Council (ICC) Code Specialist
- International Code Council (ICC) Permit Technician Certification
- International Code Council (ICC) Property Maintenance Housing Inspector Certification
- International Code Council (ICC) Zoning Inspector Certification
- Planning Association of Washington (PAW) Annual Conference
- Planning Association of Washington (PAW) Boot Camps
- Washington Association of Building Officials (WABO) Annual Education Institute
- Washington Association of Code Enforcement (WACE) Spring Training Conference
- Washington State Association of Permit Technicians (WSAPT) Spring & Fall Conferences
- Washington Department of Commerce (COM) A Short Course on Local Planning

Law Enforcement

WCIA Trainings

- 21st Century Policing-Officer Safety-Reducing Your Risk Through Knowledge
- 21st Century Sergeants' Academy
- Best Practices for Responding to High Profile Incidents-the 3 AM Crisis
- Best Practices for Risk Managing Law Enforcement in the I-940 Era
- Law Enforcement Liability Update
- Risk Management Best Practices for Law Enforcement Report Writing
- Sergeants' Investigation of Force
- Use of Force: Core Principles
- Use of Force: Transformative Practices for Trainers and Supervisors
- Use of Force Considerations-Case Law Updates and Critical Review of Crisis Contacts

Co-sponsored/Reimbursement Programs

- Criminal Justice Training Commission (CJTC)
 - CJTC – Blue Courage Workshop, Course #1993
 - CJTC – Blue Courage Academy-Train the Trainer Workshop, Course #1992
 - CJTC – NW Law Enforcement Command College, Course #4320

Law Enforcement

Co-sponsored/Reimbursement Programs

- Criminal Justice Training Commission (CJTC)
 - CJTC – NW Law Enforcement Command College Executive Training Day, Course #4341
 - CJTC – Law Enforcement Records, Course #0941
 - CJTC – Property & Evidence Officer, Course #0613
 - CJTC – Pre-Supervisors, Course #4124
 - CJTC – First Level Supervision, Course #4127
 - CJTC – Middle Management, Course #4221
- Crisis Intervention Team Training (CIT)
 - CIT – 40HR Basic, King County, Course #8070
 - CIT – 40HR Basic, Statewide, Course #8062
 - CIT – King County, 8HR In-Service, Course #8071
 - CIT – King County Fire/EMS, 8HR In-Service, Course #8068
 - CIT – 8HR Corrections In-Service, King County, Course #8069
 - CIT – Statewide, 8HR In-Service, Course #5509
 - CIT – Force Options, Course #8080
 - CIT – Mental Health First Aid for Criminal Justice, Course #8078
 - CIT – Youth 8HR, Course #8076
- Emergency Vehicle Operator Course (EVOC)
- Law Enforcement Information and Records Association (LEIRA) Public Disclosure– Beginner & Advanced
- Lexipol Police, Custody-Jail
- WA Association of Sheriffs and Police Chiefs (WASPC) Accreditation
- WA Association of Sheriffs and Police Chiefs (WASPC) Loaned Executive Management Assistance Program (LEMAP)

Parks & Recreation

WCIA Trainings

- WCIA Parks and Recreation Forum-Risk Management Examination of Your Parks Employment Procedures
- WCIA Parks and Recreation Forum-Risk Management Review of Your Recreation Programs
- WCIA Risk Management 101 Training for Parks Facilities, Senior Centers, Special Events and Volunteers

Co-sponsored/Reimbursed Programs

- Aquatic Facility Operator (AFO) Certification
- Certified Parks and Recreation Professional or Executive (CPRP)
- Certified Playground Safety Inspector (CPSI)
- Commission for Accreditation of Park and Recreation Agencies (CAPRA)
- International Northwest Parks and Recreation Association (INPRA) Pacific Northwest Resource Management School
- International Society of Arboriculture (ISA) Certifications
- International Society of Arboriculture (ISA) Tree Risk Assessment Qualification
- National Swimming Pool Foundation (NSPF) Certified Pool Operator (CPO) Certification
- WRPA Aquatics Skill Builder-Not on Your Watch and Training Better Trainers
- WRPA Fall Summit
- WSU Integrated Pest Management (IPM) Programs

Public Officials

WCIA Trainings

All **Exclusive Trainings*

- Council Do's and Don'ts
- Land Use Decision Making
- Leadership Fundamentals for Elected Officials
- Employment Law Fundamentals for Elected Officials
- ABCs for the BCCs
- Respecting the Roles of Policy Makers and Administrators

Co-sponsored/Reimbursement Programs

- Association of Washington Cities (AWC) Webinar Series-Elected Officials Essentials
- Municipal Research Services Center (MRSC) Webinar-Ethical Considerations for Local Government Staff and Officials
- Municipal Research Services Center (MRSC) Webinar-PRA and OPMA Case Law Update
- Planning Association of Washington (PAW) Annual Conference
- Planning Association of Washington (PAW) Boot Camps
- Washington Department of Commerce (COM) A Short Course on Local Planning

Public Works

WCIA Trainings

- Flagger Certification & Re-Certification, WAC 296-155-305-7 **Exclusive*
- WCIA Contracts, Indemnification Language, Insurance Requirements
- WCIA Public Works Forum
- WCIA Public Works Risk Management 101

Co-sponsored/Reimbursement Programs

- American Public Works Association (APWA) Accreditation
- American Public Works Association (APWA) Certified Public Fleet Professional (CPFP)
- American Public Works Association (APWA) Certified Public Infrastructure Inspector (CPII)
- American Public Works Association (APWA) Certified Stormwater Manager (CSM)
- American Public Works Association (APWA) Northwest Public Works Institute
 - Public Works Essentials
 - Developing Leaders
 - Public Works Leadership Skills
- American Public Works Associations (APWA)
The Contract Administration and Education Committee (CAEC) PRO: Back to Basics
- International Municipal Signal Association (IMSA) Certifications
- National Stormwater Center-Certified Stormwater Inspector-Municipal

WCIA Trainings

WCIA Trainings

*All *Exclusive Trainings*

- WCIA Anti-Harassment Training
- WCIA Council Do's and Don'ts
- WCIA Orientations
 - New Member, New City Manager, Claims Contact, Delegate or Alternate
 - Police Chief, City Attorney, HR Manager

Online Trainings

Available 24/7 thru the WCIA Online Academy

WCIA Online Academy

To see a list of trainings offered through the WCIA Online Academy:

- Go to www.wciapool.org and click *Training & Education*.
- Click *Virtual Classroom* and click on *WCIA Online Academy* logo.
- <http://www.wciapool.org/education-training/virtual-classroom>

Member Reimbursement Program

WCIA offers members limited reimbursement of municipal trainings, schools and institutes offering certifications and accreditations. Members register, attend and pay first, then submit for reimbursement

ACCREDITATIONS

- **911 Communications** – APCO Project 33 Agency Training Program Certification
- **911 Communications** – International Association of Emergency Dispatch (IAED) Accreditation
- **Parks** – Commission for Accreditation of Park and Recreation Agencies (CAPRA)
- **Police** – WA Association of Sheriffs and Police Chiefs (WASPC) Loaned Executive Management Assistance Program
- **Police** – WA Association of Sheriffs and Police Chiefs (WASPC) Accreditation
- **Police, Fire, Custody-Jail** – Lexipol (Initial subscription and Annual Daily Training Bulletins)
- **Police or 911 Communications** – Commission on Accreditation for Law Enforcement Agencies (CALEA)*
- **Public Works** – American Public Works Association (APWA) Accreditation

GROUP CERTIFICATIONS

- **911 Communications** – EMS Online Dispatch Training (Certifications or Re-Certifications)
- **911 Communications** – International Association of Emergency Dispatch (IAED) Training (Certification or Re-Certifications)
- **Administration** – AWC Elected Officials Essentials Webinar Series
- **Administration** – Cyber Security Awareness Online Training
- **Fire** – International Academies of Emergency Dispatch (IAED) Emergency Fire Dispatcher Training Certifications or Re-Certifications
- **Fire** – Emergency Vehicle Incident Prevention (EVIP)
- **Police** – Emergency Vehicle Operator Course (EVOC)
- **Personnel** – AWC Webinar-WA Paid Family & Medical Leave
- **Personnel** – Summit Law Group Webinars
- **Police** – Emergency Vehicle Operator Course (EVOC)
- **Police** – Fire Arms Simulations Training (FATS or PRISim)
- **Police** – International Academies of Emergency Dispatch (IAED) Emergency Police Dispatcher Training (EPD) Certifications or Re-Certifications
- **Public Works** – Flagger Certification or Re-Certification-Onsite Exclusive Training

INDIVIDUAL CERTIFICATIONS

- **911 Communications** – APCO Registered Public Leader (RPL)
- **911 Communications** – APCO-NENA WA Forums
- **911 Communications** – International Association of Emergency Management (IAEM) Certified Emergency Manager (CEM)
- **911 Communications** – NENA Emergency Number Professional (ENP)
- **Administration** – Certified Information Systems Security Professional (CISSP)
- **Administration** – MRSC Webinar-A Legislative Deep Dive-2019 Labor, Housing and Privacy Bills

INDIVIDUAL CERTIFICATIONS

- **Administration** – MRSC Webinar-Affordable Housing and Homelessness Series, Part 1 of 3-Limitations of Homelessness Enforcement
- **Administration** – MRSC Webinar-Affordable Housing and Homelessness Series, Part 2 of 3-Legal Considerations and Case Studies in Affordable Housing
- **Administration** – MRSC Webinar-Crisis Communications-How to Respond Effectively When the Public is Watching
- **Administration** – MRSC Webinar-Ethical Considerations for Local Government Officials and Staff
- **Administration** – MRSC Webinar-Land Use Case Law Update-Summer 2019
- **Administration** – MRSC Webinar-PRA and OPMA Case Law Update
- **Administration** – NW Safety Consultants-Behind the Wheel Driver Skills Course
- **Administration** – WMCA Fall Academy
- **Administration** – WMCA Spring (aka Advanced) Academy
- **Administration** – WMCA NW Clerks Institute Professional Development (I, II, III & IV)
- **Land Use/Planning** – American Planning Association (APA) WA Chapter-Planning for Temporary Encampments
- **Land Use/Planning** – ICC Code Specialist
- **Land Use/Planning** – ICC Permit Technician Certification
- **Land Use/Planning** – ICC Property Maintenance Housing Inspector Certification
- **Land Use/Planning** – ICC Zoning Inspector Certification
- **Land Use/Planning** – PAW Annual Conference
- **Land Use/Planning** – PAW Boot Camps
- **Land Use/Planning** – WA Association of Building Officials (WABO) Annual Education Institute (Cost of registration for 1 day)
- **Land Use/Planning** – WA Association of Code Enforcement (WACE) Spring Training Conference
- **Land Use/Planning** – WA State Association of Permit Technicians (WSAPT) Spring & Fall Conferences
- **Parks** – Aquatic Facility Operator Certification (AFO)
- **Parks** – Certified Parks and Recreation Professional or Executive (CPRP)
- **Parks** – Certified Playground Safety Inspector (CPSI)
- **Parks** – International Society of Arboriculture (ISA) Tree Risk Assessment Qualification
- **Parks** – International Society of Arboriculture (ISA) Certifications
- **Parks** – INPRA Pacific Northwest Resource Management School
- **Parks** – NSPF Certified Pool Operator (CPO)
- **Parks** – Washington State Association of Senior Centers (WSASC) Annual Conference
- **Parks** – WSU Integrated Pest Management (IPM) Program
- **Personnel** – AWC Labor Relations Institute (LRI)
- **Personnel** – DES Crucial Conversations
- **Personnel** – DES Fierce Conversations
- **Personnel** – DES Leading Others
- **Personnel** – DES Leading Teams
- **Personnel** – DES Steps to Becoming a Supervisor
- **Personnel** – DES Supervision Essentials-Phase II
- **Personnel** – Northwest Leadership Seminar
- **Personnel** – WAPELRA Fall Conference

INDIVIDUAL CERTIFICATIONS

- **Personnel** – 2019 WAPELRA Autumn Training
- **Personnel** – 2019 WAPELRA Spring Training
- **Police** – Criminal Justice Training Commission (CJTC) NW Law Enforcement Command College, Course #4320
- **Police** – Criminal Justice Training Commission (CJTC) NW Law Enforcement Command College Executive Training Day, Course #4341
- **Police** – Criminal Justice Training Commission (CJTC) Blue Courage Academy-Train the Trainer, Course #1992
- **Police** – Criminal Justice Training Commission (CJTC) Blue Courage Workshop
- **Police** – Criminal Justice Training Commission (CJTC) Law Enforcement Records
- **Police** – Criminal Justice Training Commission (CJTC) Property & Evidence Officer
- **Police** – Criminal Justice Training Commission (CJTC) First Level Supervision
- **Police** – Criminal Justice Training Commission (CJTC) Pre-Supervisors
- **Police** – Criminal Justice Training Commission (CJTC) Middle Management
- **Police** – LEIRA Public Disclosure-Advanced
- **Police** – LEIRA Public Disclosure-Beginner
- **Police** – Law Enforcement: Verbal S.W.A.T. Strategies with Authority and Tact
- **Public Works** – APWA Certified Public Fleet Professional (CPFP)
- **Public Works** – APWA Certified Public Infrastructure Inspector (CPII)
- **Public Works** – APWA Certified Stormwater Manager (CSM)
- **Public Works** – APWA Northwest Public Works Institute – 3 Part Series
- **Public Works** – APWA CAEC Pro – Back to Contract Basics
- **Public Works** – International Municipal Signal Association Certification Programs (IMSA)
- **Public Works** – National Stormwater Center – Certified Stormwater Inspector-Municipal
- **Public Works** – Flagger Certification/Re-Certification

APPENDIX *.** TO INTERLOCAL AGREEMENT
CREATING THE WASHINGTON CITIES
INSURANCE AUTHORITY**

WHEREAS, in 1980 the Cities of Mercer Island, Mountlake Terrace, Olympia, Kirkland, Marysville, Lacey, Kent, Everett and Des Moines did enter into and sign an Interlocal Agreement, as authorized by CH 48.62 RCW, for the creation of and operation of a liability self-insurance pool for the mutual protection and benefit of said entities known as the Puget Sound Cities Interlocal Insurance Authority; and,

WHEREAS, on March 13, 1986, the Board of Directors of the Authority did pass a motion to change the name to Washington Cities Insurance Authority. Said change is also ratified by new members; and,

WHEREAS, the above referenced Interlocal Agreement provides in Article 19 for the addition of new members to said Authority after one year of operation as determined by vote of the Board of Directors of said Authority; and,

WHEREAS, Article IV, Section 8 of the Bylaws of the Washington Cities Insurance Authority provides the procedure for the admission of new members to said Authority; and,

WHEREAS, on **Date Passed by EC**, the Executive Committee of the Washington Cities Insurance Authority did pass a motion authorizing and inviting **Entity Name** to become a new member of said Authority; and,

WHEREAS, **Entity Name** by decision of its respective legislative and executive authorities, has decided to become a new member to the Washington Cities Insurance Authority commencing on **Date Joining**;

NOW THEREFORE, for and in consideration of all of the mutual benefits, covenants, and agreements contained herein, **Entity Name** by signature of its respective authorized representative to this **APPENDIX ***.**** to the original Interlocal Agreement, do hereby agree to be bound to all the terms, conditions, and covenants of the original Interlocal Agreement creating the Washington Cities Insurance Authority and all previous

appendixes, which are incorporated by reference herein and to become members of said Authority commencing at **12:01 a.m. on Date Joining**.

The new member whose representative signs this **APPENDIX ***.**** agree that they shall be bound to the original Interlocal Agreement and all previous appendixes, and to which the **APPENDIX ***.**** is attached; and further agree that they shall be bound by all provisions and terms of the Bylaws for the Washington Cities Insurance Authority as they now exist or may be amended in the future. The new member whose representative signs this agreement shall have the benefits of the Joint Protection Programs and obligations thereto as provided by the Washington Cities Insurance Authority commencing at **12:01 a.m., Date Joining**.

IN WITNESS WHEREOF, the party hereto has executed this **APPENDIX ***.**** to the Interlocal Agreement creating the Washington Cities Insurance Authority by authorized official thereof, on the date indicated below.

DATE: _____ BY: _____

TITLE: _____

ATTEST: _____

DATE: _____



1610 S. Technology Blvd, Suite 100 | Spokane, WA 99224 | T. 800-462-8418 | F. 509-747-3875 | www.enduris.us

Membership Application

Date Submitted _____ Proposed Effective Date _____

General Information

Entity Name: Puget Sound Emergency Radio Network (PSERN)

Street Address, City, Zip: _____

Mailing Address, City, Zip: _____

County: King

Phone: _____

Fax: _____

E-mail: _____

Contact Person/Title: _____

Expiring Insurance Carrier None

Expiring Insurance Premium \$0.00

What is the reason(s) this district decided to join Enduris? _____

Elected/Appointed Officials

Total # Elected Officials

Total # Appointed Officials

Please list all elected/appointed officials. Attach a separate sheet if necessary.

- | | |
|------------------------|-------------------|
| 1) Name _____ | Position _____ |
| Address _____ | Phone & Fax _____ |
| City, State, Zip _____ | E-Mail _____ |

<p>2) Name _____</p> <p>Address _____</p> <p>City, State, Zip _____</p>	<p>Position _____</p> <p>Phone & Fax _____</p> <p>E-Mail _____</p>
<p>3) Name _____</p> <p>Address _____</p> <p>City, State, Zip _____</p>	<p>Position _____</p> <p>Phone & Fax _____</p> <p>E-Mail _____</p>
<p>4) Name _____</p> <p>Address _____</p> <p>City, State, Zip _____</p>	<p>Position _____</p> <p>Phone & Fax _____</p> <p>E-Mail _____</p>
<p>5) Name _____</p> <p>Address _____</p> <p>City, State, Zip _____</p>	<p>Position _____</p> <p>Phone & Fax _____</p> <p>E-Mail _____</p>
<p>6) Name _____</p> <p>Address _____</p> <p>City, State, Zip _____</p>	<p>Position _____</p> <p>Phone & Fax _____</p> <p>E-Mail _____</p>

AGENT TO RECEIVE CLAIMS (RCW 4.96.020):

Is the district compliant with RCW 4.96.020? Has the district filed an appointment of an agent to receive claims with the county Auditor’s office? Yes No

If no, please go to enduris.us/claims/agent to receive claims for more information.

As a means of communication, Enduris provides a copy of the members’ annual report to each member (district/entity) and a copy for each governing board member. If you would like to increase or decrease the quantity, please indicate that amount _____

Operations

Total annual Labor & Industry Hours
(Even if zero)

Full Time Employees # Part Time Employees # Volunteers

#Elected Officials Elected to your governing board #Appointed Officials Appointed to your governing board

Total current budget Net operating budget (do not include capital improvements or debt payment) Total annual payroll Gross salaries (do not include benefits)

Have you had a reduction in work force or terminated an employee in the last three years? Yes No

If yes, please explain? _____

Was it amicable and reciprocal? Yes No

Tenants

Do you have tenants for any property or buildings you own? Yes No

If yes, how many?

Vans

Does the district have any vans? Yes No

What is the purpose/use of the van? _____

Do you routinely transport non-employees? Yes No

Do you travel more than 25 miles from your headquarters? Yes No

Vehicle Schedule

Optional Coverage

Automobile Physical Damage

Deductible ¹ \$250 \$500 \$1,000 (circle one)

Member Vehicle ID <i>(if applicable)</i>	Year	Make	Model	Description	VIN <i>Last 4 digits</i>	GWT ²	Replacement Cost ³ <i>(vehicles valued over \$50,000 only)</i>
Note – Any vehicles valued at or below \$50,000 will be listed as ACV (Actual Cash Value) or SV (Stated Value) ⁴ .							
							\$
							\$
							\$
							\$
							\$
							\$
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							\$
							\$
							\$
							\$
							\$
							\$
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							\$
							\$
							\$
							\$
							\$

¹ **Deductible** – \$1000, \$500 and \$250 includes both collision and comprehensive.

² **GWT** – Vehicle’s gross weight. Not required for private passenger vehicles.

³ **Replacement Cost** – Enduris will pay for the cost to replace the entire covered vehicle and its equipment at the time of loss with a comparable like kind and quality vehicle and comparable like kind and quality attached equipment.

⁴ **Stated Value** – Enduris will pay for the cost or repairing the damaged or stolen property with a part or parts of like kind in quality, without deducting depreciation, up to and including the stated insured value.

Mobile Equipment Schedule

List equipment valued over \$25,000 separately
 Please list all equipment under \$25,000 in one lump sum

Member Equipment ID	Description	Department	Year	Make	Equipment ID Number	Stated Value
						\$
						\$
						\$
						\$
						\$
						\$
						\$
						\$
						\$
						\$
						\$
						\$
						\$
						\$
						\$
						\$
						\$
						\$
						\$

Mobile Equipment Coverage includes those items that are movable and more than 100 feet from the premises. Mobile equipment applies to tools (hand and machine); items such as unlicensed mobile equipment, cellular telephones, backhoes, snowplows, graders, loaders, dozers, tractors, cranes; fire equipment (example: hoses, nozzles, ladders, uniforms); and any other equipment. The mobile equipment items need to be scheduled on the above form and need to show the value for each item.

Note: Mobile Equipment differs from contents in that contents coverage applies to all contents and personal property of every description belonging to the member and located in the described building location

Property

Statement of Location Values

Description	Address	City/State/Zip	Structure Replacement Value	Contents Replacement Value (Including home offices)	Total Replacement Value (Structure + Contents)
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$



Property Information Form (information required by excess property underwriters)

Please complete one form for EACH property location you wish to add. Make additional copies of form if necessary.

Member: _____ **#:** _____ **Date:** _____

Property Description: _____

Physical Address: _____

City: _____ Zip Code: _____

Select one: Own Lease Home Office

Building Replacement Cost per Marshall & Swift Construction

Structure Value: \$ _____

Contents Value: \$ _____

Select one construction type only:

Class	Construction Type	Square Footage
A	Non Comb Steel Frame	_____
B	All Reinforced Concrete	_____
C	Masonry Const/Wood Roof	_____
C1	Masonry Const/Non-Comb Roof	_____
C3	Concrete Block/Non-Comb Roof	_____
C4	Concrete Block/Comb Roof	_____

Class	Construction Type	Square Footage
CB	Concrete Block	_____
D	Wood Frame	_____
FR	Fire Resistive	_____
M	Mixed Non-Comb/Comb	_____
S	All Steel	_____

Building Information

Number of Stories	_____
Year Built	_____
Occupancy *	_____
Year Last Appraised	_____ / \$
Entry Alarm	Y / N
Fire Alarm	Y / N
Sprinklers _____ %	Y / N

*** Occupancy** *some examples include*

- Fire Station
- Industrial
- Park & Recreation
- Office/Admin.
- Residential
- Library
- Parking Garage
- Retail

If New Construction, Begin

Date: _____

Notes/Comments: _____

Signature _____

Date _____

Five-Year Loss History

Please list all claims for the past **5 years**. If you do not have any claims, please state this on your district letterhead and return with the application.

Date of Loss	Type of Loss	Description of Loss	Paid to Date	Reserved	Status (Open/Closed)	Notes



Crime coverage is optional and may be obtained in two different forms – **Blanket** and **Named Position**. The difference between Blanket and Named Position coverage is just as it appears. Named Position covers loss by the employee(s) listed, while Blanket covers loss by *any* employee or volunteer.

Government **CRIME** Policy includes the following coverages:

- Employee Theft – Per Loss Coverage
- Forgery or Alteration
- Inside the Premises – Theft of Money and Securities
- Inside the Premises – Robbery & Safe Burglary of Other Property
- Outside the Premises (Money, Securities and Other Property)
- Computer Fraud
- Funds Transfer Fraud
- Money Orders & Counterfeit Money

BLANKET		NAMED POSITION	
Available limits and associated costs		Available limits and associated costs	
Limit	PY 2021 Rate	Limit	PY 2020 Rate
\$2,500	\$0	5,000	75
5,000	75	7,500	85
10,000	130	10,000	110
25,000	195	25,000	130
50,000	390	50,000	195
100,000	530	75,000	225
250,000	855	100,000	260
350,000	985	250,000	530
500,000	1,175	500,000	855
750,000	1,770	1,000,000	1,695
1,000,000	2,350		

Blanket Coverage Amount \$ _____

Named Position Coverage:

Name	Position	Amount
_____	_____	\$ _____
_____	_____	\$ _____

_____ \$ _____

Entity Name: _____

Prior Acts Coverage

Insurance jargon can be very confusing, but Prior Acts coverage is an important concept to understand. Prior Acts coverage may be appropriate if your current Errors and Omissions, and Employment Practice Liability policies are "claims-made" policies. In a "Claims-Made" insurance policy, the insurer agrees to pay all claims that happen AND are presented during the policy period.

In an "Occurrence" form, claims are considered for incidents which occur during the policy period covered, regardless of when they are reported. When changing from a "Claims-Made" to an "Occurrence" policy there can be a gap in coverage if the incident occurred in a prior policy period but is not reported until a subsequent policy period.

EXTENDED REPORTING PERIOD

You should be able to purchase an "extended reporting period" for your claims-made policy through your old carrier. The Washington State Insurance Commissioner requires your prior carrier to provide you a quote for this coverage. However, that does not mean the quote will be reasonably priced.

WE CAN FIX THAT PROBLEM

Enduris has coverage available to cover this gap with Prior Acts Coverage. Please review the Errors and Omissions, Employment Practices or Management Liability section of your prior policy. If your policy states the coverage is "Claims-Made," then be sure to ask for prior acts coverage. You may request **Basic Limits** of Prior Acts Coverage at no additional cost to your district. **Basic Limits** match your expiring policy limits, up to \$10,000,000 per year for each of the prior 3 years. We can quote additional limits at your request.

Your prior policy Declaration Page must accompany your request for coverage.

If you are in need of prior acts coverage, please include your prior Declaration Sheet (DEC) (first page of your current Errors & Omissions, EPL or Management Liability policy).

- Yes**, our prior policy is "Claims-Made" and we would like to include the Basic Limits of Prior Acts Coverage that Enduris includes at no additional cost.
- Yes**, we are interested in a quote for Prior Acts Coverage in addition to the **Basic Limits**

included above. A representative from Enduris will contact you.

- DEC sheet enclosed**

- I am not interested in Prior Acts Coverage.**

If you are not interested in Prior Acts coverage please read and sign the following:

I understand the information provided regarding Prior Acts and **OPT NOT** to purchase this coverage.

Signature

District Name

Date

Declaration

1. Is any person or entity proposed for coverage aware of any fact or circumstance or any actual or alleged act, error or omission, at the date this application is signed, which might give rise to a claim that would fall within the scope of the proposed coverage?

Yes ___ No ___ If "yes" please attach details.

2. Does any director, officer, manager, supervisory, employee or partner have knowledge of any circumstances, at the date this application is signed, which could reasonably give rise to a claim or any reasonable way to foresee that a claim may be brought?

Yes ___ No ___ If "yes" please provide a full description of any circumstances.

3. Has the entity or any person representing the entity been sued in the last three (3) years?

Yes ___ No ___ If "yes" please attach details.

4. Are there any current employee issues that may lead to a claim?

Yes ___ No ___ If "yes" please attach details.

5. Are there any other property and/or liability insurance policies you buy outside of Enduris?

Yes ___ No ___ If so, please list them on a separate sheet.

To the best of my knowledge and belief, the information provided in connection with this application is true and there are no material facts withheld. I acknowledge any information withheld may void coverage.

NOTICE

I understand that the signing of this application does not bind me to complete the intergovernmental contract, but agree that should an intergovernmental contract be signed, this application and the statements herein contained shall form the basis of and become a part of the coverage document and intergovernmental contract.

Signature of Authorized
Representative

District Name

Print Name

Date

Title

Return completed application to:

Enduris

1610 S. Technology Blvd, Ste. 100

Spokane, WA 99224

MASTER AGREEMENT



**MASTER AGREEMENT
ENDURIS**

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MASTER AGREEMENT ENDURIS

This Agreement is made and entered into by the undersigned Entities who, upon execution of this Agreement, will become Members of Enduris (formerly WGEP).

WHEREAS, the laws of the state of Washington, specifically Chapter 48.62 RCW, permit various local entities to form together into a pool pursuant to the Interlocal Cooperation Act (Chapter 39.34 RCW) for joint self-insuring and/or for the joint purchase of insurance;

NOW, THEREFORE, the undersigned executes this Agreement in consideration for other Entities executing this Agreement for the purpose of joining and establishing a risk pool known as Enduris (formerly WGEP). The undersigned agrees to abide by the terms and conditions of this Agreement and all actions taken pursuant to this Agreement. In consideration of the mutual covenants of all signatories to this Agreement it is agreed as follows:

ARTICLE 1. NAME OF ENTITY. The name of the entity created herewith shall be Enduris (formerly WGEP).

The signatories hereto, together with future signatories, establish a risk pool as authorized by Chapter 48.62 RCW as a separate legal and administrative entity for the purpose of effectuating this Agreement; which pool shall have a perpetual duration and shall continue until terminated pursuant to the terms and conditions of this Agreement.

ARTICLE 2. PURPOSE. The purposes of the pool are: to serve as a risk sharing pool of entities defined in Chapter 48.62 RCW operated and controlled by its members, and to provide stability through financial risk sharing and risk management services responsive to members' needs.

The purpose of this Agreement is to enter into a Master Agreement to form a local government risk pool, to provide for joint or cooperative action by Members relative to their financial and administrative resources for the purpose of providing risk management services and risk sharing facilities to the Members and to the Members' employees, and to defend and protect, in accordance with this Agreement, any Member of the Pool against liability pursuant to the Memorandum of Coverage issued to each Member.

This Agreement shall constitute a contract among those Entities, which shall now or at any time enter into this Agreement and become Members of the Pool.

In no event shall a Member be responsible, jointly or severally, for the liabilities of any other Member.

ARTICLE 3. DEFINITIONS. In the interpretation of this Agreement the following definitions shall apply unless the context requires another interpretation:

- | | | |
|----|--------------------|--|
| 1. | Act | "Act" shall mean such Acts of the state of Washington, pursuant to which this Pool is organized, as the same may be amended from time to time. |
| 2. | Executive Director | "Executive Director" shall mean the individual or entity designated by the Board to supervise the administration of the |

- Pool and to perform such additional duties as shall be delegated by the Board.
3. Agreement "Agreement" shall mean this Master Agreement for Enduris (formerly WGEP) and all of the counterparts subsequently executed.
 4. Board "Board" shall mean the Board of Directors of Enduris (formerly WGEP).
 5. Contribution "Contribution" shall mean that amount necessary to provide coverage to a Member for a one (1) year period including those amounts necessary to operate and manage the Pool as determined by the Board.
 7. Member "Member" shall mean an Entity participating in Enduris (formerly WGEP) by executing this Agreement.
 8. Memorandum of Coverage "Memorandum of Coverage" shall mean the coverage limits and deductibles as outlined in the Appendix and subsequent amendments thereto.
 9. Pool "Pool" shall mean Enduris (formerly WGEP), an unincorporated association of all of its Members.

ARTICLE 4. MEMBERSHIP. The membership of the Pool shall consist of Entities who have entered into this Agreement or its counterpart by the governing body duly authorized by law to execute this Agreement, and who have agreed to make their Contributions pursuant to the further provisions hereof. Members agree to the admission of future Members and acknowledge that they shall have no right to object to the addition of such Members provided they are admitted in accordance with the terms hereof. This Agreement shall be automatically renewed unless provisions for withdrawal or termination are applied.

Each Member shall appoint an individual and an alternate to represent the Member with the Pool. That individual shall act as liaison between the Member and the Pool for purposes of relating risk reduction and loss control information, and any other information or instructions concerning the obligations of the Member imposed by this Agreement and the rules and regulations established hereunder. The individual or alternate shall cast, on behalf of the Member, any vote to which the Member is required or permitted to cast.

The obligations of Members of the Pool shall be as follows:

1. To promptly report to the Pool any incident which could result in a claim being made by or against the Member within the Memorandum of Coverage.
2. To cooperate with and institute to the degree possible all loss prevention procedures established by the Board or the Executive Director pursuant to this Agreement.
3. To provide to the Pool such information as needed for rating purposes, including but not limited to a budget legally adopted by the Member for any fiscal year of the Member requested by the Pool.

4. To provide representatives of the Pool access to all records, including financial records and/or properties of the Member provided the Pool or the Executive Director determines the information or access is necessary.
5. To cooperate with the Pool's attorneys, claims adjusters, the Executive Director and any employee, officer or subcontractor relating to the purpose and powers of the Pool.
6. To allow attorneys and others employed by the Pool to represent the Member in investigation, settlement and all levels of litigation arising out of any claims made against the Member within the Memorandum of Coverage furnished by the Pool.
7. To pay when due all Contributions, deductibles and/or co-payments due or required pursuant to this Agreement.

ARTICLE 5. BOARD OF DIRECTORS.

1. Administration and Management of the Pool. The administration and management of the Pool shall be governed by a Board of seven (7) directors; however, the Pool's Executive Director shall be a nonvoting member of the Board
2. Directors' Qualifications. Directors shall be either:
 - a. Elected or appointed officials of a Pool Member;
 - b. Employees of a Pool Member; or
 - c. Volunteer of a pool member.
3. Eligibility and Vacancies. Should the number of directors become less than seven (7) due to disqualification, death, incompetence, resignation or other cause, the remaining directors shall appoint a person or persons to fill such vacancy or vacancies for the unexpired term(s) thereof so that a Board of seven (7) persons shall be maintained. Any director may resign by sending a notice of his resignation to the Chair of the Board.
4. Election and Term of Directors. Directors shall be elected in accordance with the terms of the Bylaws. Directors so elected shall serve for a three (3) year term or until such new directors are elected. Members may nominate candidates for the terms to be filled according to rules to be promulgated by the Board. Each Member shall have one (1) vote which shall be cast either in person or by mail. There shall be no prohibition on election to successive terms, and election shall be by a majority of those Members voting.
5. Meetings of the Board of Directors. Meetings of the Board shall be held at least four times per year at such time as it shall prescribe. Any item of Pool business may be considered at such meetings. Special meetings may be called in the manner set forth in the Bylaws of Enduris (formerly WGEP) as promulgated by the Board.
6. Executive Committee. The Executive Committee shall consist of the Chair, Vice-Chair, and the Secretary/Treasurer. The Executive Committee shall inform and direct the Executive Director on Board policy and shall exercise powers for and on behalf of the Board as it deems necessary for the prudent operation and management of the Pool until matters requiring Board action are considered at the next Board meeting.

7. Directors' Reimbursement. The directors shall be entitled to reimbursement of actual expenses incurred in the pursuit of Pool business.
8. Officers. By majority vote, the Board, shall select from the directors a chair, vice-chair, secretary/treasurer as prescribed in the Bylaws.

ARTICLE 6. POWERS AND DUTIES OF THE BOARD. The Board shall be permitted and authorized to perform and carry out, or delegate to others to perform and carry out, on behalf of the Pool, each and every act necessary, convenient or desirable to, and for carrying out the purpose of the Pool, including, but not limited to:

1. Govern the Pool, receive Members' Contributions to the Pool, and settle and pay claims and loss adjustment expenses on behalf of its Members.
2. Make and enter into contracts to conduct and operate the business of the Pool, including, but not limited to, the execution of a management services agreement.
3. Employ agents.
4. Incur debts, liabilities and obligations, but no debt, liability or obligation so incurred shall be the debt, liability or obligation of any Member to this Agreement.
5. Sue or be sued in its own name, and prosecute and defend claims.
6. Acquire, hold or dispose of personal and real property.
7. Advise Members on loss control guidelines and procedures, and provide them with risk management services, loss control and risk reduction information.
8. Purchase reinsurance and/or excess insurance and enter into such excess risk sharing pools as may be available and deemed desirable for the protection of the Members and/or the Pool itself.
9. Invest Pool funds in securities and investments in a prudent and lawful manner.
10. Promulgate policies and regulations for the general operation of the Pool.
11. Take such action as is necessary to terminate the participation of any Member that fails to comply with the reasonable requirements of the Board concerning contractual obligations.
12. Provide surety and/or fidelity bonds, as may be available, for directors, officers and all persons charged with the custody or investment of Pool monies.
13. Appoint an Executive Director who will provide for the management and operation of any joint self-insurance pool established by the organization.
14. Provide insurance coverage for those claims which the organization plans to jointly self-insure, such coverage to be effective only in the event of the exhaustion of the joint self-insurance pool's resources for a given fiscal period.
15. Establish deductibles and/or limits to any coverage that is provided.

16. Provide an annual report of the operations of the organization to the participating entities, the state risk manager and the state auditor's office.
17. Contract or otherwise provide for risk management and loss control services.
18. Contract or otherwise provide legal counsel for the defense of claims and/or other legal services.
19. Consult with the state risk manager.
20. Jointly purchase insurance coverage in such form and amount as the organization's participants may by contract agree.
21. Establish an associate membership program pursuant to guidelines issued by the State Risk Manager and Chapter 48.62 RCW.
22. Possess any other powers and perform all other functions reasonably necessary to carry out the purposes of this Agreement.

ARTICLE 7. EXECUTIVE DIRECTOR . The Board may hire an Executive Director and delegate the day-to-day management of the Pool to said Executive Director.

The Board shall receive, at least quarterly, a report from the Executive Director. The nature and details of the report shall be established by the Board and shall be in addition to or supplemented to any reports that the Executive Director shall be required to file with any regulatory authority having jurisdiction over the Pool.

ARTICLE 8. LIABILITY OF THE BOARD OF DIRECTORS, OFFICERS, EXECUTIVE DIRECTOR, SUBCONTRACTORS OR EMPLOYEES. The directors and officers of the Pool and the Executive Director, its directors, officers, employees and subcontractors shall:

1. Use reasonable and ordinary care in the exercise of their duties hereunder.
2. Be afforded all of the privileges and immunities that attach generally to governmental officers.
3. Not be liable for, and be held harmless and defended by the Pool, for any act of negligence, any mistake of judgment or any other action, made, taken or omitted in good faith unless the same is the result of a willful act done in bad faith.
4. Not be liable for any loss incurred through investment of funds or failure to invest such funds, unless the same is the result of a willful act done in bad faith.

The Pool may purchase, subject to availability and cost, insurance providing coverage for directors, officers and the Executive Director.

The undersigned agrees that the funds of the Pool shall be used to hold harmless and defend any Pool director, officer, Executive Director or employees (including its officers) for any act or omission taken or omitted in good faith by the Board, the Executive Director, or Pool's employees relating to or arising out of the conduct of Pool business. This obligation shall be considered an expense of the Pool.

No covenant or agreement contained herein shall be deemed to be the covenant or agreement of any member of the Board or the Executive Director nor any of its employees (including its officers) and none of such persons shall be subject to any personal liability or accountability by reason of the acceptance of a position or the undertaking of the performance of any of the responsibilities or obligations or duties contemplated in the carrying out of this Agreement, whether by virtue of any construction, statute or rule of law.

ARTICLE 9. ESTABLISHMENT OF MEMBER CONTRIBUTIONS AND ASSESSMENTS. The Board shall set the Contribution of each Member based on that Member's Memorandum of Coverage taking into account the type and scope of coverage, the experience of that Member, independent actuarial evaluation and reasonable expenses for operation of the Pool including the establishment and maintenance of reserves. In the event that the annual independent financial audit determines there to be an adverse loss in any given year, and the Board determines that insufficient funds are available from the risk surplus account, a Member may be assessed their pro rata share, based on their Contribution, of such loss if they were a Member of the Pool in such year of loss.

ARTICLE 10. MEMBER'S WITHDRAWAL, CANCELLATION OR TERMINATION.

1. Members agree to continue membership for a period of not less than one (1) full policy year. At the conclusion of a policy year, a Member who has given sixty days (60) prior written notice to the Pool may withdraw at policy year-end. All notices received by Enduris (formerly WGEP) stating an intention to withdraw from the program, or notification that the member is exploring the possibility of withdrawal, either conditional or unconditional, will be considered a notice to withdraw from the pool. When any member gives notice to withdraw or intent to withdraw as described in this section, the Member is not eligible to participate in the next policy coverage period and must wait a minimum of one year before making application to re-join the Enduris (formerly WGEP) program. Upon notification of withdrawing from the pool, the withdrawing Member equity is forfeited to the remaining Members of the pool.
2. The Pool may, by an affirmative vote of a two-thirds (2/3) majority of the Board and by providing a Member sixty (60) days prior written notice, cancel that Member's participation in the Pool effective at the end of any year for failure to implement the loss reduction/risk control policies of the Pool and/or failure to continue to meet the underwriting criteria of the Pool or the excess carrier.
3. In the event a Member withdraws under subparagraph 1 above or is canceled under subparagraph 2 above, it shall thereafter be the responsibility of the Pool to defend, settle and pay claims within the scope and limits set forth in the canceled Member's Memorandum of Coverage in effect on the date of the occurrence out of which such claim arose. This provision shall apply solely to claims which occurred during a Member's participation and evidenced by the Member's Memorandum of Coverage.
4. Any Member failing to make Contributions, deductibles and/or co-payments when due as required by this Agreement shall be terminated from the Pool effective on the date the Contribution was due and upon that effective date of termination all coverages and benefits hereunder shall cease. If the Member shall subsequently submit its Contribution, the Board may at its discretion, reinstate such membership.
5. Any Member terminated or withdrawing from the Pool shall be liable pro rata for any assessments levied against Members for any year in which that Member belonged to the Pool as if they were still a Member.

6. If a Member ceases to exist legally, then their obligation to the initial one (1) year commitment ceases. However, the obligation for assessments under subparagraph 4 of this Article shall remain.
7. Organizations that leave Enduris (formerly WGEP) forfeit any and all accumulated assets to the remaining members of the pool.

ARTICLE 11. MEMORANDUM OF COVERAGE.

1. The Pool will provide a Memorandum of Coverage to each Member upon joining the Pool and will make or secure payment on behalf of each Member under criteria and procedures to be established for the payment of claims as provided in the Member's Memorandum of Coverage. A Member may, with the approval of the Executive Director, add additional parties provided it is the Member's obligation or prerogative to provide coverage for such additional named party.
2. The Pool may obtain excess insurance or reinsurance.
3. In the event that a claim or a series of claims exceed the amount of protection provided by the Member's Memorandum of Coverage, or in the event that a claim or a series of claims should exhaust the self-insured retention and the excess limit, then payment of valid claims shall be the sole and separate obligation of the individual Member or Members against whom the claim was made and perfected by litigation or settlement or otherwise.
4. The Board may make changes in the Memorandum of Coverage, the amount of protection or retention by the Pool upon consideration of the needs and requirements of Members, loss experience, the kind and amounts of reinsurance or other excess coverage available and any such changes shall require a two-thirds (2/3) majority of the Board. Where the Board takes such action immediate notice after the taking of such action shall be sent to all Members (or their representatives) together with a replacement or updated Appendix to reflect the changes made.

ARTICLE 12. TERMINATION. The Pool shall terminate at such time as two-thirds (2/3) of the Members vote for such termination. A vote for termination must occur at least ninety (90) days prior to the end of the Pool's fiscal year in which the termination is to take effect. Termination shall take effect on the last day of the applicable fiscal year. After a vote to terminate, the Board shall commence with the orderly liquidation of the Pool's business and shall complete the same as promptly as possible. During such period of liquidation the Pool shall continue to pay claims and losses incurred within the Memorandum of Coverage until all funds of the Pool are exhausted.

After payment of all claims and losses, any remaining funds held by the Pool shall be paid to all Members of the Pool at the time of the vote of termination, pro rata based on Contribution.

No Member shall be responsible for any claim, claims, judgment or judgments against any other Member or Members. However, if upon termination of the Pool the remaining assets of the Pool are insufficient to satisfy indebtedness of the Pool (excluding claims or judgments against the Members), such deficiency shall be made up by assessments against Members of the Pool by a fair and reasonable method established by the Board.

ARTICLE 13. MISCELLANEOUS PROVISIONS.

1. The provisions of this Agreement shall be interpreted pursuant to the laws of the state of Washington.

2. This Agreement may be executed in duplicate originals or counterparts now or at any time in the future.
3. No waiver of any breach of this Agreement or any provision herein contained shall be deemed a waiver of any preceding or succeeding breach thereof or of any of the other provisions herein contained. No extension of time for performance of any obligation or act shall be deemed an extension of time for performance of any other obligations or acts.
4. The provisions of this Agreement shall be deemed severable and if any provision or part thereof is held illegal, void or invalid under applicable law, such provision or part may be changed to the extent reasonably necessary to make the provision or part, as so changed, legal, valid or binding. If any provision of this Agreement is held illegal, void, or invalid in its entirety, the remaining provisions of this Agreement shall not in any way be affected or impaired but shall remain binding in accordance with their terms and this Agreement shall be so interpreted.
5. This Agreement and the Memorandum of Coverage contain the complete Agreement between the parties and no representations or oral statements made or heretofore given shall constitute a part of this Agreement.
6. This Agreement may be altered or amended only by amendments duly adopted in accordance with the terms and conditions of this Agreement; provided, however, that the Memorandum of Coverage may be amended from time to time to reflect the exposures of each Member and such changes shall be exempted from the preceding terms of this subparagraph.
7. This Agreement may be amended by the Board with the approval of two-thirds (2/3) of the directors; all Members agree to properly execute and adopt amendments so approved.
8. The Pool shall maintain a fiscal year ending August 31.

ARTICLE 14. AGENT AND OFFICE. The agent of the Pool for service of notice shall be Enduris (formerly WGEP), attention Executive Director. The office of Enduris (formerly WGEP) shall be 1610 S. Technology Boulevard (99224), P.O. Box 19330, Spokane, Washington 99219-9330.

ARTICLE 15. NOTICE. All notices required to be given under this Agreement shall be in writing and sent certified mail return receipt requested with postage prepaid. Notices by a Member to the Pool shall be sent to the address in Article 14 to the attention of the Executive Director. Notices to any Member shall be sent to the representative of the Member at the Member's last known address.

In the event that any party to this Agreement desires to change its address, notice of change of address shall be sent to the other party in accordance with the terms and provisions of this Article.

IN WITNESS WHEREOF, this Agreement was executed on the ____ day of _____, 20____, by the undersigned duly authorized officer of Enduris (formerly WGEP) indicated below.

Name of Entity _____

Authorized Signature _____

Title: _____

Accepted for Enduris (formerly WGEP)

Authorized Signature _____

Executive Director on behalf of all other current and future signatories

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In the event that any party to this Agreement desires to change its address, notice of change of address shall be sent to the other party in accordance with the terms and provisions of this Article.

IN WITNESS WHEREOF, this Agreement was executed on the ____ day of _____, 20 ____, by the undersigned duly authorized officer of Enduris (formerly WGEP) indicated below.

Name of Entity _____

Authorized Signature _____

Title: _____

Accepted for Enduris (formerly WGEP)

Authorized Signature _____

Executive Director on behalf of all other current and future signatories

If Puget Sound Emergency Radio Network Operator chooses to join Enduris, a commitment to remain in the Pool for one policy year is required with a 60 day notice to withdraw. The Enduris policy year begins September 1 and goes through August 31st. If you decide to join mid-term, the Enduris Annual Member Contribution will be prorated through August 31 2021.

Type of Coverage	Limit	Quote
General Liability (Based on 0 L&I hours)	\$20,000,000	\$2,610
Public Officials Errors and Omissions Liability	\$20,000,000	Included
Employment Practices Liability	\$20,000,000	Included
Automobile Liability	\$20,000,000	Included
Automobile Physical Damage	Schedule	\$0
Property – Blanket Coverage (Replacement Cost)	\$0	\$0
Equipment Breakdown, Boiler and Machinery	\$0	Included
Crime – Blanket Coverage	\$2,500	\$0
Identity Theft	\$25,000	Included
Cyber Coverage	\$100,000	Included
MRSC	Unlimited Access	Included
Employment Law Legal Consultations		Included
Pre-Claim Defense Program		Included
ANNUAL MEMBER CONTRIBUTION		\$2,610

This proposal is non-binding and is an indication of contribution based on information received and current rates. Rates and eligibility within the proposal are effective 60 days from date of presentation. Please consult the Enduris Memorandum of Coverage for actual policy language, conditions, and exclusions.

MEMORANDUM OF COVERAGE

POLICY YEAR **2021**

COVERAGE PERIOD **September 1, 2020 to September 1, 2021**

NAMED MEMBER «This.Member.Name»
 «This.Member.BillingAddress1»
 «This.Member.BillingCity», «This.Member.BillingState»
 «This.Member.BillingPostalCode»

MEMBER NUMBER «This.Member.MemberNumber»

ENDURIS

DECLARATION LIABILITY COVERAGE

POLICY PERIOD: FROM SEPTEMBER 1, 2020 THROUGH AUGUST 31, 2021

Coverages are defined in the Memorandum of Coverage and are subject to the terms and conditions contained in the Memorandum of Coverage and Addendums.

COVERAGE & LIMITS:

«This.#GLPO.Limit-
CO|CONST:N/A»

Liability Coverage

General Liability, Each Occurrence
Products – Completed Operations Hazard
Professional Coverage
Personal Injury
Employee Benefit Liability
Automobile Liability

«This.#GLPO.Limit-
CO|CONST:N/A»
«This.#GLPO.Limit-
CO|CONST:N/A»

Public Officials Errors & Omissions Liability Coverage

Each Occurrence
Aggregate Per Member

«This.#GLPO.Limit-
CO|CONST:N/A»
«This.#GLPO.Limit-
CO|CONST:N/A»

Employment Practice Liability Coverage

Each Occurrence – Per Member
Aggregate Per Member

Forms and Addendums attached.

ENDURIS MEMBER DEDUCTIBLES

Liability

Liability Deductible

Minimum deductible unless otherwise stated

«This.#GLPO.Deductible-CO|CONST:N/A»

Employment Practice Liability Deductible

(Co-pay may be waived per Addendum R) – Maximum member co-pay \$100,000

Co-pay 20%

Property

Property Deductible

Minimum deductible unless otherwise stated

«This.#PROPO.Deductible-CO|CONST:N/A»

Boiler & Machinery

Boiler & Machinery Deductible

Minimum deductible unless otherwise stated

«This.#PROPO.Deductible-CO|CONST:N/A»

Automobile Physical Damage

APD Deductible

Minimum deductible unless otherwise stated

«This.#APDPO.Deductible-CO|CONST:N/A»

SPECIMEN

ENDURIS

LIABILITY COVERAGE

The following liability coverages are provided by Enduris, a joint self-insurance program authorized by RCW 48.62, in consideration of the contributions by the members and their status as signatory parties to the interlocal agreement. Enduris is not an insurance company, and this document is not an insurance policy.

Various provisions of this memorandum restrict coverage. Read the entire memorandum carefully to determine rights, duties and what is and is not covered.

Words and phrases that appear in boldface have special meaning. Refer to **SECTION III - WHO IS A MEMBER** and **SECTION IV - DEFINITIONS**.

In return for the payment of the contributions and in reliance upon the statements in the Declarations, Enduris agrees to provide the **Member** with coverage as stated in this memorandum.

SECTION I - COVERAGE

A. COVERAGE AGREEMENT

1. Subject to the other provisions of this memorandum, Enduris will pay on behalf of the **Member** that portion of the **Ultimate Net Loss** which the **Named Member** shall have become legally obligated to pay as damages and related **Defense Costs** because of **Bodily Injury, Property Damage, Personal Injury, Employee Benefits Liability, Employment Practices Liability** or **Public Officials' Errors and Omissions** to which this coverage applies.
2. The amount Enduris will pay is limited as described in Section II - Limits of Coverage.
3. This coverage applies only to **Bodily Injury, Property Damage, Employee Benefits Liability, or Personal Injury** which occurs during the **Memorandum Period** and which is caused by an **Occurrence** and takes place anywhere in the **Coverage Territory**.
4. This coverage applies only to **Public Officials' Errors and Omissions**, which are caused by a **Wrongful Act**, which takes place during the **Memorandum Period**.
5. This coverage applies only to **Employment Practices Liability**, caused by a **Wrongful Employment Practice**, which takes place during the **Memorandum Period**.

B. DEFENSE AND EXPENSE OF CLAIMS AND SUITS

1. Enduris shall have the right and duty to defend any and all claims and/or **Suits** against a **Member** when the claim and/or **Suit** alleges facts which, if proven true, would create indemnity coverage under the terms of this Memorandum. Enduris may at its discretion investigate any occurrence and settle any claim or **Suit** that may result. **Defense Costs** shall be included in calculating the extent of Enduris' liability for the purpose of the Limit of Coverage, the Deductible and the Co-Pay (if applicable) and are not in addition thereto.
 - a) The **Member** shall cooperate fully; and
 - b) Enduris shall have the exclusive right to control the management of the claim and/or lawsuit, including but not limited to the appointment of the defense counsel.
 - c) No **Defense Costs** shall be incurred on behalf of Enduris without its prior written consent.

- d) No defense strategies, plans, tactics or actions will be incurred on behalf of Enduris without Enduris' prior written consent.
2. Provided Enduris consents in writing to a settlement made, a judgment satisfied or payment of damages and/or **Defense Costs** associated with a claim or **Suit**, Enduris will pay that portion of the reasonable defense expense which is in excess of the damages; however,
 - a) Enduris will not pay for more than the applicable Limits of Coverage as specified in SECTION II for the sum of damages and **Defense Costs**; and
 - b) If Enduris recommends a settlement to the **Named Member**, which is acceptable to a claimant and the **Named Member** does not agree to such settlement, then the member shall have the right to waive the coverage afforded by this MOC's self-insurance liability coverage as to any particular claim or lawsuit; provided, however, that any such waiver must:
 - (1) Occur after the particular claim or lawsuit is received by Enduris; and
 - (2) Be in a writing signed by the member's legislative authority on a form which;
 - i) Shall contain a complete release of any liability arising out of or relating to the underlying claim or lawsuit on the part of Enduris, its directors and officers, employees, agents, attorneys, successors, or any other person serving on behalf of Enduris, other members, or any reinsurer of Enduris; and
 - ii) Shall contain provisions in which the member holds harmless, defends, indemnifies Enduris, its directors and officers, employees, agents, attorneys, successors, or any other person serving on behalf of Enduris, other members, or any reinsurer of Enduris from any and all claims, demands, losses, and liabilities to or by third parties arising from, or connected with the underlying claim or lawsuit.

C. **EXCLUSIONS**

This Memorandum of Coverage does not cover and Enduris will not pay **Ultimate Net Loss** or **Defense Costs** for any of the following claims or **Suits** for:

1. Any obligation of the **Member** under any workers' compensation, disability benefits or unemployment compensation law or any similar law, Social Security, COBRA, ERISA or any similar law or the spouse, child, parent, brother or sister of that employee.
2. **Bodily Injury** or **Property Damage** expected or intended from the standpoint of the **Member**. However, this exclusion does not apply to:
 - a) **Bodily Injury** resulting from the use of reasonable force to protect persons or property; or
 - b) **Bodily Injury** or **Property Damage** to which this memorandum applies caused by an **Occurrence** that arises out of the **Member's** law enforcement activities, including action directed toward the prevention and control of crime.
3. Any liability arising out of **Bodily Injury** to an employee of the **Named Member** whose employment is subject to the Industrial Insurance Act of Washington (Title 51 RCW) or any other similar regulation or law or benefit arising out of and in the course of employment by the **Named Member** or the spouse, child, parent, brother or sister of that employee.

This exclusion applies:

- a) Whether the **Named Member** may be liable as an employer or in any other capacity; and
- b) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

4. Any awards or settlements of benefits, back wages, front pay, future wages or other employee compensation.
5. Any liability arising out of:
 - a) The rendering of or failure to render:
 - (1) Medical, surgical, dental, x-ray or nursing service or treatment, or the furnishing of food or beverages in connection therewith; or
 - (2) Any service or treatment conducive to health or of a professional nature;
 - b) The furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances; or
 - c) Any service by any person as a member of a formal accreditation or similar professional board or committee of the **Named Member**, or as a person charged with the duty of executing directives of any such board or committee.

This exclusion does not apply to **Bodily Injury** to which this coverage applies in the practice of the **Named Member's Public Health Professionals** while acting within the scope of their responsibilities as authorized by local codes, statutes or ordinances provided such liability is based solely upon error, negligence or mistake committed to any person (other than employees of the **Named Member** injured during the course of their employment or persons injured while performing a service on a volunteer basis for the **Named Member** while under the **Member's** direction or control) during the **Memorandum Period**.

6. Any liability, arising directly, indirectly, or in concurrence, or in any sequence with a cause for which coverage may be afforded by this memorandum out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants".

Any loss, cost or expense arising out of any demand, order, or request that the **Named Member** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

"Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapor, soot, fumes, acids, Alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed, except potable water, water distributed to the consumer intended to be potable water, agricultural water, recycled, reconditioned or reclaimed water, or water furnished to commercial users.

Provided, however, that this exclusion does not apply to **Bodily Injury** or **Property Damage**, or **Public Officials Errors and Omissions** which is within the **Products-Completed Operations Hazard** as defined in this Memorandum of Coverage.

It is the intent and effect of this provision to exclude any or all coverage afforded by this memorandum for any claim, action, judgment, liability, settlement, defense or expenses in any way arising out of a discharge dispersal, seepage, migration, release or escape of "pollutants" whether such results from the **Member's** activities or the activities of others and whether or not such is sudden, gradual, accidental, intended, foreseeable, expected, fortuitous, inevitable and wherever or however such occurs.

Unless caused by any of the **Named Member's** property that has been discarded, dumped, abandoned, or thrown away, this exclusion shall not apply with respect to liability from:

- a) Smoke or fumes from a fire that has become uncontrollable or breaks out from where it was not intended to be
 - (1) At or from premises the **Named Member** owns, rents or occupies; or
 - (2) At or from any site or location on which the **Member** is performing operations.

- b) Application of pesticides or herbicides, provided that the **Member's Work** and the **Member's Products** meet all standards of any statute, ordinance, regulation, or license requirement in effect at the same time of the application of the Federal, State or local government where the member's work is performed.
- c) Emergency operations discharge, dispersal, release, or escape of pollutants at or from any site or location on which the member performed emergency operations provided that:
 - (1) the occurrence first happened during the **Memorandum Period**;
 - i) less than 72 hours prior to the **Member's** arrival at the site or
 - ii) while the **Member** is at the site and
 - iii) Discharge or escape is reported to Enduris no later than fourteen (14) days after the commencement of emergency operations.
 - (2) the discharge was sudden and accidental, and not gradual;
 - (3) was not at a site or location that is owned by, rented to, or occupied by a **Member**; and
 - (4) the **Member's** responsibility to pay for the damage is determined by a **Suit** or settlement agreed to by Enduris.

Emergency Operations means **Member** acts performed:

- (1) Within the scope of duties as fire, rescue, ambulance or similar entity;
 - (2) under circumstances requiring immediate action to protect people or property from injury, or harm of further injury or harm, or render aid to people or property for injury or harm sustained; or
 - (3) the obligation is not by reason or an assumption of liability in a contract, unless the liability of the **Member** would have been in effect in the absence of the contract.
- d) Practices of **Member's Public Health Professionals** while acting within the course and scope of their responsibilities as authorized by local codes, statutes, regulations or ordinances directly attributable to and caused solely by error, negligence, or mistake of those **Public Health Professionals**. Liabilities for which **Public Health Professionals** are jointly and severally liable caused by parties other than the **Member's Public Health Professionals** are not included in this exception.
 - e) **Bodily Injury or Property Damage** arising out of the back-up of sewage lines into connected and serviced buildings.
7. Any liability for past, present, or future claims arising in whole or in part, either directly or indirectly out of the manufacture, distribution, sale, resale, rebranding, installation, repair, removal, encapsulation, abatement, replacement or handling of, or exposure to, asbestos or products containing asbestos whether or not the asbestos is or was at any time airborne as a fiber or particle, contained in a product, carried on clothing, inhaled, transmitted in any fashion, or found in any form whatsoever.
8. **Property Damage** to:
- a) Property the **Named Member** owns, rents or occupies;
 - b) Premises the **Named Member** sells, gives away or abandons, if the **Property Damage** arises out of any part of these premises;
 - c) Property loaned to the **Named Member**; or
 - d) Property in the care, custody or control of the **Member** or as to which the **Member** is for any purpose exercising physical control.

9. **Property Damage** to the **Member's Product** arising out of it or any part of it.
10. **Property Damage** to the **Member's Work** arising out of it or any part of it and included within the **Products-Completed Operations Hazard**.
11. **Personal Injury**:
 - a) Arising out of oral or written publication of material, if done by or at the direction of the **Named Member** with knowledge of its falsity;
 - b) Arising out of oral or written publication of material whose first publication took place before the beginning of the **Memorandum Period**;
 - c) For which the **Named Member** has assumed liability in a contract or agreement, however, this subparagraph c. does not apply to liability for damages that the **Member** would have in the absence of the contract or agreement.
12. **Bodily Injury** or **Property Damage** for which the **Named Member** 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 assumed in a contract or agreement that is a **Member Contract** provided the **Bodily Injury** or **Property Damage** occurs subsequent to the execution of the contract or agreement.
13. Liability arising out of the failure to supply or provide an adequate supply of gas or water or electricity when such failure is a result of the inadequacy of the covered party's facilities to supply or produce sufficient gas or water or electricity to meet the demand. This exclusion, however does not apply if:
 - a) Such failure arises out of an **occurrence**; and
 - b) The combined capacity of your installed production facilities and contractual supply arrangements is equal to or greater than one hundred and ten percent (110%) of the electricity and/or gas demand or one hundred percent (100%) of the water demand.
14. Any liability arising out of the ownership, maintenance, operations, use, entrustment to others, or loading or unloading of any aircraft. This exclusion does not apply to:
 - a) Unmanned remote control aerial vehicles.
15. Any liability arising out of the ownership, use, operation, maintenance, entrustment to others, or **Loading** or **Unloading** of any watercraft owned or operated by or rented or loaned to any Member. This exclusion does not apply to:
 - a) A watercraft the **Named Member** owns, rents, or borrows that is less than 50 feet long and not being used to carry persons or property for charge.
16. Any liability arising out of or in any way connected with the application of the principles of eminent domain, condemnation proceeding, retroactive condemnation, inverse condemnation, or reverse condemnation, regardless of whether such claims are made directly against the **Named Member** or by virtue of an agreement entered into by or on behalf of the **Named Member**.
17. Any liability arising out of any earth movement, including but not limited to subsidence, earth sinking, rising, settling, tilting or shifting, earth slipping or falling away, earth caving in, erosion or mud flow.
18. Any liability arising out of the rupture, bursting, overtopping, accidental discharge or partial or complete structural failure of any dam.
19. Any liability arising out of riot, civil commotion or mob action, or out of any act or omission in connection with the prevention or suppression of any of the foregoing.
20. Any liability arising out of any actions, demands, claims, or **Suits** seeking relief or redress in any form other than monetary damages, including any costs, fees or expenses.

21. Any liability arising from acting outside the scope of the **Named Member's** statutory authority.
22. Any claim or Suit involving, directly or indirectly, any debt security financing including but not limited to bonds, notes and debentures.
23. **Employee Benefit Liability** for any claim or suit for damages arising out of:
 - a) an insufficiency of funds to meet any obligations under any plan included in the **employee benefit program**;
 - b) Inadequacy of Performance/Advice given with respect to participation:
 - (1) Failure of any investment to perform;
 - (2) Errors in providing information on past performance of investment vehicles;
 - (3) Advice given to any person with respect to that person's decision to participate or not to participate in any plan included in the **employee benefit program**.
24. **Public Officials' Errors and Omissions** for any claim or **Suit** made against a **Member** arising, in whole or in part, out of:
 - a) **Bodily Injury, Property Damage or Personal Injury** except as indicated in exclusion 31;
 - b) The collection, refund or assessment of any taxes, fees or assessments;
 - c) Estimates of probable costs or cost estimates being exceeded or faulty preparation of bid specifications or plans or failure to award contracts which under law must be submitted for bids in accordance with Statute or ordinance;
 - d) Injury to, destruction or disappearance of any tangible property (including money and securities) or the loss of use thereof;
 - e) Any claim or **Suit** by one **Member** against another **Member**; or
 - f) Any claim or **Suit** against any **Member** arising out of the rendering of or failure to render any opinion, treatment, consultation or service if such opinion, treatment, consultation or service was rendered or not rendered while such **Member** was engaged in activity for which that **Member** received compensation from any source other than the **Named Member** and/or was gratuitously engaged other than by specific direction of the **Named Member**.
 - g) Any **Member** obtaining remuneration or financial gain to which the **Member** was not legally entitled;

For purposes of this exclusion, any fact pertaining to a **Member** shall not be imputed to any other **Member**.
25. Any obligation imposed by law under **Automobile** no-fault, uninsured motorist, underinsured motorist or any similar law.
26. Punitive, exemplary or multiple damages, nominal damages, fines, fees, or penalties, in whatever form assessed.
27. Failure to perform or breach of a contractual obligation except mutual aid agreements.
28. Any liability arising out of the hazardous properties of nuclear material.
29. Any liability arising out of fireworks or pyrotechnics displays, events or exhibitions.
30. Any liability arising out of trampolines or rebound tumbling devices.
31. Any liability for **Discrimination** committed at the direction of or with the consent of a **Member**.

32. Any liability arising out of the rendering or failure to render professional services in connection with the making of a blood donation.
33. Any liability arising out of any **Member** acting outside of the scope of their responsibility, as authorized by statute or Washington Administrative Code.
34. Any liability arising from leasing and/or renting vehicles to others.
35. Any liability arising out of, resulting as a consequence of or related to securities laws or regulations.
36. Any **Claim** arising directly or indirectly from:
 - a) Any **Wrongful Employment Practice** committed by the **Member** or at the **Member's** direction with dishonest, fraudulent, criminal, or malicious purpose or intent;
 - b) Any **Wrongful Employment Practice** for which a **Member** has assumed another's liability pursuant to a contract or agreement; or
 - c) Any **Wrongful Employment Practice** seeking damages or other relief, direct or consequential, for or arising from **Bodily Injury**, sickness, loss of consortium, disease, or death of any person, except damages for emotional stress, mental anguish, as part of a **Claim** for **Wrongful Employment Practice**.
37. Any liability arising out of an administrative or regulatory proceeding against a **Member** or any liability in connection with matters covered by collective bargaining agreements.
38. Any liability arising out of or connected with any Public Records Act claim, including but not limited to fines, fees or penalties; and including but not limited to the failure to preserve or the destruction of public documents.
39. Any liability arising out of or connected with any Open Public Meeting claim, including but not limited to fines, fees or penalties.
40. War
To **Personal Injury, Property Damage or Wrongful Acts** arising, directly or indirectly, out of:
 - a) War, including undeclared or civil war; or
 - b) 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
 - c) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.
41. Terrorism
"Any injury or damage" arising, directly or indirectly, out of a "certified act of terrorism" or an "other act of terrorism". However, with respect to an "other act of terrorism", this exclusion applies only when one or more of the following are attributed to such act:
 - a) The terrorism involves the use, release or escape of nuclear materials, or directly or indirectly results in nuclear reaction or radiation or radioactive contamination; or
 - b) The terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
 - c) Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials.The following definitions are added:
 - a) For the purposes of this addendum, "any injury or damage" means any injury or damage covered under any Coverage Part to which this addendum is applicable, and

includes but is not limited to “bodily injury”, “property damage”, “personal and advertising injury”, “injury” or “environmental damage” as may be defined in any applicable Coverage Part.

- b) “Certified act of terrorism” means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act of 2002. The federal Terrorism Risk Insurance Act of 2002 sets forth the following criteria for the “certified act of terrorism”:
 - (1) The act resulted in aggregate losses in excess of \$5 million; and
 - (2) The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
- c) “Other act of terrorism” means a violent act or an act that is dangerous to human life, property or infrastructure that is committed by an individual or individuals and that appears to be part of an effort to coerce a civilian population or to influence the policy or affect the conduct of any government by coercion, and the act is not certified as a terrorist act pursuant to the federal Terrorism Risk Insurance Act of 2002. Multiple incident of an “other act of terrorism” which occur within a seventy-two hour period and appear to be carried out in concert or to have a related purpose or common leadership shall be considered to be one incident.

In the event of any incident of a “certified act of terrorism” or an “other act of terrorism” that is not subject to this exclusion, coverage does not apply to any loss or damage that is otherwise excluded under this Coverage Part.

- 42. Any liability arising from injury or damage which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any “fungi” or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage. This exclusion applies to any loss, cost or expense arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, “fungi” or bacteria, by any Member or by any other person or entity.

This exclusion does not apply to any “fungi” or bacteria that are, are on, or are contained in, a good or product intended for consumption.

“Fungi” means any type or form of fungus, including but not limited to mold or mildew and any mycotoxins, spores, scents or by products produced or released by fungi.

- 43. Damages, or loss, costs or expenses because of **Bodily Injury, Personal Injury, or Property Damage** arising directly or indirectly out of:
 - a) Any access to or disclosure of any person’s or organization’s confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of non-public information; or
 - b) The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, costs or expenses incurred by any **Member** or others arising out of that which is described in Paragraph a. or b. above.

44. Any intentional dishonest, fraudulent, criminal or malicious act, error or omission, by any Member, including the violation of any statute, code or ordinance. Any such action or conduct of a **Member** shall not be imputed to any other **Member**.
45. All actual or alleged loss, liability, damage, compensation, injury, sickness, disease, death, medical payment, defense cost, cost, expense or any other amount incurred by or accruing to the **Named Member**, directly or indirectly and regardless of any other cause contributing concurrently or in any sequence, originating from, caused by, arising out of, contributed to by, resulting from, or relating in any way to a **Communicable Disease** or the fear or threat (whether actual or perceived) of a **Communicable Disease**.

This exclusion applies even if the claims against any **Named Member** or **Member** allege negligence or other wrongdoing in the:

- a) Supervising, hiring, employing, training or monitoring of others that may be infected with and spread a communicable disease;
- b) Testing for a communicable disease;
- c) Failure to prevent the spread of the disease; or
- d) Failure to report the disease to authorities.

SECTION II - LIMITS OF COVERAGE

- A. For each **Named Member**, the **Limits of Coverage** shown in the Declarations constitutes the most Enduris will pay regardless of the number of **Members**, claims made or **Suits** brought, or persons or organizations making claims or bringing **Suits**.
- B. For each **Named Member**, the Aggregate Limits shown on the Declarations is the most Enduris will pay for the combined sum of all damages and **Defense Costs** because of injury or damage:
 1. Included in the **Products-Completed Operations Hazard**,
 2. Arising from **Personal Injury**,
 3. Arising from **Public Officials' Errors and Omissions**,
 4. Arising from **Employment Practices Liability**, and
 5. Arising from **Employee Benefits Liability**.
- C. An **Occurrence** that takes place during more than one MOC period will be deemed for all purposes to have taken place during the most recent MOC period in which any part of the **Occurrence** took place, and shall be treated as a single occurrence during such MOC period. No occurrence will be deemed to have taken place after the **Named Member** has knowledge of the allegations that gave rise to the occurrence.
- D. Only one Self-Insured Coverage Document issued by Enduris and one limit of coverage is applicable to any one **Occurrence**.

SECTION III - WHO IS A MEMBER

- A. The **Named Member**, and
 1. Any elected or lawfully appointed officer, executive officer, official, trustee, director, employee, or volunteer of the **Named Member**, but only while acting within the scope of his or her duties as such; and spouses of members but only for vicarious liability for an occurrence imposed by virtue of the community property laws of the state.
 2. Any elected or lawfully appointed member of any board or commission or agency operated by and under the jurisdiction of the **Named Member** and within the

apportionment of the **Named Member's** total operating budget, but only while acting within the scope of his or her duties as such.

- B.** Except with respect to the ownership, maintenance, use, entrustment to others, **Loading or Unloading** of any **Automobile**; each of the following is also a **Member**: The **Named Member's** employees, but only for acts within the scope of their employment by the **Named Member** and any person while performing a service on a volunteer basis for the **Named Member** while under the **Named Member's** direction and control and including any person while providing services to the **Named Member** under any mutual aid or similar agreement. However:
1. No employee is a **Member** for **Bodily Injury or Personal Injury** to himself or herself or to a co-employee while in the course of his or her employment, or the spouse, child, parent, brother or sister of that co-employee as a consequence of such **Bodily Injury or Personal Injury**, or for any obligation to share damages with or repay someone else who must pay damages because of the injury; whether or not the employee is subject to the Industrial Insurance Act of Washington (Title 51 RCW).
 2. No employee is a **Member** for **Bodily Injury or Personal Injury** arising out of his or her providing or failing to provide professional health care services except for **Bodily Injury** arising out of the practice of the **Member's Public Health Professionals** while acting within the scope of their responsibilities as authorized by local codes, statutes or ordinances.
- C.** With respect to the ownership, maintenance, use, entrustment to others, **Loading or Unloading of Automobiles**; anyone using a **Member's Automobile** with permission of the **Named Member** is also a **Member** except:
1. The **Named Member's** employee, appointed officers, officials, executive officer, trustees, directors, appointed members of board, volunteer worker or a member of an agency, board or commission or partner of the **Named Member** if the **Automobile** is owned by that person or a member of his or her household; or
 2. Someone using an **Automobile** owned, hired, or borrowed by the **Named Member** while he or she is working in a business of selling, servicing, repairing or parking **Automobiles** unless that business is the **Named Member's**.
- D.** No person or organization is a **Member** with respect to the conduct of any current or past partnership or joint venture that is not shown as a **Named Member** in the Declarations.

SECTION IV - DEFINITIONS

- A. Administration of Employee Benefit Programs** means
1. Providing information to **employees**, including their dependents and beneficiaries with respect to eligibility for or scope of **Employee Benefit Programs**;
 2. Handling records in connection with **Employee Benefit Programs**; or
 3. Effecting, continuing or terminating any **employee** participation in any benefit included in any **employee benefit program**.
- However, **administration of employee benefit programs** does not include handling payroll deductions.
- B. Automobile** means a land motor vehicle, trailer or semi-trailer including any attached machinery or equipment designed for use primarily on public roads; or any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.
- C. Bodily Injury** means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.

- D. Communicable Disease** means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:
- a) the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
 - b) the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
 - c) the disease, substance or agent can cause or threaten bodily injury, illness, emotional distress or damage to human health, human welfare or property damage.
- E. Coverage Territory** means anywhere in the world provided that the member's responsibility to pay damages is determined in a suit on the merits brought in the United States of America (including its territories and possessions), Puerto Rico or Canada or in a settlement to which Enduris agrees to in writing.
- F. Defense Costs** shall mean reasonable fees charged by an attorney and all other reasonable fees, costs and expenses, except salaries of employees of the **Named Member**, attributable to the investigation, defense or appeal of a claim and/or **Suit** when the claim and/or **Suit** alleges facts which, if proven true, would create indemnity coverage under the terms of this Memorandum.
- G. Discrimination** means the unlawful biased treatment of natural persons on the basis of their race, creed, color, national or ethnic origin, gender, religion, age, disability, marital status, sexual orientation or preference, or pregnancy.
- H. Employee** means:
1. Any person who has an assigned work schedule for the **Named Member** and is on the **Named Member's** regular payroll;
 2. Any person who is leased to the **Named Member** through a staffing or temporary agency and is working for the **Named Member** under the **Named Member's** supervision, including a **Leased Worker**;
 3. **Employee** does not include independent contractors;
 4. **Solely** with respect to **Employment Practices Liability** means any person actively employed, formerly employed, on leave of absence or disabled or retired from work with the **Named Member**. Employee includes a **Leased Worker**.
 5. **Solely** with respect to **Employee Benefits Liability** means any person actively employed, formerly employed, on leave of absence or disabled or retired from work with the **Named Member**. Employee includes a **Leased Worker**. Employee does not include volunteers or temporary workers.
- An **Employee's** status as a **Member** will be determined as of the date of the **Occurrence** or **Wrongful Acts** upon which a loss or suit involving the **Employee** is based.
- I. Employee Benefits Liability** means an error or omission in the **Administration of Employee Benefit Programs**.
- J. Employee Benefit Program** means a program providing some or all of the following benefits to **Employees** whether provided through a cafeteria plan or otherwise:
1. Group life insurance, group accident or health insurance, dental, vision and hearing plans, and flexible spending accounts, provided that no one other than an **employee** may subscribe to such benefits and such benefits are made generally available to those **employees** that satisfy the plan's eligibility requirements;

2. Employee savings plans, and pension plans, provided that no one other than an **employee** may subscribe to such benefits and such benefits are made generally available to all **employees** who are eligible under the plan for such benefits;
3. Unemployment insurance, social security benefits, workers' compensation and disability benefits.

K. Employment Practices Liability means liability arising out of a **Wrongful Employment Practice**.

L. Leased Worker means any **Employee** who is under contract to the **Named Member** while performing duties regular to the **Named Member** under the **Named Member's** direction, supervision and control and defined under the contract with the **Named Member**.

M. Loading or Unloading means the handling of property:

1. After it is moved from the place where it is accepted for movement into or onto an aircraft or watercraft;
2. While it is in or on an aircraft or watercraft; or
3. While it is being moved from an aircraft or watercraft to the place where it is finally delivered.

But **Loading** or **Unloading** does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft or watercraft.

N. Member – see Section III

O. Member Contract means a written contract that satisfies all of the following:

1. The agreement pertains to the **Named Member's** routine governmental operations, including professional services and mutual aid agreements, and by the contract terms the **Named Member** assumes the Tort liability of another to pay damages because of **Bodily Injury or Property Damage** to a third person or organization, or with respect to Professional Services to pay damages because of **Public Officials Errors and Omissions** to a third person or organization, and;
2. The agreement was entered into prior to the damage for which a claim is made.

Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

A **Member Contract** does not include any part of any contract or agreement that indemnifies any person or organization for any claim and/or suit that is excluded by the terms of this Memorandum, or that indemnifies an architect, engineer, or surveyor arising out of preparing, approving, or failing to approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications, or giving or failing to give directions or instructions, unless the architect, engineer or surveyor is an employee of the Named Member and the services are part of the Named Member's routine governmental operations. A Member Contract also does not include the indemnification of any person or organization for damages by fire, explosion, or water damages to premises rented or loaned to the **Named Member**.

P. Member's Product means any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by the **Named Member**.

Q. Member's Work means work or operations performed by or on behalf of the **Named Member**.

R. Memorandum Period means the period stated in the Declarations.

S. Named Member means the municipality, governmental body, department, unit or pool named as such in the Declarations as legally constituted at the inception of this Memorandum.

T. Occurrence

1. With respect to **Bodily Injury** and **Property Damage, Occurrence** means an accident, including continuous or repeated exposure to substantially the same general harmful conditions, neither expected nor intended from the standpoint of the **Member** unless otherwise specified below.
2. With respect to **Personal Injury, Public Officials Errors and Omissions, Employment Practices Liability and Employee Benefit Liability, Occurrence** means an act or offense including continuous or repeated exposure to the same injurious material unless otherwise specified below.
3. With respect to the **Member's** liability resulting from **Bodily Injury** and **Personal Injury** arising from **Sexual Molestation, Occurrence**, including an act or offense or series of related offenses, means **Sexual Molestation** including continuous or repeated **Sexual Molestation** to the same person or persons, regardless of the number of victims, by another or by two or more **Member's** acting in concert. For the purposes of establishing the date of an **Occurrence**, including an act, offense or series of related offenses, a **Sexual Molestation** shall be deemed to have occurred at the time the person, or first person in a group of sexually molested persons, was first molested.

U. Personal Injury means injury, other than **Bodily Injury** or **Public Officials' Errors or Omissions**, arising out of one or more of the following offenses:

1. False Arrest, detention or imprisonment;
2. Malicious prosecution;
3. Wrongful entry into, wrongful eviction from, or invasion of the right of private occupancy of a room, dwelling or premises that the person occupies by or on behalf of its owner, landlord or lessor;
4. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
5. Oral or written publication of material that violates a person's right of privacy;
6. Assault and battery committed by, at the direction of oath, the consent of the **Member**, unless committed or directed for the purpose of protecting persons or property from injury or damage;
7. Misappropriation of advertising ideas or style of doing business, or infringement of copyright, title or slogan, committed in the course of advertising the **Named Member's** goods, products or services; or

V. Products-Completed Operations Hazard includes all **Bodily Injury** and **Property Damage** occurring away from premises the **Named Member** owns or rents and arising out of the **Member's Product** or the **Member's Work** except:

- a) Products that are still in the physical possession of the **Named Member**; or
- b) Work that has not yet been completed or abandoned.
1. The **Member's Work** will be deemed completed at the earliest of the following times:
 - a) When all of the work called for in the **Named Member's** contract has been completed;
 - b) When all of the work to be done at the site has been completed if the **Member's Contract** calls for work at more than one site; or
 - c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

2. This hazard does not include **Bodily Injury** or **Property Damage** arising out of:
 - a) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle created by the **Loading** or **Unloading** of it; or
 - b) The existence of tools, uninstalled equipment or abandoned or unused materials.

W. Property Damage means:

1. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
2. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the physical injury that caused it.

X. Public Health Professional means employees, volunteers, case managers, EMTs, paramedics, dentists, doctors, nurses, Health Officers, or others performing public health services for or on behalf of the Member while acting within the scope of their responsibilities as authorized by local codes, statutes or ordinances.

Y. Public Officials' Errors and Omissions means any and all **Wrongful Acts** by a **Member** in the discharge of duties for the **Named Member**.

Z. Sexual Molestation means the actual, attempted or alleged unlawful sexual contact of a person, by another person, or persons acting in concert.

AA. Suit means a civil proceeding in which monetary damages to which this coverage applies are alleged. **Suit** includes an arbitration proceeding in which such damages are claimed to which the **Member** must submit.

BB. Ultimate Net Loss means all sums actually paid, or which the **Member** is legally obligated to pay, as damages for claims or **Suits** covered by this Memorandum. **Ultimate Net Loss** shall also include any award of plaintiff attorney fees and **Defense Costs**. **Ultimate Net Loss** shall be net of any collectible recoveries or salvage.

CC. Wrongful Act means any actual or alleged error or misstatement, omission, act of neglect or breach of duty by the **Member**. **Wrongful Act** includes actual or alleged violations of antitrust statutes, negligent ministerial acts, and violations of federal or state civil rights providing coverage is otherwise afforded as under this memorandum. Any errors or omissions arising out of the same cause, event or circumstance or from continuous or repeated exposure to substantially the same general harmful conditions shall be deemed as arising from the same **Wrongful Act**.

DD. Wrongful Employment Practice means:

1. Actual or alleged wrongful employment termination by a **Named Member** of an employee of a **Named Member**;
2. Actual or alleged **Discrimination** by a **Member** against an employee of the **Named Member** or an applicant for employment with the **Named Member**; or
3. Actual or alleged sexual harassment by a **Member** or an employee of the **Named Member**.

EE. Terrorism means activities against persons, organizations or property of any nature:

1. That involve the following or preparation for the following:
 - a) Use or threat of force or violence; or
 - b) Commission or threat of dangerous act; or
 - c) Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and
2. When one or both of the following applies:

- a) The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
- b) It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to a philosophy or ideology).

SECTION V - CONDITIONS

A. BANKRUPTCY OR INSOLVENCY OF THE NAMED MEMBER

Bankruptcy or insolvency of the **Named Member** will not relieve Enduris of its obligations under this memorandum. Payments due under this will be made by Enduris as if the **Named Member** had not become bankrupt or insolvent. Such payments will be made to the Trustee in Bankruptcy or as a court of competent jurisdiction may direct.

B. OTHER COVERAGE

If there is any other coverage available to the **Member** which affords coverage with respect to injury, damages or acts to which this memorandum applies, whether on a primary, excess, contingent, extended reporting period, retroactive, or any other basis, this memorandum shall apply as excess of and shall not contribute with such other coverage. However, this provision does not apply to coverage, which is purchased by the **Named Member** to be specifically excess of the sum of the Limits of Coverage afforded by this memorandum.

In the event of a loss which is covered by other coverage, this coverage becomes excess to any amount paid by such other coverage provider. Such amount(s) paid by other coverage shall be applied to the deductible amount stated elsewhere. Should the amount paid by such other coverage exceed these deductibles, no further deductible(s) shall be assessed under this Memorandum.

C. SUBROGATION

In the event of any payment under this memorandum, the **Named Member** must notify Enduris of any of the **Named Member's** rights of recovery against any person or organization. Enduris shall be subrogated to all such rights and the **Named Member** shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The **Named Member** shall do nothing after loss to prejudice such rights.

Any amounts recovered shall be apportioned in the following order:

1. Any amount paid in excess of the payments under this memorandum shall first be reimbursed up to the amount paid by those, including the **Member**, who made such payments;
2. Enduris is then to be reimbursed up to the amount Enduris paid;
3. Any remainder shall be available to the interests of those over whom this coverage is in excess and who are entitled to claim such remainder.

Expenses of all proceedings to recover from anyone liable for injury or damage covered by this memorandum will be allocated among the parties receiving such recovery in the ratio represented by the allocation of any damages, which have been recovered. If such an action or proceeding undertaken solely by Enduris results in no recovery, all related expenses will be paid by Enduris.

D. DUTIES IN THE EVENT OF AN OCCURRENCE, WRONGFUL ACT, CLAIM OR SUIT

1. The **Named Member** shall as soon as is practical notify Enduris in writing of any **Occurrence, Wrongful Act, claim or Suit** which may reasonably be expected to result in a claim against this memorandum. For the purpose of determining when notice shall be

made to Enduris, the **Member** shall assume liability does exist, and for the full amount of any claim.

Notification of **Occurrence, Wrongful Act**, claim or **Suit** shall include:

- a) How, when and where the **Occurrence** or **Wrongful Act** took place;
 - b) The names and addresses of any injured persons and witnesses; and
 - c) The nature and location of any injury or damage arising out of the **Occurrence** or **Wrongful Act**.
2. All **Members** must:
- a) Immediately send Enduris copies of any demands, notices, summonses or legal papers received in connection with such claim or **Suit**;
 - b) Authorize Enduris to obtain records and other information;
 - c) Cooperate with Enduris in any investigation or settlement of the claim or **Suit**;
 - d) Assist Enduris, upon Enduris' request, in the enforcement of any right against any person or organization which may be liable to the **Member** because of injury or damage to which this coverage may also apply; and
 - e) Do all things reasonably necessary to defend and protect both the **Member's** and Enduris' interest.
3. No **Member** will, except at their own cost, voluntarily make a payment, settle, assume any obligation, or incur any expense.
4. Notice as required under Items 1. through 4. above shall be given to Enduris by mailing to: Enduris, 1610 S. Technology Blvd., Spokane, WA 99224.

E. LEGAL ACTION AGAINST ENDURIS

No person or organization has a right under this memorandum:

1. To join Enduris as a party or otherwise bring Enduris into a **Suit** asking for damages from a **Member**; or
2. To sue Enduris on this memorandum.

F. INSPECTIONS AND SURVEYS

Enduris has the right, but is not obligated to:

1. Make inspections and surveys at any time;
2. Give reports on the conditions Enduris finds; and
3. Recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the contributions to be charged. Enduris does not make safety inspections. Enduris does not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And Enduris does not warrant that conditions:

1. Are safe or healthful; or
2. Comply with laws, regulations, codes or standards.

G. EXAMINATION OF THE MEMBER'S BOOKS AND RECORDS

Enduris may examine and audit all books and records of the **Named Member** as they relate to this memorandum at any time during the **Memorandum Period** and up to three (3) years after the final statement of all claims or payments under this coverage.

H. CONFORMITY WITH STATUTE

Any terms of this memorandum, which are in conflict with any law applicable to this memorandum are hereby amended to conform with such laws.

I. CAPTIONS

The headings or captions used in this memorandum are for the purposes of reference only and shall not otherwise affect the meaning of this memorandum.

J. REPRESENTATIONS AND WARRANTIES

In granting coverage under this Coverage Agreement, Enduris has relied on the declarations, representations and warranties in the application. All such declarations, representations and warranties are the basis of coverage under this Coverage Agreement and are considered as incorporated into and constituting a part of this Coverage Agreement. By acceptance of this Coverage Agreement, the **Named Member** agrees that:

1. The statements in the application are the true and correct representations and warranties of the **Named Member**; each shall be deemed material to the acceptance of the risk or the hazard assumed by Enduris under this Coverage Agreement; and this Coverage Agreement is issued in reliance upon the truth and accuracy of such representations;
2. In the event the application contains misrepresentations or fails to state facts which arterially affect either the acceptance of the risk or the hazard assumed by Enduris under this Coverage Agreement, this Coverage Agreement in its entirety shall be void and of no effect whatsoever; and
3. This Coverage Agreement embodies all agreements existing between it and Enduris or any of its agents relating to the coverage afforded under this Coverage Agreement. The knowledge of an individual **Member** shall not be imputed to any other **Member**, except that the knowledge of the person or persons who sign the Application shall be imputed to the **Named Member**.

K. ASSIGNMENT CLAUSE

No Member or Named Member may assign any right, claim or interest it may have under this Memorandum of Coverage. No assignee, creditor or third party beneficiary of any Member or Named Member shall have any right, title, claim to, or interest in any part, share, fund or asset of Enduris.

ADDENDUM A

ENDURIS AND ITS MEMBERS

**MEMORANDUM OF COVERAGE
AMENDATORY ADDENDUM**

This addendum modifies coverage provided under the following:
Enduris Liability Coverage

Notwithstanding Exclusion 41, it is agreed that this insurance includes Bodily Injury, Property Damage, or Personal Injury, which occurs during the Memorandum Period directly caused by an act of Terrorism as defined in the Enduris Memorandum of Coverage.

Coverage provided by this addendum is limited to \$500,000 per member per occurrence and \$1,000,000 in the annual aggregate for all Members combined.

Upon erosion of the above aggregate limit, Exclusion 41 in the Enduris Memorandum of Coverage shall apply.

It is further agreed that nothing herein shall act to increase Enduris' Limit of Liability.

This addendum is part of the Memorandum and takes effect on the effective date of the Memorandum. All other terms and conditions remain unchanged.

ADDENDUM C

ENDURIS AND ITS MEMBERS

**MEMORANDUM OF COVERAGE
AMENDATORY ADDENDUM**

It is agreed that the Memorandum is amended to read as follows:

It is hereby agreed that Exclusion 18, Liability arising out of the rupture, bursting, overtopping, accidental discharge or partial or complete failure of any Dam(s), is deleted in its entirety from the Memorandum.

“Dam” means any artificial barrier together with appurtenant works which:

1. is 25 feet or more in height from the foot of a natural bed of stream or watercourse; or
2. has water impounding capacity of 50-acre feet or more.

Enduris members with Dam Liability coverage

1. Okanogan Irrigation District
2. Lake Chelan Reclamation District
3. Public Utility District #1 of Skagit Co.

It is further agreed that nothing herein shall act to increase Enduris' Limit of Liability.

This addendum is part of the Memorandum and takes effect on the effective date of the Memorandum unless another effective date is shown below. All other terms and conditions remain unchanged.

ADDENDUM D

ENDURIS AND ITS MEMBERS

MEMORANDUM OF COVERAGE

It is agreed that the Memorandum is amended to read as follows:

It is hereby agreed that the errors and omissions coverage to apply to bonds for Right of Way Street Obstructions with a limit of \$10,000. The deductible is waived.

It is hereby agreed that the errors and omissions coverage apply to bonds for Franchises/Permits with a limit of \$10,000. The deductible is waived.

It is further agreed that nothing herein shall act to increase Enduris' Limit of Liability.

This addendum is part of the Memorandum and takes effect on the effective date of the Memorandum unless another effective date is shown below. All other terms and conditions remain unchanged.

ADDENDUM F

ENDURIS AND ITS MEMBERS

**MEMORANDUM OF COVERAGE
AMENDATORY ADDENDUM**

It is agreed that the Memorandum is amended to read as follows:

It is hereby agreed that damage from flooding or washouts resulting from any activities set forth in the Flood, Diking and Drainage RCW 85.38.180 (1) through RCW 85.38.180 (4) are excluded. However, Enduris will pay Defense Costs as defined in this Memorandum for any such claims and/or suits against a Member, subject to a maximum amount of \$200,000; and \$300,000 for Property Damage or Bodily Injury.

It is further agreed that nothing herein shall act to increase Enduris' Limit of Liability.

This addendum is part of the Memorandum and takes effect on the effective date of the Memorandum unless another effective date is shown below. All other terms and conditions remain unchanged.

ADDENDUM NO. F.1

ENDURIS AND ITS MEMBERS

**MEMORANDUM OF COVERAGE
AMENDATORY ADDENDUM**

It is agreed that the Memorandum is amended to read as follows:

It is hereby agreed that damage from flooding or washouts resulting from any activities set forth in RCW 85.38.180 (1) through RCW 85.38.180 (4) are excluded.

It is further agreed that nothing herein shall act to increase Enduris' Limit of Liability.

This addendum is part of the Memorandum and takes effect on the effective date of the Memorandum unless another effective date is shown below. All other terms and conditions remain unchanged.

ADDENDUM G

ENDURIS AND ITS MEMBERS

MEMORANDUM OF COVERAGE

Enduris will pay all sums which the Member shall become obligated to pay by reason of liability for breach of duty, negligent act, error or omission, committed or alleged to have been committed by the Member, arising out of the performance of notary service for others in the Member's capacity within their scope of duty and as a duly commissioned and sworn Notary Public.

This policy applies only to negligent acts, errors or omissions which occur during the policy period and then only if claims, suit or other action arising therefrom is commenced during the policy period or within the applicable Statute of Limitations pertaining to the Member.

The liability of this Member shall not exceed in the aggregate for all claims under this insurance the amount of \$50,000.

Coverage under this policy does not apply to any dishonest, fraudulent, criminal or malicious act or omission of the Member.

If the Member has other insurance against a loss covered by this policy, the Member shall not be liable under this policy for a greater proportion of such loss, costs and expenses than the limit of liability stated in this policy bears to the total limit of liability of all valid and collectible insurance against such loss.

It is further agreed that nothing herein shall act to increase Enduris' Limit of Liability.

This addendum is part of the Memorandum and takes effect on the effective date of the Memorandum unless another effective date is shown below. All other terms and conditions remain unchanged.

ADDENDUM H

ENDURIS AND ITS MEMBERS

MEMORANDUM OF COVERAGE

Coverage. This addendum is provided for Enduris Fire Districts and their fire fighting personnel that are red card qualified in the position they hold. This addendum to the Enduris memorandum of coverage provides a maximum limit of \$100,000 of professional liability coverage for each occurrence with an annual aggregate of \$500,000 per year for each member district of Enduris for Internal Agency Disciplinary Proceedings; Criminal Proceedings, and Judicial Sanctions for any monetary penalty. This addendum to Enduris coverage is specifically targeted to provide coverage for judgments arising from acts, errors or omissions committed by elected officials, employees or volunteers while acting within the scope of their employment while under the payroll of an Enduris member Fire District for criminal acts or disciplinary proceedings not provided in the Enduris Memorandum of Coverage and while activated by an appropriate agency.

Deductible. Member Fire District has a \$5,000 deductible for each occurrence.

Exclusions. Intentional Acts and punitive damages are excluded in this addendum.

It is further agreed that nothing herein shall act to increase Enduris' Limit of Liability.

This addendum is part of the Memorandum and takes effect on the effective date of the Memorandum unless another effective date is shown below. All other terms and conditions remain unchanged.

ADDENDUM I

ENDURIS AND ITS MEMBERS

MEMORANDUM OF COVERAGE

Coverage. Enduris will pay all sums the passenger in the "Covered Auto" of the "Member" is legally entitled to recover as compensatory damages from the owner or driver of any "Uninsured Motor Vehicle." The damages must result from "Bodily Injury" sustained by the passenger in the "Covered Auto" of the "Member" caused by an "Accident." The owner's or driver's liability for these damages must result from the ownership, maintenance or use of the "Uninsured Motor Vehicle."

If this coverage agreement provides for a limit in excess of the amounts required by the applicable law where a "Covered Auto" is principally garaged, we will pay only after all liability bonds or policies have been exhausted by judgments or payments.

Any judgment for damages arising out of a "Suit" brought without our written consent is not binding on us.

Definitions.

"Accident" means an occurrence that is unexpected and unintended from the standpoint of the person who is insured.

"Auto" means a land motor vehicle, trailer, or semi-trailer.

"Bodily Injury" means bodily injury, sickness, disease, disability, care, loss of services, or loss of consortium.

"Covered Auto" means an owned auto by the Member.

"Covered Individual" means:

- a. Those individuals who were or now are elected or appointed officials of the Member, including Members of its governing body or any other committees, trustees, boards or commissions of the Member, while acting for or on behalf of the Member.
- b. Past or present individual employees of the Member while acting for or on behalf of the Member.
- c. Any of the Members individual Volunteers while acting within the course and scope of their services or duties as volunteers.

"Damages" means monetary compensation and includes such compensation for loss of services resulting from "Bodily Injury" or "Property Damage."

"Member" means the District(s), Agency(s) or entity(ies) identified in the Declarations.

"Loss" means direct or accidental loss or damage.

“Occupying” means in, upon, getting in, on, out or off.

“Property Damage” means damage to or loss of use of tangible property.

“Suits” means a civil proceeding in which “Damages” are alleged because of “Bodily Injury” or “Property Damage.” “Suit” includes arbitration proceedings alleging such “Damages” to which you must submit or submit with our consent.

“Uninsured Motor Vehicle” means a land motor vehicle or trailer:

- a. For which no liability bond or policy at the time of an “Accident” provides at least the amounts required by the applicable law where a “Covered Auto” is principally garaged;
- b. That is an “Underinsured Motor Vehicle.” An “Underinsured Motor Vehicle” is a motor vehicle or trailer for which the sum of all liability bonds or policies at the time of an “Accident” provides at least the amounts required by the applicable law where a “Covered Auto” is principally garaged but that sum is less than the LIMITS OF COVERAGE provided for under this agreement;
- c. For which an insuring or bonding company denies coverage or refuses to admit coverage except conditionally or with reservation or becomes insolvent; or
- d. That is a hit-and-run vehicle and neither the driver nor owner can be identified. The vehicle must make physical contact with the “Member,” “Covered Individual,” a “Covered Auto” or a vehicle a “Covered Individual” is “Occupying.”

However, “Uninsured Motor Vehicle” does not include any vehicle:

- a. Owned or operated by a self-insurer under any applicable motor vehicle law except a self-insurer who is or becomes insolvent and cannot provide the amounts required by that motor vehicle law;
- b. Owned by a governmental unit or agency;
- c. Designed or modified for use primarily off public roads while not on public roads.

Who Is Covered Under This Agreement.

- a. Any passenger in the “Covered Auto” of the “Member.”

Exclusions. This coverage afforded under this agreement does not apply to any of the following:

- a. Punitive or exemplary damages,
- b. Any claim settled without or consent,
- c. The direct or indirect benefit of any insurer or self-insurer under any workers compensation, disability benefits or similar law or to the direct benefit of the United States, a state or its political subdivisions.

- d. "Bodily Injury" sustained by a "Member" or "Covered Individual" while "Occupying" or struck by any vehicle owned by the "Member" that is not a "Covered Auto."
- e. "Bodily Injury" sustained by a "Member" while "Occupying" any vehicle leased by the "Member" under a written contract for a period of 6 months or more that is not a "Covered Auto."
- f. Anyone using a vehicle without a reasonable belief that the person is entitled to do so.

Limit of Coverage. Regardless of the number of "Covered Autos," "Members," premiums paid, claims made or vehicles involved in the "Accident," the most we will pay for all damages resulting from any one "Accident" is \$100,000.

For a vehicle described in paragraph b. of the definition of "Uninsured Motor Vehicle," or our Limit of Coverage shall be reduced by all sums paid because of "Bodily Injury" by or for anyone who is legally responsible, including all sums paid or payable under the Memorandum of Coverage.

No one will be entitled to receive duplicate payments for the same elements of "Loss" under this Coverage Agreement.

We will not make a duplicate payment under this Coverage for any element of "Loss" for which payment has been made by or for anyone who is legally responsible.

We will not pay for any element of "Loss" if a person is entitled to receive payment for the same element of "Loss" under any workers' compensation, disability benefits or similar law.

Other Insurance. If there is other applicable "Bodily Injury" uninsured motorist coverage available under one or more Coverage Forms, policies or provisions of coverage:

- a. Any recovery for damages may equal but not exceed the highest applicable Limit of Coverage for any one "Covered Auto" under this Coverage Form or any other Coverage Form or policy providing coverage on either a primary or excess basis.

In addition, if any such coverage is provided on the same basis, either primary or excess, as the coverage we provide under this coverage agreement, we will pay only our share. Our share is the proportion that our Limit of Coverage bears to the total of all applicable limits for coverage provided on the same basis.

- b. For any "Covered Auto" you own, this Coverage Form provides primary insurance. For any "Covered Auto" you don't own, the insurance provided by this Coverage Form is excess over any other collectible "Bodily Injury" uninsured motorists insurance.

It is further agreed that nothing herein shall act to increase Enduris' Limit of Liability.

This addendum is part of the Memorandum and takes effect on the effective date of the Memorandum unless another effective date is shown below. All other terms and conditions remain unchanged.

SPECIMEN

ADDENDUM J

ENDURIS AND ITS MEMBERS

MEMORANDUM OF COVERAGE

1. Commandeered Property of Others. The coverage is extended for Commandeered Property; property of others that is seized or taken over for official use to handle an emergency situation. This must be a spontaneous, non-planned action on the part of the officer in charge. Commandeered Property includes, but is not limited to, automobiles, watercraft, tools and equipment. Enduris shall not be liable under this Extension for more than \$250,000 in any one occurrence.

2. Re-Certification Extension (Fire Department Specialized Automotive Equipment). This coverage is extended to cover the cost, if any, to re-certify pumper apparatus when such re-certification is necessary by a loss covered elsewhere in this coverage part.

3. Emergency Vehicle Equipment. Equipment for a covered emergency vehicle listed on your schedule shall be considered part of the covered emergency vehicle if it is either:

- a. Permanently attached; or
- b. Regularly attached to the covered vehicle with a bracket or similar device; or
- c. Obviously required to permit the intended use of the covered vehicle.

4. Rental Reimbursement. Enduris shall reimburse the Member for expense incurred for the rental of substitute equipment when such rental is made necessary, (a) by loss of or damage to the Member's own equipment due to a covered loss and (b) to continue as nearly as practicable the normal operations and (c) when the Member does not have the equivalent, idle equipment at its disposal. Reimbursement is limited to such expense incurred during the period commencing seventy-two (72) hours after the property damage loss has been reported to Enduris and terminating, regardless of expiration of the coverage period, when the covered property has been (a) replaced, or (b) restored to service, or (c) need for covered property no longer exists, whichever occurs first.

Enduris shall not be liable for more than the actual daily rental expense, not exceeding \$500 per day, nor for more than \$10,000 aggregate for all such reimbursement expenses during any one coverage year.

It is mutually agreed that due diligence and dispatch will be used to repair or replace the lost or damaged property.

5. Firefighter Personal Vehicle Property Damage Coverage. This coverage is extended to cover the actual repair for physical damage to vehicles of the private passenger, van or pickup truck type, owned by a firefighter of the Member when responding to, working at, or returning from an alarm of fire or emergency call while engaged in active duty on behalf of the Member up to the actual cash value, less the District's deductible.

6. Active Member's Personal Effects. When resulting from a covered loss, Enduris provides coverage for personal effects of the employee, volunteer or elected official of the Member while engaged in the Call Out activities of the Member with a limit of \$10,000 per person per occurrence, no deductible.

This extension of 6 above does not cover:

- a. Loss or damage to accounts, bills, deeds, evidence of debt, currency, money, securities, notes, letters of credit, bouillon, precious stones, jewelry or other similar valuables, paintings, statuary or other works of art, passports, ticket, documents, manuscripts, records or other valuable papers.
- b. Automobiles, motorcycles, motor trucks, trailers, ATV's, snowmobiles, semi-trailers, and automotive power units or any other vehicles.
- c. Normal use, wear and tear

7. Mobile Equipment. Mobile equipment means equipment that is not attached to a structure or vehicle that can reasonably be carried and is intended for use in the field for the purpose of fighting fires or EMS or EMT duties.

Examples include but are not limited to portable radios, District-issued protective clothing, cellular phones, pagers, laptop computers, etc. This does not cover normal use, wear and tear.

There is a \$100 deductible.

8. Other Conditions. Any claim submitted under this addendum must be submitted through the governing board.

All claims for loss, damage, or expense arising out of one loss, disaster or casualty shall be adjusted as one claim.

It is further agreed that nothing herein shall act to increase Enduris' Limit of Liability.

This addendum is part of the Memorandum and takes effect on the effective date of the Memorandum unless another effective date is shown below. All other terms and conditions remain unchanged.

ADDENDUM K

ENDURIS AND ITS MEMBERS

MEMORANDUM OF COVERAGE

The definition of **Occurrence** as it applies to, **Public Officials Liability Errors and Omissions Liability** and **Unfair Employment Practices Liability** is amended to:

"**Occurrence**" means an accident or event, including injurious exposure to conditions, which resulted under claims made insurance that expired prior to the effective date of this memorandum in Public **Officials Errors and Omissions** or **Unfair Employment Practices** neither expected nor intended from the standpoint of the **Covered Party** and only if a claim is made or a **Suit** is brought during the Memorandum Period. As respects to **Public Officials Liability Errors and Omissions Liability** and **Unfair Employment Practices Liability**, **Occurrence** shall apply separately to each member of the pool who purchased this optional coverage.

Definitions.

"**Suit**" Means a civil proceeding in which an **Occurrence** to which this coverage applies is alleged. **Suit** includes an arbitration proceeding or any other alternative dispute resolution proceeding alleging an **Occurrence** to which the member must submit or submit with the association's consent.

It is further agreed that nothing herein shall act to increase Enduris' Limit of Liability.

This addendum is part of the Memorandum and takes effect on the effective date of the Memorandum unless another effective date is shown below. All other terms and conditions remain unchanged.

ADDENDUM L

ENDURIS AND ITS MEMBERS

MEMORANDUM OF COVERAGE

It is hereby agreed that the Enduris Board of Directors establishes the formula for distribution of pool shared coverage limits. In the event of a loss or accumulation of losses whereby the amount of loss exceeds the limits of the combined policies, the payments to individual members will be made on a proportional basis based on reported losses within one year of the date of loss. This proportion, including the share of the deductible, shall be determined as the ratio of the total limits available divided by the total amount that would have been payable if no exhaustion of limits has occurred. This provision applies to exhaustion of limits on a per occurrence basis and with respects to all shared limit coverage on an annual aggregate basis beginning each policy year, September 1st.

It is further agreed that nothing herein shall act to increase Enduris' Limit of Liability.

This addendum is part of the Memorandum and takes effect on the effective date of the Memorandum unless another effective date is shown below. All other terms and conditions remain unchanged.

ADDENDUM NRR

ENDURIS AND ITS MEMBERS

MEMORANDUM OF COVERAGE

It is agreed that the Memorandum is amended to read as follows:

With respect to operations performed for, or affecting, a Scheduled Railroad at a Designated Job Site, the **Definition** of “**member contract**” in the Definitions section is replaced by the following:

H. “**Member Contract**” means:

1. A lease of premises;
2. A sidetrack agreement;
3. Any easement or license agreement;
4. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
5. An elevator maintenance agreement;
6. The part of any other contract or agreement pertaining to the **Member** in statutorily authorized activities (including any indemnification of a municipality in connection with work performed for municipality) under which the **Member** assumes the tort liability of any party to pay for “**bodily injury**” or “**property damage**” to a third person or organization.

Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Member Contract does not include that part of any contract or agreement:

- (1) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a) Preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications;
 - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage;
- (2) Under which the **Member**, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the **Member's** rendering or failure to

render professional services, including those listed in paragraph (1) above and supervisory, inspection or engineering services.

It is further agreed that nothing herein shall act to increase Enduris' Limit of Liability.

This addendum is part of the Memorandum and takes effect on the effective date of the Memorandum unless another effective date is shown below. All other terms and conditions remain unchanged.

ADDENDUM O

ENDURIS AND ITS MEMBERS

**MEMORANDUM OF COVERAGE
AMENDATORY ADDENDUM**

It is agreed that the Memorandum is amended to read as follows:

For members with \$1,000,000 General Liability limit (Enduris limited liability program), Cyber Coverage is excluded.

For members that are not limited liability program and with no property on their schedule, the Cyber Coverage limit is \$100,000; 20% Co-Pay on indemnity and defense cost up to a maximum co-pay of \$20,000.

It is further agreed that nothing herein shall act to increase the Enduris' Limit of Liability.

This addendum is part of the Memorandum and takes effect on the effective date of the Memorandum. All other terms and conditions remain unchanged.

ADDENDUM Q

ENDURIS AND ITS MEMBERS

**MEMORANDUM OF COVERAGE
AMENDATORY ADDENDUM**

IT IS HEREBY UNDERSTOOD AND AGREED THAT EFFECTIVE 03/25/2015 THE FOLLOWING: Add Coverage to a Bound Member or Add a Member with Different Coverage(s)

Benton Irrigation District for Crane: Amend PEPIP Form, Section VI-Contractors Equipment, Item B-Perils Excluded; delete item 3

It is further agreed that nothing herein shall act to increase the Enduris' Limit of Liability.

This addendum is part of the Memorandum and takes effect on the effective date of the Memorandum. All other terms and conditions remain unchanged.

ADDENDUM R

ENDURIS AND ITS MEMBERS

MEMORANDUM OF COVERAGE AMENDATORY ADDENDUM

The Memorandum is amended to read as follows:

Deductibles

Property – selected by Member (see schedule). Regarding the sublimit of Unscheduled Landscaping, tees, sand traps, greens, athletic fields and artificial turf coverage; the deductible in the Alliant Property Insurance Program in the Enduris Memorandum of Coverage identifying deductibles applies to this provision.

Crime – same as Property

Pollution – see Alliant Property Insurance Program Pollution declaration page in MOC

Liability – selected by Member (see Liability declaration page)

Earthquake – see Alliant Property Insurance Program declaration page in MOC

Cyber – 20% Co-Pay on indemnity and defense cost up to a maximum co-pay of \$100,000

Employment Practices Liability – 20% Co-Pay on indemnity and defense cost up to a maximum co-pay of \$100,000.

Flood – same as Property for the first loss; thereafter any future flood claims will be subject to the higher deductible as outlined in the Alliant Property Insurance Program in the Enduris Memorandum of Coverage identifying deductibles for specific perils and coverages. The member property deductible applies only once for the first loss unless provisions are made to mitigate the loss for future losses. Mitigation results will be determined by the pool administration upon the second and future losses.

In the event that a flood loss occurs involving more than one Member and one or more Members have had a prior loss then the deductible would be apportioned as follows:

1. Members for whom the event is the first loss (or mitigated loss) would be responsible for their Member deductible or the mitigated amount.
2. Members for whom the event is a subsequent event would share the costs of the Enduris flood deductible in proportion to their loss costs. Example: If a Member suffered 1/3 of the total flood loss they would be responsible for 1/3 of the Enduris flood deductible.

Co-Pay Waivers

The Cyber co-pay may be waived or mitigated if in the sole opinion of Enduris, the member has followed best practice standards for Cyber security. Examples of Enduris minimum cyber security expectations include but are not limited to: Secure and encrypted networks, firewall, anti-virus software, SPAM filter, unique user password, accurate inventory of devices, and frequent back-up.

The Employment Practices Liability co-pay may be waived or mitigated if in the sole opinion of Enduris, the member has requested a waiver or mitigation in a timely fashion (early enough to allow Enduris to

influence the outcome of the claim). Further, the member must follow legal advice provided by Enduris-appointed counsel.

It is further agreed that nothing herein shall act to increase Enduris' Limit of Liability.

This addendum is part of the Memorandum and takes effect on the effective date of the Memorandum unless another effective date is shown below. All other terms and conditions remain unchanged.

ADDENDUM S

ENDURIS AND ITS MEMBERS

MEMORANDUM OF COVERAGE

Members are required to submit a property loss with documented damages no later than twelve (12) months after the date of the original physical loss or damage is discovered.

This addendum requires written approval from Enduris.

It is further agreed that nothing herein shall act to increase Enduris' Limit of Liability.

This addendum is part of the Memorandum and takes effect on the effective date of the Memorandum unless another effective date is shown on the attached Evidence of Coverage. All other terms and conditions remain unchanged.

ADDENDUM T

ENDURIS AND ITS MEMBERS

MEMORANDUM OF COVERAGE

Non-Member Limited Automobile Medical Coverage

Coverage:

Enduris will pay reasonable expenses incurred for necessary medical and funeral services to or for a **Covered Individual** who sustains **Bodily Injury** caused by an **Accident**. We will pay only those expenses incurred for services rendered within three years from the date of the **Accident**.

Provided that:

- 1) The **Accident** takes place in the **Coverage Territory** and during the policy period.
- 2) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

We will pay these expenses regardless of fault. All payments will be on an excess basis and will only pay after any and all other applicable coverage is exhausted.

These payments will not exceed the applicable **Limit of Coverage**.

Limit of Coverage:

Regardless of the number of covered **Autos**, **Covered Individuals**, premiums paid, claims made or vehicles involved in the **Accident**, the most we will pay for **Bodily Injury** for each **Covered Individual** injured in any one **Accident** is \$10,000 each person / \$25,000 aggregate.

No one will be entitled to receive duplicate payments for the same elements of loss under this coverage and any other coverage.

Definitions:

Accident means an occurrence involving a **Covered Auto** causing **Bodily Injury** to a **Covered Individual** that is unexpected and unintended from the standpoint of the person who is insured.

Auto means a compulsory licensed land motor vehicle, trailer, or semi-trailer.

Bodily Injury means:

- 1) First aid at the time of an accident;
- 2) Necessary medical, surgical, x-ray, and dental services, including prosthetic devices; and,
- 3) Necessary ambulance, hospital, professional nursing, rehabilitative and funeral services.

Covered Auto means an owned auto by the **Member**.

Covered Individual means an individual in a **Covered Auto** involved in an **Auto Accident** that sustains resultant **Bodily Injury** that is not:

- 1) A Member as defined in the Memorandum of Coverage.
- 2) A person, whether or not an employee of the member, if benefits for the Bodily Injury are payable or must be provided under a worker's compensation or disability benefits law or a similar law.
- 3) Any other person covered under Memorandum of Coverage.

It is further agreed that nothing herein shall act to increase Enduris' Limit of Liability.

This addendum is part of the Memorandum and takes effect on the effective date of the Memorandum unless another effective date is shown below. All other terms and conditions remain unchanged.

SPECIMEN

ADDENDUM U

ENDURIS AND ITS MEMBERS

MEMORANDUM OF COVERAGE

It is agreed that the Memorandum is amended to read as follows:

Section II, Property Damage; Letter B, item 5 ARCHITECTS AND ENGINEERS FEES AND LOSS ADJUSTMENT EXPENSES is removed in its entirety and replaced by the following:

This Policy also insures as a direct result of physical loss or damage insured hereunder, any of the following when pre-approved in writing by Enduris:

- a. Architects and engineer fees
- b. Loss adjustment expenses including, but not limited to, auditors, consultants and accountants. However, the expenses of public adjusters are specifically excluded.

This addendum requires written approval from Enduris.

It is further agreed that nothing herein shall act to increase Enduris' Limit of Liability.

This addendum is part of the Memorandum and takes effect on the effective date of the Memorandum unless another effective date is shown on the attached Evidence of Coverage. All other terms and conditions remain unchanged.

ADDENDUM V

ENDURIS AND ITS MEMBERS

**MEMORANDUM OF COVERAGE
AMENDATORY ADDENDUM**

Benton-Franklin Health District

IT IS HEREBY UNDERSTOOD AND AGREED THAT THE FOLLOWING OPERATIONS ARE EXCLUDED FROM ALL COVERAGE PROVIDED BY ENDURIS:

All operations or services related to the Benton-Franklin Juvenile Justice Center.
All operations or services performed at or for detention centers and jails.

It is further agreed that nothing herein shall act to increase the Enduris' Limit of Liability.

This addendum is part of the Memorandum and takes effect on the effective date of the Memorandum. All other terms and conditions remain unchanged.

ADDENDUM W

ENDURIS AND ITS MEMBERS

**MEMORANDUM OF COVERAGE
AMENDATORY ADDENDUM**

Limited Communicable Disease Liability Coverage

This addendum provides for Limited **Communicable Disease** Liability Coverage in the amount of \$200,000 per occurrence and \$250,000 aggregate per member, with a \$500,000 maximum program annual aggregate.

This limited coverage is an exception to Exclusion 45 based on the limitations above, with the following exception: This limited coverage does not apply to a **Communicable Disease** that is included within the scope of a declared pandemic but remains in effect for a **Communicable Disease** that is outside the scope of a declared pandemic. A declared pandemic includes any order of an authorized government agency related to a **Communicable Disease** emergency and is determined to be a pandemic by Enduris.

If the amount of covered losses exceeds the program aggregate, Addendum L applies as the method of distribution of the aggregate.

It is further agreed that nothing herein shall act to increase the Enduris' Limit of Liability.

This addendum is part of the Memorandum and takes effect on the effective date of the Memorandum. All other terms and conditions remain unchanged.

**ALLIANT INSURANCE SERVICES, INC.
ALLIANT PROPERTY INSURANCE PROGRAM (APIP)**

PROPERTY EVIDENCE ATTACHMENT

TYPE OF INSURANCE: Insurance Reinsurance

NAMED INSURED: Enduris Non - HPR Properties

DECLARATION: 30-Districts 1

POLICY PERIOD: July 1, 2020 to July 1, 2021

REFERENCE NUMBER: APIP2020 (Dec 30)

COMPANIES: See Attached List of Companies

TOTAL INSURED VALUES: \$ 3,555,505,180 as of June 23, 2020

COVERAGES & LIMITS:

\$	800,000,000	Per Occurrence: all Perils, Coverages (subject to policy exclusions) and all Named Insureds (as defined in the policy) combined, per Declaration, regardless of the number of Named Insureds, coverages, extensions of coverage, or perils insured, subject to the following per occurrence and/or aggregate sub-limits as noted below.
\$	50,000,000	Shared by Enduris HPR & Enduris Non-HPR locations Flood Limit - Per Occurrence and in the Annual Aggregate (for those Named Insured(s) that purchase this optional dedicated coverage).
\$	50,000,000	Shared by Enduris HPR & Enduris Non-HPR locations Per Occurrence and in the Annual Aggregate for scheduled locations in Flood Zones A & V (inclusive of all 100 year exposures). This Sub-limit does not increase the specific flood limit of liability for those Named Insured(s) that purchase this optional dedicated coverage.
	Not Applicable	Per Occurrence for losses to locations in Tier 1 and/or Tier 2 Counties and resulting from a Named Windstorm.
\$	10,000,000	Shared by Enduris HPR & Enduris Non-HPR locations. Earthquake Shock - Per Occurrence and in the Annual Aggregate (for those Named Insured(s) that purchase this optional dedicated coverage).
\$	100,000,000	Combined Business Interruption, Rental Income and Tuition Income (and related fees). However, if specific values for such coverage have not been reported as part of the Named Insured's schedule of values held on file with Alliant Insurance Services, Inc., this sub-limit amount is limited to \$500,000 per Named Insured subject to maximum of \$2,500,000 Per Occurrence, Per Declaration for Business Interruption, Rental Income and Tuition Income combined. Coverage for power generating plants is excluded, unless otherwise specified.
\$	50,000,000	Extra Expense.
\$	25,000,000	Miscellaneous Unnamed Locations for existing Named Insured's excluding Earthquake coverage for Alaska and California locations. If Flood coverage is purchased for scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V.

**COVERAGES & LIMITS:
(continued)**

180 Days Extended Period of Indemnity

See Policy Provisions \$25,000,000 Automatic Acquisition up to \$100,000,000 or a Named Insured's Policy Limit of Liability if less than \$100,000,000 for 120 days excluding licensed vehicles for which a sub-limit of \$10,000,000 applies per policy Automatic Acquisition and Reporting Condition. Additionally, automatic coverage is granted for up to 60 days, subject to a sub-limit of \$2,500,000 for additional property and/or interests in Tier 1 Wind Counties, Parishes and Independent Cities for the states of Virginia, North Carolina, South Carolina, Georgia, Alabama, Mississippi, Louisiana, Texas and/or situated anywhere within the states of Florida and Hawaii. The peril of EQ is excluded for the states of Alaska and California. If Flood coverage is purchased for all scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V.

\$ 1,000,000 Unscheduled Landscaping, tees, sand traps, greens, athletic fields and artificial turf and further subject to \$25,000 / 25 gallon maximum per item for existing Named Insureds excluding Earthquake coverage for Alaska and California locations. If Flood coverage is purchased for scheduled locations, this extension includes Flood coverage for any location not situated in Flood Zones A or V.

\$ 5,000,000 or 110% of the scheduled values, whichever is greater, for Scheduled Landscaping, tees, sand traps, greens, athletic fields and artificial turf and further subject to \$25,000 / 25 gallon maximum per item.

\$ 50,000,000 Errors & Omissions - This extension does not increase any more specific limit stated elsewhere in this policy or Declarations.

\$ 25,000,000 Course of Construction and Additions (including new) for projects with completed values not exceeding the sub-limit shown.

\$ 2,500,000 Money & Securities for named perils only as referenced within the policy.

\$ 2,500,000 Unscheduled Fine Arts.

\$ 250,000 Accidental Contamination per occurrence and annual aggregate per Named Insured with \$500,000 annual aggregate for all Named Insureds per Declaration.

\$ 750,000 Unscheduled infrastructure including but not limited to tunnels, bridges, dams, catwalks (except those not for public use), roadways, highways, streets, sidewalks, culverts, channels, levees, dikes, berms, embankments, landfills (as more fully defined in the policy), docks, piers, wharves, street lights, traffic signals, meters, roadway or highway fencing (including guardrails), and all similar property unless a specific value has been declared. Unscheduled infrastructure coverage is excluded for the peril of Earthquake and excluded for Federal Emergency Management Agency (FEMA) and/or Office of Emergency Services (OES) declared disasters, providing said declaration provides funding for repairs.

COVERAGES & LIMITS: (continued)	\$ 50,000,000	Increased Cost of Construction due to the enforcement of building codes/ ordinance or law (includes All Risk and Boiler & Machinery).
	\$ 25,000,000	Transit.
	\$ 2,500,000	Unscheduled Animals; not to exceed \$50,000 per Animal, per Occurrence.
	\$ 2,500,000	Unscheduled Watercraft up to 27 feet. Included Per Occurrence for Off Premises Vehicle Physical Damage.
	\$ 25,000,000	Off Premises Services Interruption including Extra Expense resulting from a covered peril at non-owned/operated locations.
	\$ 5,000,000	Per Occurrence Per Named Insured subject to an Annual Aggregate of \$10,000,000 for Earthquake Shock on Licensed Vehicles, Unlicensed Vehicles, Contractor's Equipment and Fine Arts combined for all Named Insured(s) in this Declaration combined that do not purchase optional dedicated Earthquake Shock coverage, and/or where specific values for such items are not covered for optional dedicated Earthquake Shock coverage as part of the Named Insured's schedule of values held on file with Alliant Insurance Services, Inc..
	\$ 5,000,000	Per Occurrence Per Named Insured subject to an Annual Aggregate of \$10,000,000 for Flood on Licensed Vehicles, Unlicensed Vehicles, Contractor's Equipment and Fine Arts combined for all Named Insured(s) in this Declaration combined that do not purchase optional dedicated Flood coverage, and/or where specific values for such items are not covered for optional dedicated Flood coverage as part of the Named Insured's schedule of values held on file with Alliant Insurance Services, Inc..
	\$ 3,000,000	Contingent Business Interruption, Contingent Extra Expense, Contingent Rental Values and Contingent Tuition Income separately.
	\$ 3,000,000	Tax Revenue Interruption – Per Policy Provisions. However, if specific values for such coverage have not been reported as part of the Named Insured's schedule of values held on file with Alliant Insurance Services, Inc., this sub-limit amount is limited to \$1,000,000 Per Occurrence – Per Policy Provisions.
	\$ 500,000	Jewelry, Furs, Precious Metals and Precious Stones Separately.
	\$ 1,000,000	Claims Preparation Expenses.
	\$ 50,000,000	Expediting Expenses.
	\$ 1,000,000	Personal Property Outside of the USA.
	\$ 5,000,000	Per Occurrence Per Declaration Upgrade to Green Coverage subject to the lesser of, the cost of upgrade, an additional 25% of the applicable limit of liability shown in the schedule of values or this sub limit.
	Not Covered	for Communicable Disease.

COVERAGES & LIMITS: \$ 100,000 Per Occurrence while in Storage and In Transit coverage subject to \$10,000 Deductible for Unmanned Aircraft as more fully defined in the Policy. Not Covered while in Flight.

\$ 100,000 Per Occurrence with a \$1,000,000 Annual Aggregate per Declaration for Mold/Fungus Resultant Damage as more fully defined in the policy.

VALUATION:

- Repair or Replacement Cost
- Actual Loss Sustained for Time Element Coverages
- Contractor's Equipment/Vehicles either Replacement Cost or Actual Cash Value as declared by each insured. If not declared, valuation will default to Actual Cash Value

EXCLUSIONS (Including but not limited to):

- Seepage & Contamination - *unless otherwise provided by the Pollution Liability Coverage per the Summary attached. If, insured purchases such coverage.*
- Cost of Clean-up for Pollution - *unless otherwise provided by the Pollution Liability Coverage per the Summary attached. If, insured purchases such coverage.*
- Mold - *as more fully described in the Master Policy Wording or otherwise provided when Pollution Liability Coverage is purchased, and as defined in the coverage Summary.*

Deductibles: If two or more deductible amounts provided in the Declaration Page apply for a single occurrence the total to be deducted shall not exceed the largest per occurrence deductible amount applicable. (The Deductible amounts set forth below apply Per Occurrence unless indicated otherwise).

"ALL RISK" DEDUCTIBLE:

\$ 250,000 Except 25,000 for On Premises Comprehensive and Collision except 100,000 for Emergency Vehicles Per Occurrence, which will apply in the event a more specific deductible is not applicable to a loss.

DEDUCTIBLES FOR SPECIFIC PERILS AND COVERAGES:

\$250,000 Per Occurrence for Flood Zones A & V (inclusive of all 100 year exposures).

\$ 250,000 All Flood Zones Per Occurrence excluding Flood Zones A & V.

Not Applicable for losses to locations in Tier 1 and/or 2 Counties and resulting from a Named Windstorm.

5% Subject to \$250,000 minimum Earthquake Shock: If the stated deductible is a flat dollar amount, the deductible will apply on a Per Occurrence basis, unless otherwise stated. If the stated deductible is on a percentage basis, the deductible will apply Per Occurrence on a Per Unit basis, as defined in the policy form, subject to the minimum deductible per occurrence.

\$ 1,000 Per Occurrence for Specially Trained Animals.

**DEDUCTIBLES FOR
SPECIFIC PERILS
AND COVERAGES:
(continued)**

\$	500,000	Unscheduled infrastructure including but not limited to tunnels, bridges, dams, catwalks (except those not for public use), roadways, highways, streets, sidewalks, culverts, channels, levees, dikes, berms, embankments, landfills (as more fully defined in the policy), docks, piers, wharves, street lights, traffic signals, meters, roadway or highway fencing (including guardrails), and all similar property unless a specific value has been declared. Unscheduled infrastructure coverage is excluded for the peril of Earthquake and excluded for Federal Emergency Management Agency (FEMA) and/or Office of Emergency Services (OES) declared disasters, providing said declaration provides funding for repairs.
\$	10,000	Per Vehicle or Item for Licensed Vehicles, Unlicensed Vehicles and Contractor's Equipment subject to \$100,000 Maximum Per Occurrence, Per Named Insured for the peril of Earthquake for Named Insured(s) who do not purchase dedicated Earthquake limits.
\$	50,000	Per Occurrence Per Named Insured for this Declaration for Fine Arts for the peril of Earthquake for Named Insured(s) who do not purchase dedicated Earthquake limits.
\$	10,000	Per Vehicle or Item for Licensed Vehicles, Unlicensed Vehicles and Contractor's Equipment subject to \$100,000 Maximum Per Occurrence, Per Named Insured for the peril of Flood for Named Insured(s) who do not purchase dedicated Flood limits.
\$	50,000	Per Occurrence Per Named Insured for this Declaration for Fine Arts for the peril of Flood for Named Insured(s) who do not purchase dedicated Flood limits.
	24 Hour	Waiting Period for Service Interruption for All Perils and Coverages.
	2.5%	of Annual Tax Revenue Value per Location for Tax Interruption.
\$	25,000	except 100,000 for Emergency Vehicles Per Occurrence for Off Premises Vehicle Physical Damage. If Off-Premises coverage is included/purchased, the stated deductible will apply to vehicle physical damage both on and off-premises on a Per Occurrence basis, unless otherwise stated. If Off-Premises coverage is not included, On-Premises/In-Yard coverage is subject to the All Risk (Basic) deductible.
		See Special Terms Vehicle Valuation Basis
\$	250,000	Per Occurrence for Contractor's Equipment.
		Actual Cash Value Contractor's Equipment Valuation Basis

**SPECIAL TERMS AND
CONDITIONS:**

It is understood and agreed that notwithstanding anything contained herein to the contrary the following shall apply to this Policy:

SPECIAL TERMS 1: Foss Waterways Development Authority's Location #7 at 2130 East D Street, Tacoma WA 98402 and described as Berg Scaffolding Building

Valuation is based on stated value and not replacement cost. Special Terms Limit

Same as All Risk Special Terms Deductible

SPECIAL TERMS 2: As a Reinsurance placement in no circumstance will the coverages, terms, conditions, limits, sub-limits, deductibles, exclusions or endorsements be extended or broadened by the Named Insured's Memorandum of Coverage or underlying insurance documents.

Not Applicable. Special Terms Limit
Special Terms Deductible

SPECIAL TERMS 3: Port of Olympia location #58 for crane: Amend PEP Form, Section VI-Contractors Equipment, Item B-Perils Excluded; delete item 3

Per Policy Limit Special Terms Limit

Per Policy Deductible Special Terms Deductible

SPECIAL TERMS 4: Skagit Public Utility District #1 Location #1 at 11932 Morford Rd., Sedro-Woolley, WA 98284 and described as Judy Reservoir & Treatment Plant Earthen A&B Dams.

\$ 25,000,000 Per Occurrence Special Terms Limit
and Aggregate Sub-Limit

Same as All Risk Special Terms Deductible

SPECIAL TERMS 5: Agreed Value - Vehicles

Agreed Value definition: The cost to repair or replace (whichever is less) the covered vehicle and its attached equipment with a vehicle, equipment or parts of like kind and quality, up to an including the state insured value. Special Terms Limit

See Policy Special Terms Deductible

The following stand-alone coverages are provided by the APIP program but are not covered in the Limit of Liability or the Sub-Limits of Liability above or attached to the Master Policy Form Wording. Carriers providing these coverages are included in the Schedule of Carriers.

\$ 100,000,000 Per Named Insured Per Occurrence subject to \$200,000,000 Annual Aggregate of Declarations 1-14, 18-30 and 32-35 combined as respects Property Damage, Business Interruption, Rental Income and Extra Expense Combined for Terrorism (Primary Layer).

\$ 250,000 Except 25,000 for On Premises Comprehensive and Collision except 100,000 for Emergency Vehicles Per Occurrence Deductible for Primary Terrorism.

- \$ 600,000,000 Per Named Insured for Terrorism (Excess Layer) subject to;
- \$ 1,100,000,000 Per Occurrence, All Named Insureds combined in Declarations 1-14, 18-21, 23-30 and 32-35 for Terrorism (Excess Layer) subject to;
- \$ 1,400,000,000 Annual Aggregate shared by all Named Insureds combined in Declarations 1-14, 18-21, 23-30 and 32-35, as respects Property Damage, Business Interruption, Rental Income and Extra Expense combined for Terrorism (Excess Layer).
- \$ 500,000 Per Occurrence Deductible for Excess Terrorism (Applies only if the Primary Terrorism Limit is exhausted).
- Included Information Security & Privacy Insurance with Electronic Media Liability Coverage. See attached Cyber Coverage Document for applicable Limits. (Cyber Liability) If, insured purchases such coverage.
- Included Pollution Liability Insurance Coverage. See attached Pollution Liability Insurance Coverage Document for applicable limits and deductibles. If, insured purchases such coverage.

TERMS & CONDITIONS: 25% Minimum Earned Premium and cancellations subject to 10% penalty

Except Cyber Liability Premium is calculated on a pro-rata basis, unless there is a claim in which case the premium is deemed fully earned. If, insured purchases such coverage.

Except Pollution Liability Premium is 25% Earned at Inception, unless there is a claim in which premium is deemed fully earned. If, insured purchases such coverage.

NOTICE OF CANCELLATION:

90 days except 10 days for non-payment of premium

BROKER:

ALLIANT INSURANCE SERVICES, INC.
License No. 0C36861

Doug Wozniak, AAI
Senior Vice President

Karen A. Worden
Vice President, Account Executive

Rita Carey
Account Manager

Alicia Cortez
Assistant Account Manager

Coverage outlined in this Evidence Attachment is subject to the terms and conditions set forth in the policy. Please refer to policy for specific terms, conditions and exclusions.

NOTES:

- **Change in Total Insurable Values will result in adjustment in premium**
- **Some coverage, sublimits, terms and conditions could change until negotiations with the insurance carriers have been finalized**



PEPIP USA FORM No.16
MASTER POLICY WORDING

COVERAGE INCEPTING
FROM JULY 1, 2020 TO JULY 1, 2021

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SECTION I

GENERAL PROVISIONS

A. INSURING AGREEMENT

In consideration of the premium paid by the Named Insured to the Company, the Company agrees to insure the following per the terms and conditions herein.

B. NAMED INSURED

As shown on the Declaration page, or as listed in the Declaration Schedule Addendum attached to this Policy.

Member(s), entity(ies), agency(ies), organization(s), enterprise(s) and/or individual(s) for whom the Named Insured is required or has agreed to provide coverage, or as so named in the "Named Insured Schedule" on file with Alliant Insurance Services, Inc., as their interests may appear which now exist or which hereafter may be created or acquired and which are owned, financially controlled or actively managed by the herein named interest, all jointly, severally or in any combination of their interests, for account of whom it may concern, are covered within the limits provided to the individual Named Insured.

Lessors of interest in all property of every description covered hereunder are included herein as Insured's for their respective rights and interests, it being understood that the inclusion hereunder of more than one covered party shall not serve to increase the Company's limit of liability.

Mortgagees to whom certificates of coverage have been issued are covered hereunder as Insured's in accordance with the terms and conditions of Form 438 BFU NS, CP12 18 1091, or equivalent as required by the mortgagee.

C. MAILING ADDRESS OF NAMED INSURED

AS PER DECLARATION PAGE

D. POLICY PERIOD

AS PER DECLARATION PAGE

E. LIMITS OF LIABILITY

Subject to specific exclusions, modifications, and conditions hereinafter provided, the liability of the Company in any one occurrence regardless of whether one or more of the coverages of this Policy are involved shall not exceed:

1. LIMITS OF LIABILITY

The Specific Limits of Liability as described in the Declaration Page apply per occurrence unless indicated otherwise.

2. SUB-LIMITS OF LIABILITY

The following sub-limits of liability are provided as described in the Declaration Page and apply per occurrence unless indicated otherwise. Coverage is provided only if a sub-limit of liability is shown in the Declaration Page for that item, and do not increase the specific limits of liability. The absence of a sub-limit of liability amount in the Declaration Page means that no coverage is provided for that item.

- a. Per occurrence, and in the annual aggregate as respects the peril of flood (for those Named Insured(s) that participate in this optional dedicated coverage);
- b. Per occurrence, and in the annual aggregate as respects the peril of earthquake shock for those Named Insured(s) that participate in this optional dedicated coverage;
- c. Combined Business Interruption, Rental Income, Tax Interruption and Tuition income (and related fees) ;
- d. Extra Expense;
- e. Miscellaneous Unscheduled Property;
- f. Automatic Acquisition. As per policy provisions;
- g. Unscheduled Landscaping, tees, sand traps, greens, athletic fields and artificial turf if specific values for such items have not been reported as part of the Named Insured(s) schedule of values held on file with Alliant Insurance Services, Inc. This coverage extension does not apply to the peril of Earthquake Shock in the states of California, or Alaska. If Flood coverage is purchased for scheduled locations this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V;
- h. Scheduled Landscaping, tees, sand traps, greens, athletic fields and artificial turf if specific values for such items have been reported as part of the Named Insured(s) schedule of values held on file with Alliant Insurance Services, Inc.;
- i. Errors & Omissions;
- j. Course of Construction and Additions;
- k. Money and Securities for Fire, Wind, Hail, Explosion, Smoke, Lightning, Riot, Civil Commotion, Impact by Aircraft or Objects falling there from, Impact by Vehicles, Water Damage and Theft (other than by an employee of the Named Insured(s));
- l. Prize Giveaways solely as respects Named Insured(s) that participate in this optional coverage;
- m. Unscheduled Fine Arts (as more fully defined herein);
- n. Accidental Contamination including owned land, land values and water owned by the Named Insured(s);
- o. Unscheduled infrastructure including but not limited to tunnels, bridges, dams, catwalks (except those not for public use), roadways, highways, streets, sidewalks, culverts, channels, levees, dikes, berms, embankments, landfills, docks, piers, wharves, street lights, traffic signals, meters, road way or highway fencing (including guardrails), and all similar property unless specific values for such items have been reported as part of a Named Insured(s) schedule of values held on file in the offices of Alliant Insurance Services, Inc. Unscheduled Infrastructure coverage is excluded for the peril of Earthquake Shock, and for Federal Emergency Management Agency (F.E.M.A.) and/or any State Office of Emergency Services (O.E.S.) declared disasters, providing said declaration provides funding for repairs. Landfills include underground liners, installed liners, or liners while being installed; installed geotextile mats or geotextile mats while being installed; installed collection pipes or collection pipes while being installed; any material or substance that make up the landfill; embankments; or material deposited or disposed thereon. Landfills do not include the following located at a landfill site:

1. Buildings
2. Machinery and equipment

3. Stock and supplies
 4. Contractor's equipment
 5. Vehicles
- p. Increased Cost of Construction due to the enforcement of building codes / ordinance or law. As per policy provisions;
 - q. Transit;
 - r. Unscheduled Animals;
 - s. Unscheduled Watercraft; up to 27 feet. Unscheduled watercraft over 27 feet if held for sale by the insured.
 - t. Off premises services interruption including extra expense resulting from a covered peril at non-owned/operated location(s);
 - u. Separately as respects Contingent Business Interruption, Contingent Extra Expense, Contingent Rental Value, and Contingent Tuition Income;
 - v. Per occurrence and in the annual aggregate as respects the peril of Earthquake Shock for licensed vehicles, unlicensed vehicles, contractors equipment and fine arts combined for all Named Insured(s) of this Declaration combined that do not purchase optional dedicated Earthquake Shock coverage, and/or where specific values for such items are not covered for optional dedicated Earthquake Shock coverage as part of the Named Insured(s) schedule of values held on file with Alliant Insurance Services, Inc.;
 - w. Per occurrence and in the annual aggregate as respects the peril of Flood for licensed vehicles, unlicensed vehicles, contractors equipment and fine arts combined for all Named Insured(s) of this Declaration combined that do not purchase optional Flood coverage, and/or where specific values for such items are not covered for optional dedicated Flood coverage as part of the Named Insured(s) schedule of values held on file with Alliant Insurance Services, Inc.;
 - x. Claim Preparation Expenses;
 - y. Expediting Expenses;
 - z. Separately as respects furs, jewelry, precious metals and precious stones;
 - aa. Business Interruption for Power Generation Facilities, which is understood to be part of and not additional to the sub-limit of liability set forth in Item 2 c. above;
 - ab. Personal Property outside the U.S.A.;
 - ac. Unmanned Aircraft. As per policy provisions
 - ad. Mold/Fungus Resultant Damage. As per policy provisions
 - ae. Boiler Explosion and Machinery Breakdown (for those Named Insured(s) that participate in this optional dedicated coverage).

F. OPTIONAL COVERAGE PARTICIPATION

It is understood and agreed that certain Named Insured's participate in Optional Coverage on this Policy as set forth below.

OPTIONAL COVERAGES IDENTIFICATION:

1. Earthquake Shock
2. Licensed Vehicles – Off Premises
3. Scheduled Fine Arts
4. Flood
5. Boiler Explosion & Machinery Breakdown

Such participation in the optional coverage(s) by the Named Insured is indicated in the Declaration Page, and/or by endorsement to this Policy.

G. DEDUCTIBLE PROVISIONS

If two or more deductible amounts provided in the Declaration Page apply for a single occurrence the total to be deducted shall not exceed the largest per occurrence deductible amount applicable.

Deductibles are shown on the Declaration Page, or by endorsement and may vary by member of a joint powers authority (JPA) or risk sharing pool (Pool), or the coverage part pertaining to the loss.

Unless a more specific deductible is applicable for a particular loss, the “Basic Deductible” shown in the Declaration Page, shall apply per occurrence. The company will not pay for loss or damage in any one occurrence until the amount of the loss or damage exceeds the applicable deductible.

The “JPA/Pool Basic Deductible” – when applicable will be in excess of a JPA or Pool member’s deductible amount. The Named Insured(s) deductible amount will be agreed upon between the JPA or Pool and its members. The “JPA/Pool Basic Deductible” shown in the Declaration Page, shall apply per occurrence. The company will not pay for loss or damage in any one occurrence until the amount of the loss or damage exceeds the applicable constituent members’ deductible and the “JPA/Pool Basic Deductible”, until the “JPA/Pool Annual Aggregate Amount” is exhausted.

The “JPA/Pool Annual Aggregate Amount” - when applicable is the accumulation of payments made by the JPA or Pool that are categorized as “JPA/Pool Basic Deductibles” above. Once the annual aggregate amount is reached, all subsequent losses in chronological order are subject to the “JPA/Pool Maintenance Deductible” indicated in the Declaration Page. As with the “JPA/Pool Basic Deductible” this maintenance deductible will be applicable in excess of the applicable JPA or Pool constituent member’s deductible.

“Vehicle Physical Damage deductible” - if Off-Premises coverage is included/purchased, the stated deductible will apply to vehicle physical damage both on and off premises on a per occurrence basis, unless otherwise stated. If “Off-Premises” coverage is not included, On-Premises/In-Yard coverage is subject to the All Risk “Basic Deductible”.

H. UNIT OF INSURANCE DEFINED

In the application of the Earthquake Shock, or specified Wind deductibles, in accordance with the provisions of this Policy, each of the following shall be considered a Separate Unit of Insurance:

1. Each Separate Building or Structure;
2. The Contents of each Building or Structure;
3. Applicable Time Element Coverage of each separate Building or Structure; and
4. Property in each Yard.

The Company shall not be liable for loss to any Unit of Insurance covered hereunder unless such loss exceeds the percentages stated in this Policy of the replacement values of such Unit of Insurance at the time when such loss shall happen, and then only for its proportion of such excess.

I. PRIORITY OF PAYMENTS

In the event of loss caused by or resulting from more than one peril or coverage, the limit of liability of the primary / underlying coverage shall apply first to the peril(s) or coverage(s) not insured by the excess layers and the remainder, if any, to the peril(s) or coverage(s) insured hereunder. Upon exhaustion of the limit of liability of the primary / underlying coverage, the excess layers shall then be liable for loss uncollected from the peril(s) or coverage(s) insured hereunder, subject to the limit of liability and the other terms and conditions as specified.

SECTION II

PROPERTY DAMAGE

A. COVERAGE

Subject to the terms, conditions and exclusions hereinafter contained, this Policy insures all property of every description both real and personal (including improvements, betterments and remodeling), of the Named Insured, or property of others in the care, custody or control of the Named Insured, for which the Named Insured is liable, or under the obligation to insure.

B. EXTENSIONS OF COVERAGE

All coverage extensions are subject to the terms, conditions and exclusions of the Policy except insofar as they are explicitly providing additional coverage.

1. PERSONAL EFFECTS

This Policy is extended to cover only such personal effects and wearing apparel of any of the officials, employees, students and personal effects of the Named Insured named in this Policy for which the Named Insured may elect to assume liability while located in accordance with the coverage hereof, but loss, if any, on such property shall be adjusted with and payable to the Named Insured.

2. PROPERTY IN COURSE OF CONSTRUCTION AND ADDITIONS

It is understood and agreed that as respects course of construction projects and additions, this Policy will provide automatic coverage subject to the following conditions:

- a. Project involves only real property on new or existing locations (excluding dams, roads, and bridges).
- b. Value of the project at the location does not exceed USD as per Declaration Page. Projects that exceed this amount are subject to underwriting approval, prior to binding. However, inadvertent failure to report projects within USD as per Declaration Page shall not void coverage of said Project.

Additional Expenses - Soft Costs: This extension applies to new buildings or structures in the course of construction up to the time that the new building(s) or structure(s) is initially occupied or put to its intended use whichever occurs first.

The Company will cover the additional expenses (soft costs) of the Named Insured as defined below for up to 25% of the estimated completed value of the project which results from a delay in the completion of the project beyond the date it would have been completed had no loss or damage occurred. The delay must be due to direct physical loss or damage to property insured and be caused by or result from a peril not excluded by this Policy. The Company will pay covered expenses when they are incurred.

- a. **Additional Interest Coverage** – The Company will pay the additional interest on money the Named Insured borrows to finance construction or repair.
- b. **Rent or Rental Value Coverage** – The Company will pay the actual loss of net rental income that results from delay beyond the projected completion date. But the

Company will not pay more than the reduction in rental income less charges and expenses that do not necessarily continue.

- c. Additional Real Estate Taxes or Other Assessments – The Company will pay the additional real estate taxes or other assessments the Named Insured incurs for the period of time that construction is extended beyond the completion date.
- d. Additional Advertising and Promotional Expenses – The Company will pay the additional advertising and promotional expense that becomes necessary as a result of a delay in the completion of the project.
- e. Additional Commissions Expense – The Company will pay the additional expenses, which result from the renegotiating of leases following an interruption in the project.
- f. Additional Architectural and Engineering Fees – The Company will pay the additional architectural and engineering fees that become necessary as a result of a delay in the completion of the project.
- g. Additional License and Permit Fees – The Company will pay the additional license and permit fees that become necessary as a delay in the completion of the project.
- h. Legal and Accounting Fees – The Company will pay the additional legal and accounting fees the Named Insured incurs as a result of a delay in the completion of the project.

3. FIRE FIGHTING EXPENSES

It is understood and agreed that the Company shall be liable for the actual charges of fire fighting expenses including but not limited to those charged by municipal or private fire departments responding to and fighting fire in / on, and/or protecting property included in coverage provided by this Policy.

4. OFF PREMISES SERVICES INTERRUPTION

It is understood and agreed that coverage under this Policy is extended to include physical damage, business interruption loss and/or extra expense incurred and/or sustained by the Named Insured as a result of physical damage to or destruction of property, by the perils insured against occurring during the policy period of any suppliers furnishing electricity, fuel, gas, water, steam, telephone or similar services, refrigeration or outgoing sewerage to a Named Insured's premises. The coverage provided by this clause is sub-limited to USD as per Declaration Page

5. ARCHITECTS AND ENGINEERS FEES AND LOSS ADJUSTMENT EXPENSES

This Policy also insures as a direct result of physical loss or damage insured hereunder, any of the following:

- a. Architects and engineers fees
- b. Loss adjustment expenses including, but not limited to, auditors, consultants and accountants. However, the expenses of public adjusters are specifically excluded.

6. EXPEDITING EXPENSES

In the event of physical loss or damage insured hereunder, it is understood and agreed that coverage under this Policy includes the reasonable extra cost of temporary repair and of expediting the repair of such damaged property of the Named Insured, including overtime and the extra costs of express or other rapid means of transportation. This coverage provided by this clause is sub-limited to USD as per the Declaration Page.

7. DEBRIS REMOVAL

This Policy also covers expenses incurred in the removal of debris of the property covered hereunder from the premises of the Named Insured that may be destroyed or damaged by a covered peril(s). This debris removal coverage does not apply to the cost to extract pollutants from land or water, or to remove, restore or replace polluted land or water.

8. BUILDING LAWS

This Policy is extended to include physical damage, business interruption loss, loss of interest and/or extra expense incurred and/or sustained by the Named Insured as a result of physical damage to or destruction of property, by the perils insured against occurring during the policy period and occasioned by the enforcement of any ordinance or law regulating the construction, repair or demolition of buildings or structures, which is in force at the time such a loss occurs, which necessitates the demolition of any portion of the covered building not damaged by the covered peril(s).

The Company shall also be liable for loss due to the additional period of time required for repair or reconstruction in conformity with the minimum standards of such ordinance or law of the building(s) described in this Policy damaged by a covered peril.

The Company shall not be liable under this clause for more than the limit of liability as shown elsewhere in this Policy.

9. DEMOLITION COST

In the event of physical damage to property insured by a covered peril, this Policy is extended to cover the cost of, and the additional period of time required for, demolishing any undamaged portion of the covered property including the cost of clearing the site thereof, caused by loss from any covered peril(s) under this Policy and resulting from enforcement of any ordinance or law regulating the construction, repair or demolition of buildings or structures and in force at the time of loss which necessitates such demolition.

10. INCREASED COST OF CONSTRUCTION

In the event of physical damage to property insured by a covered peril, this Policy is extended to cover the increased cost of, and the additional period of time required for, repair or replacement caused by the enforcement of any ordinance or law (including written guidelines used by the department of corrections in any state) regulating the construction, repair or demolition of buildings or structures, which is in force at the time such a loss occurs or which comes into force within 6 months after such a loss occurs, which necessitates in repairing or replacing the building covered hereunder which has suffered damage or destruction by the covered peril(s) or which has undergone demolition, limited however, to the minimum requirements of such ordinance or law.

Insurance under this section does not apply to:

- a. Costs associated with the enforcement of any ordinance or law which requires any

Named Insured or others to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of substances declared to be hazardous to health by a governmental agency; or

- b. Loss due to any ordinance or law that:
 - i. The Named Insured was required to comply with before the loss even if the building was undamaged; and
 - ii. The Named Insured failed to comply with.

The coverage provided by this clause is sub-limited to USD as per Declaration Page.

11. ERRORS & OMISSIONS

No unintentional errors or unintentional omissions in description, location of property or valuation of property will prejudice the Named Insured's right of recovery but will be reported to the Company as soon as practicable when discovered. The coverage provided by this clause is sub-limited to USD as per Declaration Page. This extension does not increase any more specific limit stated elsewhere in this Policy or Declaration.

12. ANIMALS

This Policy is extended to cover retraining expenses associated with the loss of specially trained animals. Retraining expenses are included within the sub-limit provided, unless otherwise scheduled.

Notwithstanding the foregoing it is hereby understood and agreed that solely as respects Universities, hospitals, or other institutions of learning the following shall apply:

This Policy is extended to cover physical loss or damage to animals used for research subject to applicable exclusions under Section IV (General Conditions) B. Exclusions.

13. VALUABLE PAPERS

This Policy is extended to cover Valuable Papers or the cost to reconstruct valuable papers (including but not limited to research, redrawing or duplicating) physically lost or damaged by a peril insured against during the term of this Policy.

14. TRANSIT

This Policy is extended to cover Personal Property of the Named Insured or property held by the Named Insured in trust or on commission or on consignment for which the Named Insured may be held legally liable while in due course of transit, worldwide, against all risks of Direct Physical Loss or Damage not excluded by this Policy to the property insured occurring during the period of this Policy.

Permission is hereby granted to the Named Insured without prejudice to this insurance to accept the ordinary Bill-of-Lading used by carriers, including released and/or under-valued Bill-of-Lading and/or Shipping or Messenger receipts; and the Named Insured may waive subrogation against railroads under side track agreements; and except as otherwise provided, the Named Insured shall not enter into any special agreement with carriers releasing them from their common law or statutory liability.

This Policy also covers damage and loss of use:

- a. Occasioned by the acceptance by the Named Insured, Insured's agent, customer or consignee(s) or others of fraudulent Bill-of-Lading, Shipping or Messenger receipts;

- b. Obtained by fraud or deceit, perpetrated by any person(s) who may represent themselves to be the proper party or parties to receive the property for shipment or to accept it for delivery.

The coverage provided by this clause is sub-limited to USD as per Declaration Page.

15. VEHICLES WHILE ON INSURED PREMISES

This Policy is extended to cover vehicles while on premises of the Named Insured against physical loss or damage by a peril insured against during the term of this Policy.

16. ASBESTOS CLEAN UP AND REMOVAL

This Policy specifically excludes asbestos materials clean up or removal, unless asbestos is itself damaged by a peril covered by this Policy, then asbestos cleanup or removal within the damaged area, and applicable time element coverages, will be covered by this Policy.

In no event will coverage be extended to cover undamaged asbestos, including undamaged asbestos in any portion of the building mandated by any governmental direction or request declaring that asbestos material present in any undamaged portion of the Named Insured's property must be removed or modified, or;

any loss or expense including investigation or defense costs, caused by, resulting from, or arising out of asbestos, exposure to asbestos, or any product containing asbestos, or;

any loss or expense normally provided by demolition, increased cost or building ordinance.

The Named Insured must report to Underwriters the existence of the damage as soon as practicable after the loss. However, this Policy does not insure any such damage first reported to the Underwriters more than thirty six (36) months after the expiration, or termination, of this Policy.

17. PROTECTION AND PRESERVATION OF PROPERTY

In the event of loss likely to be covered by this Policy, the Named Insured shall endeavor to protect covered property from further damage and shall separate the damaged and undamaged personal property and store in the best possible order, and shall furnish a complete inventory of the destroyed, damaged and undamaged property to the Insurer.

In case of actual or imminent physical loss or damage of the type insured against by this Policy, the expenses incurred by the Named Insured in taking reasonable and necessary actions for the temporary protection and preservation of property insured hereunder shall be added to the total physical loss or damage otherwise recoverable under the Policy and be subject to the applicable deductible and without increase in the limit provisions contained in this Policy.

Due to the unique nature of Educational Facilities, Health Care Facilities and Jails where it is deemed necessary to evacuate designated persons from the premises in order to reduce the physical loss potential from an actual or imminent loss or damage by a peril not excluded herein, the Company will pay reasonable and necessary evacuation expenses incurred by the Named Insured. The following additional definitions apply to this Additional Time Element Coverage:

- a. Designated persons means:
 - (1) Patients, residents and lawful occupants at a covered location, and/or
 - (2) Those employees who are essential to implement the mandatory evacuation order at a covered location.
- b. Evacuation expenses means expenses incurred during the evacuation period to:
 - (1) Transport designated persons to another location;
 - (2) House and maintain designated persons at another location;
 - (3) Return designated persons to the covered location or, if the covered location is not habitable, to a suitable alternative location.

18. LEASEHOLD INTEREST

In the event of physical loss or damage of the type insured against by this Policy to real property of the type insured this Policy, which is leased by the Named Insured, this Policy is extended to cover:

- (1) If as a result of such loss or damage the property becomes wholly un-tenantable or unusable and the lease agreement requires continuation of the rent, the Company shall indemnify the Named Insured for the actual rent payable for the unexpired term of the lease; or
- (2) If as a result of such loss or damage the property becomes partially un-tenantable or unusable and the lease agreement requires continuation of the rent, the Company shall indemnify the Named Insured for the proportion of the rent applicable thereto; or
- (3) If as a result of such loss or damage the lease is cancelled by the lessor pursuant to the lease agreement or by operation of law, the Company shall indemnify the Named Insured for its Lease Interest for the first three months following such loss or damage and for its Net Lease Interest for the remaining unexpired term of the lease;

provided, however, that the Company shall not be liable for any increase in the amount recoverable hereunder resulting from the suspension, lapse or cancellation of any license, or from the Named Insured exercising an option to cancel the lease; or from any act or omission of the Named Insured which constitutes a default under the lease; and provided further that the Named Insured shall use any suitable property or service owned or controlled by the Named Insured or obtainable from another source to reduce the loss hereunder.

The following definitions shall apply to this coverage:

- (1) Lease Interest means the excess rent paid for the same or similar replacement property over actual rent payable plus cash bonuses or advance rent paid (including any maintenance or operating charges) for each month during the unexpired term of the Named Insured's lease.
- (2) Net Lease Interest means that sum which placed at 8% interest compounded annually would equal the Lease Interest (less any amounts otherwise payable hereunder).

19. AUTOMATIC ACQUISITION AND REPORTING CONDITIONS

This Policy is automatically extended to insure additional property and/or interests as described in this Policy, which may be acquired or otherwise become at the risk of the Named Insured, during the policy period, within the United States of America, subject to the values of such additional property and/or interests not exceeding USD25,000,000 or Named Insured's Policy

Limit of Liability if less than USD25,000,000 any one acquisition excluding licensed vehicles, for which a limit of USD10,000,000 applies or Named Insured's Policy Limit of Liability if less than USD10,000,000. Additionally, automatic coverage is granted for up to 60 days, subject to a sub-limit of \$2,500,000 for additional property and/or interests in Tier 1 wind counties, parishes and independent cities for the states of Virginia, North Carolina, South Carolina, Georgia, Alabama, Mississippi, Louisiana, Texas and/or situated anywhere within the states of Florida and Hawaii..

If Flood coverage is purchased for all scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V. In the event that coverage for Flood for any location situated in Flood Zones A or V is required, it is to be agreed by the Company prior to attachment hereunder.

This coverage extension does not apply to the peril of Earthquake Shock in the States of California, or Alaska except as follows:

- (1) At Policy inception, for those Named Insureds that purchase the earthquake shock peril, per the sub-limit that appears on the Declaration Page, automatic coverage applies for the peril of earthquake shock for a period of 30 days from date of contractual requirement by any bond, certificate of participation or any similar investment, for any new locations where there is such a contractual requirement to provide earthquake shock coverage. Otherwise there is no Automatic Coverage for Earthquake Shock for any other new locations in California and Alaska.

In the event of coverage being required for additional property and/or interest where the value exceeds USD25,000,000 or Named Insured(s) Policy Limit of Liability if less than USD25,000,000 any one acquisition details of said property and/or interest are to be provided to the Company for its agreement not later than one hundred and twenty (120) days from the date of the said additional property and/or interest have become at the risk of the Named Insured, this Policy providing coverage automatically for such period of time up to a maximum limit of USD100,000,000 or Named Insured(s) Policy Limit of Liability if less than USD100,000,000. After the reporting of a location added under automatic acquisition, the Company retains the right to determine acceptability of all such property(ies). Additional premium will be calculated from the date of acquisition, if values are in excess of USD25,000,000.

In the event that the Named Insured fails to comply with the above reporting provision, then coverage hereunder is sub-limited to USD25,000,000 or Named Insured's Policy Limit of Liability if less than USD25,000,000 any one occurrence.

Additional, or return premium due for endorsements issued during the policy period, such as those for additions or deletions of values within or greater than as that which is provided in any "Automatic Acquisition sub-limit" (including those for existing Named Insureds, new Named Insureds to the PEP program, or new members to existing JPA Named Insureds) will be processed on a quarterly basis. Issuance of the endorsements and calculation of pro-rata or return premium, for these changes will be processed as of, and at the time of the transaction.

20. MISCELLANEOUS UNNAMED LOCATIONS

Coverage is extended to include property at locations (including buildings or structures, owned, occupied or which the Named Insured is obligated to maintain insurance) located within the territorial limitations set by this Policy. Coverage provided by this clause is limited to any sub-limit noted on the Declaration Page attached to this form, and by terms and conditions of this policy form. This coverage extension does not apply to the peril of Earthquake Shock in the states of California, or Alaska. If Flood coverage is purchased for scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V.

21. ACCIDENTAL CONTAMINATION

This Policy is hereby extended to cover the reasonable and necessary cost for the cleanup, removal and disposal of the actual not suspected presence of Pollutants or Contaminant(s) from any source to Covered Property so as to restore the Covered Property to the same condition as existed prior to loss. The coverage provided is sub-limited to USD as per Declaration page.

If such contamination or dispersal is itself caused by fire, lightning, impact from aircraft, explosion, riot, civil commotion, smoke, collapse, vehicles, windstorm, hail, vandalism, malicious mischief or leakage and accidental discharge from automatic fire protective systems whereupon this extension shall provide coverage up to full limit of liability provided by this Policy.

For the purposes of this Accidental Contamination clause only, the term "Covered Property", as covered by this Policy, is held to include Land (and Land Values) on which Covered Property is located whether or not the same are excluded by this Policy.

Pollutants or Contaminants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste, which after its release can cause or threaten damage to human health or human welfare or causes or threatens damage, deterioration, loss of value, marketability or loss of use to property insured hereunder, including, but not limited to, bacteria, virus, or hazardous substances listed in applicable environmental state, federal or foreign law or regulation, or as designated by the U.S. Environmental Protection Agency or similar applicable state or foreign governmental authority. Waste includes materials to be recycled, reconditioned or reclaimed. Pollutants or Contaminants does not include Fungus, Mold or Spore.

It is further understood and agreed that this coverage clause shall not override anything contained in Asbestos Clean Up and Removal in this Policy.

C. PROPERTY NOT COVERED

Except as for that which may be provided as an Extension of Coverage, this Policy does not cover:

1. Aircraft, Watercraft over 27 feet in length (other than watercraft held for sale by the insured), and rolling stock, except scheduled watercraft, and rolling stock, light rail vehicles, subway trains and related track maintenance vehicles for light rail and subway lines.
2. Standing timber, growing crops, water, except water which is normally contained within any type of tank, piping system or other process equipment.
3. Land (including land on which covered property is located), and land values (except athletic fields, landscaping, artificial turf, sand traps, tees and greens).

4. Property in due course of ocean marine transit.
5. Shipment by mail after delivery into the custody of the United States Post Office.
6. Power transmission lines and feeder lines more than 1,000 feet from the premises of the Named Insured unless scheduled and specifically approved by the Company.
7. Underground pipes more than 1,000 feet from the premises of the Named Insured unless scheduled and specifically approved by the Company.
8. Offshore property, oilrigs, underground mines, caverns, or underground storage facilities and their contents. Railroad track is excluded unless values have been reported by the Named Insured.

D. LOSS PAYMENT BASIS / VALUATION

In case of loss to property of an Named Insured covered hereunder, the basis of adjustment shall be as of the time and place of loss as follows:

1. On all real and personal property, including property of others in the care or control of the Named Insured at the replacement cost (as defined below) at the time of the loss. without deduction for depreciation. If property is not replaced within a reasonable period of time, then the actual cash value shall apply.
2. On improvements and betterments at the replacement cost at time of loss. without deduction for depreciation. If property is not repaired or replaced within a reasonable period of time, then the actual cash value shall apply. If replaced or repaired by others for the use of the Named Insured, there shall be no liability hereunder. The Company agrees to accept and consider the Named Insured as sole and unconditional owner of all improvements and betterments, any contract or lease the Named Insured may have made to the contrary notwithstanding.
3. On manuscripts, mechanical drawings, patterns, electronic data processing media, books of accounting and other valuable papers, the full replacement cost of the property at the time of loss (including expenses incurred to recreate the information lost, damaged or destroyed, except as may be limited by any separate policy provision) or what it would then cost to repair, replace or reconstruct the property with other of like kind and quality. If not repaired, replaced or reconstructed within a reasonable period of time, then not to exceed the cost of blank or unexposed material.
4. On antique, restored or historical buildings, the cost of acquisition, relocation to the site and renovation or reconstruction. In the event of a partial loss, replacement cost for antique, restored or historical buildings shall mean the cost of repairing, replacing, constructing or reconstructing (whichever is less) the property on the same site using materials of like kind and quality necessary to preserve or maintain a buildings' historical significance without deduction for depreciation.
5. On property of others for which the Named Insured is liable under contract or lease agreement the Company's liability in the event of loss is limited to the Named Insured's obligation as defined in said contract or lease agreement but not to exceed the replacement cost.

6. On library contents, at replacement cost, or as follows, whichever is greater:

<u>Category</u>	<u>Value (per item)</u>	
Juvenile Materials	USD	50.52
Pamphlets	USD	6.50
Magazines	USD	13.10
Fiction	USD	24.43
Non-Fiction	USD	87.97
Dictionary	USD	128.03
Encyclopedia	USD	306.41
Thesaurus	USD	46.83
Reference (other)	USD	122.96
Abstracts	USD	301.10
Textbook	USD	111.38
Art Books	USD	66.34
Film	USD	295.41
Book/Diskette	USD	111.52
Vinyl Records	USD	88.63
DVD/VHS	USD	59.08
Audio Cassette	USD	32.49
Compact Discs	USD	25.93
CD ROM	USD	41.97
Books/Audio	USD	79.46
Medical Atlas	USD	189.85
Technical Law	USD	161.11
Nanotechnology	USD	186.04
Biotechnology	USD	176.03

The above valuation is predicated on the values provided by the Library of Congress Dewey Decimal system and adjusted for inflation.

The figures above do not include the “shelving cost” of each book. Therefore, the formula for adjusting a library contents loss is:

“Number of items in a category that are replaced multiplied by the valuation figure plus associated shelving costs”.

The actual cost per item in the final adjustment is to be computed as of the time and place of loss or damage.

7. On Vehicles, on or off premises, where Replacement Cost (New) values are specified, loss or damage shall be based on 100% of the Replacement Cost (New) at the time of loss. Partial losses shall be based on the cost of repairing or replacing the damaged portion, up to the fair market value of the Vehicle and/or Equipment. However, should these costs exceed the fair market value then recovery shall be based upon the Replacement Cost (New).

If the values, provided by the Named Insured, provides a valuation based on Replacement Cost (New), then recovery will be on the same basis, if replaced. If not replaced, the basis of recovery shall be Actual Cash Value.

8. Animals: The stated value as per schedule on file with the Named Insured.

Notwithstanding the foregoing it is hereby understood and agreed that solely as respects Universities, hospitals or other institutions of learning the following shall apply:

The stated value as per schedule on file with the Named Insured except Research Animals shall be valued at the cost to replace with like kind and quality; including the increased value as a result of prior research or experiments performed on the animal(s), accumulated cost of care and maintenance, and the value of labor expended by research assistants and/or laboratory technicians.

9. Landscaping, artificial turf, sand traps, tees, putting greens and athletic fields; the actual replacement cost of sod, shrubs, sand, plants and trees; however the Company's liability for replacement of trees, plants and shrubs will be limited to the actual size of the destroyed plant, tree or shrub at the time of the loss up to a maximum size of 25 gallons per item but not to exceed USD25,000 per item.

For the purpose of determining coverage under this Policy landscaping, trees, plants and shrubs are only insured if their position and planting was undertaken by human agency for cosmetic effect.

The aforementioned valuations shall also be used for the purpose of any minimum earned premium and/or quarterly adjustments incurred.

Wherever the term "actual cash value" is used as respects real property or improvements and betterment's in this clause, or elsewhere herein, it shall mean replacement cost less depreciation.

"Replacement Cost" shall mean the cost of repairing, replacing, constructing or reconstructing (whichever is the least) the property on the same site, using new materials of like kind and quality and for like occupancy without deduction for depreciation, subject to the following:

- a. Until the property is actually repaired, replaced or reconstructed, the maximum amount recoverable shall be the actual cash value of the lost or damaged property;
- b. Replacement shall be effected by the Named Insured with due diligence and dispatch;
- c. Replacement need not be on same site, or of same or similar construction or occupancy provided that the Company shall not be liable for any additional costs that are directly attributable to the inclusion of this provision.
- d. For historical buildings as more specifically defined in this Section.
- e. In no event shall the Company's liability exceed the amount actually and necessarily expended in repairing or replacing (whichever is less) Covered Property or any part thereof.

It is understood and agreed that as respects replacement cost, the Named Insured shall have the option of replacement with electrical and mechanical equipment having technological advantages and/or representing an improvement in function and/or forming part of a program of system enhancement provided that such replacement can be accomplished without increasing the Company's liability. The Company shall be allowed to dispose of, as salvage, any non-proprietary property deemed unusable by the Named Insured.

In the event the Named Insured should fail to comply with any of the foregoing provisions settlement shall be made as if this Replacement Cost provision had not been in effect.

SECTION III

BUSINESS INTERRUPTION, EXTRA EXPENSE, RENTAL INCOME, TAX REVENUE INTERRUPTION AND TUITION INCOME

Subject to the terms, conditions and exclusions stated elsewhere herein, this Policy provides coverage for:

A. COVERAGE

1. BUSINESS INTERRUPTION

Against loss resulting directly from interruption of business, services or rental value caused by direct physical loss or damage, as covered by this Policy to real and/or personal property insured by this Policy, occurring during the term of this Policy.

In the event of such loss or damage the Company shall be liable for the actual loss sustained by the Named Insured for gross earnings as defined herein and rental value as defined herein resulting from such interruption of business, services, or rental value; less all charges and expenses which do not necessarily continue during the period of restoration. Due consideration shall be given to the continuation of normal charges and expenses including payroll expenses to the extent necessary to resume operations of the Named Insured with the same quality of service which existed immediately preceding the loss.

With respect to business interruption for power generation facilities, the coverage provided hereunder is sub-limited to USD as per Declaration Page.

Notwithstanding the foregoing it is hereby understood and agreed that solely as respects Universities, hospitals or other institutions of learning the following shall apply:

In determining the amount of tuition income and related fees covered hereunder for the purpose of ascertaining the amount of loss sustained, due consideration shall be given to:

- a. Tuition income and related fees which are prevented from being earned or received.
- b. Other income derived from:
 - i. routine and special services;
 - ii. other operating and non-operating revenues, including but not limited to:
 - (1) research grants
 - (2) income under research contracts all dependent on continued operations.
- c. Donations and fund raising proceeds:
 - i. If a regularly scheduled fund raising drive for the sole benefit of the Named Insured occurs during the period of interruption of operations, the revenue produced by such drive shall be considered as follows in determining the amount of loss:
 - (1) If the drive fails to produce an amount at least equal to the same drive in the most recent prior solicitation, the shortage, to the extent that it can be attributed to the interruption of the

Named Insured's operations, shall be considered as loss of income;

- (2) If the drive produces an amount equal to the same drive in the most recent prior solicitation, there shall be considered no loss of income from this source of revenue;
- (3) If the drive produces an amount larger than the same drive in the most recent prior solicitation, the excess shall be applied to reduce the loss from other sources of revenue;
- (4) If the drive is cancelled or postponed, such loss of revenue shall not be considered as loss of income.

ii. The following shall be disregarded in determining the amount of loss:

- (1) Donations and contributions which are a direct result of the interruption of the Named Insured's operations and are received by the Named Insured during the period of interruption.
- (2) Proceeds for fund raising drives or solicitations which are for the sole benefit of the Named Insured and occur as a result of interruption of the Named Insured's operations.

2. EXTRA EXPENSE

This Policy is extended to cover the necessary and reasonable extra expenses occurring during the term of this Policy at any location as hereinafter defined, incurred by the Named Insured in order to continue as nearly as practicable the normal operation of the Named Insured's business following damage to or destruction of covered property by a covered peril which is on premises owned, leased or occupied by the Named Insured. In the event of such damage or destruction, the Company shall be liable for such necessary extra expense incurred for only such length of time as would be required with the exercise of due diligence and dispatch to rebuild, repair or replace such part of the property as has been damaged or destroyed commencing with the date of damage or destruction and not limited by the date of expiration of this Policy (hereinafter referred to as the period of restoration).

B. EXTENSIONS OF COVERAGE

1. INGRESS / EGRESS

This Policy is extended to insure the actual loss sustained during the period of time not exceeding 30 days when, as a direct result of physical loss or damage caused by a covered peril(s) specified by this Policy and occurring at property located within a 10 mile radius of covered property, ingress to or egress from the covered property covered by this Policy is prevented. Coverage under this extension is subject to a 24-hour waiting period.

2. INTERRUPTION BY CIVIL AUTHORITY

This Policy is extended to include the actual loss sustained by the Named Insured, as covered hereunder during the length of time, not exceeding 30 days, when as a direct result of damage to or destruction of property by a covered peril(s) occurring at property located within a 10 mile radius of covered property, access to the covered property is specifically prohibited by order of a civil authority. Coverage under this extension is subject to a 24-hour waiting period.

3. DEMOLITION AND INCREASED TIME TO REBUILD

The Company shall, in the case of loss covered under this Policy, be liable also for loss to the interest covered by the Policy, occasioned by the enforcement of any ordinance or law regulating the construction, repair or demolition of buildings or structures and in force at the

time such loss occurs, which necessitates the demolition of any portion of the described building(s) not damaged by the covered peril(s). The Company shall also be liable for loss due to the additional period of time required for repair or reconstruction in conformity with the minimum standards of such ordinance or law of the building(s) described in this Policy damaged by a covered peril.

THE COMPANY SHALL NOT BE LIABLE UNDER THIS CLAUSE FOR:

- a. More than the limit of liability as shown elsewhere in this Policy.
- b. Any greater proportion of any loss to the interest covered by this Policy than the amount covered under this Policy on said interest bears to the total insurance and coverage on said interest, whether all such insurance contains this clause or not.

4. CONTINGENT TIME ELEMENT COVERAGE

Business interruption, rental income, tuition income and extra expense coverage provided by this Policy is extended to cover loss directly resulting from physical damage to property of the type not otherwise excluded by this Policy at direct supplier or direct customer locations that prevents a supplier of goods and/or services to the Named Insured from supplying such goods and/or services, or that prevents a recipient of goods and/or services from the Named Insured from accepting such goods and/or services. The coverage provided by this clause separately as respects each of these coverage's is sub-limited to USD as per Declaration Page.

5. TAX REVENUE INTERRUPTION

Except as hereinafter or heretofore excluded, this Policy insures against loss resulting directly from necessary interruption of sales, property or other tax revenue including, but not limited to Tribal Incremental Municipal Services Payments collected by or due the Named Insured as a result of physical damage to or destruction of property, by the perils insured against occurring during the policy period which is not operated by the Named Insured and which wholly or partially prevents the generation of revenue for the account of the Named Insured.

The Company shall be liable for 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, but not limited by the expiration date of this Policy.

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

1. The sub-limit USD3,000,000 insured on the Policy;
2. The actual loss sustained;
3. The difference in amount between 97.5% of the anticipated revenue and the actual total revenue after the loss.

If the Named Insured has not reported Tax Revenue Interruption values, such loss recovery after deductible shall be limited to whichever is the least of:

1. The actual loss sustained;
2. USD1,000,000 per occurrence

DEDUCTIBLE: Each loss or series of losses arising out of one event at each location shall be adjusted separately and from the aggregate amount of all such losses 2.50% of the annual revenue value shall be deducted.

6. EXTENDED PERIOD OF INDEMNITY

Business interruption including rental income, tax interruption, tuition income and extra expense coverage provided by this Policy is extended for the additional length of time required to restore the business of the Named Insured to the condition that would have existed had no loss occurred commencing on either;

- a. the date on which the Company's liability would otherwise terminate or;
- b. the date on which rebuilding, repairing or replacement of such property as has been lost, damaged or destroyed is actually completed, whichever is later.

The Company's liability under this extension shall terminate no later than the number of days indicated in the Declaration Page for this item:

7. EXPENSES TO REDUCE LOSS

This Policy also covers such expenses as are necessarily incurred for the purpose of reducing loss under this section (except incurred to extinguish a fire); but in no event to exceed the amount by which loss is thereby reduced.

C. EXCLUSIONS

1. The Company shall not be liable for any increase of loss which may be occasioned by the suspension, lapse, or cancellation of any lease or license, contract or order, unless such suspension, lapse, or cancellation results directly from the interruption of business caused by direct physical loss or damage covered by this Policy and, then the Company shall only be liable for such loss as affects the Named Insured's earnings during and limited to, the period of indemnity covered under this Policy.
2. With respect to loss resulting from damage to or destruction of media for, or programming records pertaining to, electronic data processing or electronically controlled equipment, including data thereon, by the perils insured against, the length of time for which the Company shall be liable hereunder shall not exceed:
 - a. thirty (30) consecutive calendar days or the time required with exercise of due diligence and dispatch to reproduce the data thereon from duplicates or from originals of the previous generation, whichever is less; or,
 - b. the length of time that would be required to rebuild, repair or replace such other property herein described as has been damaged or destroyed, but not exceeding eighteen (18) calendar months, whichever is the greater length of time.

D. CONDITIONS APPLICABLE TO THIS SECTION

If the Named Insured could reduce the loss resulting from the interruption of business:

1. by complete or partial resumption of operation of the property whether or not such property be lost or damaged, or;
2. by making use of merchandise or other property at the Named Insured's location or elsewhere;

such reduction shall be taken into account in arriving at the amount of the loss hereunder.

E. DEFINITIONS

1. GROSS EARNINGS

“Gross Earnings” is defined as the sum of:

- a. total net sales and;
- b. other earnings derived from the operation of the business
less the cost of;
- c. merchandise sold including packaging materials and;
- d. materials and supplies consumed directly in supplying the service(s) sold by the Named Insured, and;
- e. service(s) purchased from outside (not employees of the Named Insured) for resale that does not continue under contract.

No other cost shall be deducted in determining gross earnings.

In determining gross earnings, due consideration shall be given to the experience of the business before the date of loss or damage and the probable experience thereafter, had no loss occurred.

In the event that Real and/or Personal Property that does not normally produce an income, sustains damage covered under this Policy, the actual recovery under this Policy shall be the continuing fixed charges and expenses directly attributable to such non-productive property.

2. MERCHANDISE

Shall be understood to mean, goods kept for sale by the Named Insured, which are not the products of manufacturing operations conducted by the Named Insured.

3. EXTRA EXPENSE

The term “extra expense”, whenever used in this Policy, is defined as the excess (if any) of the total cost incurred during the period of restoration chargeable to the operation of the Named Insured’s business over and above the total cost that would normally have been incurred to conduct the business during the same period had no damage or destruction occurred. Any salvage value of property obtained for temporary use during the period of restoration, which remains after the resumption of normal operations, shall be taken into consideration in the adjustment of any loss hereunder.

4. RENTAL VALUE

The term “rental value” is defined as the sum of:

- a. the total anticipated gross rental income from tenant occupancy as furnished and equipped by the Named Insured, and;

- b. the amount of all charges which are the legal obligation of the tenant(s) and which would otherwise be obligations of the Named Insured, and;
- c. the fair rental value of any portion of said property which is occupied by the Named Insured, and;
- d. any amount in excess of a., b. and c. (above) which is an obligation due under the terms and conditions of any revenue bond, certificate of participation or other financial instrument.

In determining rental value, due consideration shall be given to the experience before the date of loss or damage and the probable experience thereafter had no loss occurred.

5. PERIOD OF RESTORATION

The period during which business interruption and or rental interruption applies will begin on the date direct physical loss occurs and interrupts normal business operations and ends on the date that the damaged property should have been repaired, rebuilt or replaced with due diligence and dispatch, but not limited by the expiration of this Policy.

SECTION IV
GENERAL CONDITIONS

A. PERILS COVERED

Subject to the terms, conditions and exclusions stated elsewhere herein, this Policy provides insurance against all risk of direct physical loss or damage occurring during the period of this Policy.

B. EXCLUSIONS

This Policy does not insure against any of the following:

1. Loss or damage caused by or resulting from moths, vermin, termites, or other insects, inherent vice, latent defect, faulty materials, error in design, faulty workmanship, wear, tear or gradual deterioration, rust, corrosion, wet or dry rot, unless physical loss or damage not otherwise excluded herein ensues and then only for such ensuing loss or damage.
2. Physical loss or damage by settling, cracking, shrinkage, bulging, or expansion of pavements, foundations, walls, floors, roofs or ceilings; all unless physical damage not otherwise excluded by this Policy ensues, in which event, this Policy will cover only such ensuing damage.
3. Delay or loss of markets (this exclusion shall be inapplicable to the extent inconsistent with any time element coverage provided elsewhere herein).
4. Breakdown or derangement of machinery and/or steam boiler explosion, unless physical loss or damage not otherwise excluded herein ensues and then only for such ensuing loss.
5. Loss or damage caused by or resulting from misappropriation, conversion, inventory shortage, unexplained disappearance, infidelity or any dishonest act on the part of the Named Insured, it's employees or agents or others to whom the property may be entrusted (bailees and carriers for hire excepted) or other party of interest.
6. Loss or damage caused by or resulting from electrical injury or disturbance from artificial causes to electrical appliances, devices of any kind or wiring, unless physical loss or damage not otherwise excluded herein ensues and then only for such ensuing loss. This exclusion does not apply to data processing equipment or media.
7. Loss or damage to personal property resulting from shrinkage, evaporation, loss of weight, leakage, breakage of fragile articles, marring, scratching, exposure to light or change in color, texture or flavor, unless such loss is caused directly by fire or the combating thereof, lightning, windstorm, hail, explosion, strike, riot, or civil commotion, aircraft, vehicles, breakage of pipes or apparatus, sprinkler leakage, vandalism and malicious mischief, theft, attempted theft, flood or earthquake shock (Earthquake Shock, and Flood, in the states of Alaska, or California shall only apply to locations that are scheduled for Earthquake Shock and Flood).
8. Loss or damage caused by rain, sleet or snow to personal property in the open (except in the custody of carriers or bailees for hire).
9. Loss caused directly or indirectly, by:

- a. War, hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack
 - i. by any government or sovereign power (de jure or de facto), or by any authority maintaining or using military, naval or air forces; or
 - ii. by military, naval or air forces; or
 - iii. by an agent of any such government, power, authority or forces;
 - b. any weapon of war employing atomic fission or radioactive force whether in time of peace or war;
 - c. insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an occurrence, seizure or destruction under quarantine or customs regulations, confiscation by order of any government or public authority, or risks of contraband or illegal transportation or trade.
10. Nuclear reaction or nuclear radiation or radioactive contamination from any cause, all whether direct or indirect, controlled or uncontrolled, proximate or remote, or is contributed to or aggravated by a Covered Cause of Loss. However:
- a. If fire not otherwise excluded results, the Company shall be liable for the direct physical loss or damage by such resulting fire, but not including, any loss or damage due to nuclear reaction, nuclear radiation, or radioactive contamination, and
 - b. This Policy does insure against physical loss or damage caused by sudden and accidental radioactive contamination, including resultant radiation damage, from material used or stored or from processes conducted on the Named Insured premises, provided that, at the time of such loss or damage, there is neither a nuclear reactor nor any new or used nuclear fuel on the Named Insured premises.
11. As respects course of construction, the following exclusions shall apply:
- a. The cost of making good: faulty or defective workmanship, materials, construction and/or design, but this exclusion shall not apply to damage by a peril not excluded resulting from such faulty or defective workmanship, materials, construction and/or design.
 - b. The cost of non-compliance of, or delay in completion of contract.
 - c. The cost of non-compliance with contract conditions.
 - d. Contractors' equipment or tools not a part of or destined to become a part of the installation.
12. Loss or damage caused by Earthquake Shock unless a limit is shown on the Declarations for Earthquake Shock this exclusion will apply.
13. Loss or damage caused by Flood unless a limit is shown on the Declarations for Flood this exclusion will apply.
14. Loss, damage, cost, claim or expense, whether preventative, remedial or otherwise, directly or indirectly arising out of or relating to:

- a. the recognition, interpretation, calculation, comparison, differentiation, sequencing or processing of data involving one or more dates or times, by any computer system, hardware, program or software, or any microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the Named Insured or not; or
- b. any change, alteration, correction or modification involving one or more dates or times, to any such computer system, hardware, program or software, or any microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the Named Insured or not.

Except as provided in the next paragraph, this Electronic Date Recognition Clause shall apply regardless of any other cause or event that contributes concurrently or in any sequence to the loss, damage, cost, claim or expense.

If direct physical loss or damage not otherwise excluded by this Policy results, then subject to all its terms and conditions, this Policy shall be liable only for such resulting loss or damage. Such resulting loss or damage shall not include physical loss or damage to data resulting directly from a) or b) above, nor the cost, claim or expense, whether preventative, remedial, or otherwise, arising out of or relating to any change, alteration, correction or modification relating to the ability of any damaged computer system, hardware, program or software, or any microchip, integrated circuit or similar device in computer equipment or non-computer equipment to recognize, interpret, calculate, compare, differentiate sequence or process any data involving one or more dates or times.

15. 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 Insured establishes is a direct result of a Covered Loss not otherwise excluded by the Policy, provided that such fungus, mold(s), mildew or yeast loss or damage is reported to the Company within twelve months from the expiration date of the Policy. Notwithstanding Section IV, Item T., Other Insurance, coverage provided under this paragraph shall apply as primary. Nothing herein contained shall be held to waive, vary, alter or extend any condition or provision of the Policy other than as above stated.

16. Loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with the actual or threatened malicious use of pathogenic or poisonous

biological or chemical materials regardless of any other cause or event contributing concurrently or in any other sequence thereto.

17. The following additional exclusions apply to animals covered under this Policy:
- a. Death of any animal(s) from natural causes.
 - b. Death of any animal(s) that dies from an unknown cause unless:
 - i. upon the death of such animal a post-mortem examination conducted on the animal by a licensed veterinarian, and if
 - ii. the veterinarian's post-mortem report shows the cause of death to clearly fall within the coverages of this Policy.
 - c. Death of any animal(s) as a result of surgical operation, including inoculation, unless the necessity for same arises from a loss otherwise covered by this Policy.
 - d. The death or destruction of any animal(s) caused by, resulting from, or made necessary by physical injury caused by or resulting from the activities of the injured animal or other animals unless such death or destruction is the result of a loss otherwise covered by this Policy.
 - e. The death of any animal(s) caused directly or indirectly by the neglect or abuse of the Named Insured, his agent, employees or bailees (carriers for hire excepted) unless such death is a result of a loss otherwise covered by this Policy.
 - f. The loss by death of any animal(s) as a result of parturition or abortion.
 - g. Loss resulting from depreciation in value caused by any animal(s) covered hereunder becoming unfit for or incapable of filling the function or duties for which it is kept, employed or intended unless such depreciation is a result of a loss otherwise covered by this Policy.
 - h. Loss by destruction of any animal(s) on the order of the federal or any state government, or otherwise as a result of having contracted or been exposed to any contagious or communicable disease.
 - i. The removal or disposal of the remains of any animal(s) or the expense thereof unless such removal or disposal is the result of a loss otherwise covered by this Policy.
 - j. The loss of any animal(s) that has been unnerved (the term "unnerved" to be considered as meaning the operation of neurotomy for lameness).
 - k. Any claim consequent upon delay, deterioration, or loss of use or loss of market arising from an event covered by this Policy.
18. Loss, damage, costs or expenses in connection with any kind or description of seepage and/or pollution and/or contamination, direct or indirect, arising from any cause whatsoever, except as provided in Section II Property Damage, B. Extension of Coverage, 21. Accidental Contamination.

Nevertheless, if fire is not excluded from this Policy and a fire arises directly or Indirectly from seepage and/or pollution and/or contamination, any loss or damage covered under this Policy arising directly from that fire shall (subject to the terms, conditions and limitations of the Policy) be covered.

However, if the covered property is the subject of direct physical loss or damage for which the Company has paid or agreed to pay, then this Policy (subject to its terms, conditions and limitations) insures against direct physical loss or damage to the property covered hereunder caused by resulting seepage and/or pollution and/or contamination.

The Named Insured shall give notice to the Company of intent to claim NO LATER THAN TWELVE (12) MONTHS AFTER THE DATE OF THE ORIGINAL PHYSICAL LOSS OR DAMAGE.

Notwithstanding the provisions of the preceding exclusions or any provision respecting seepage and/or pollution and/or contamination, and/or debris removal and/or cost of clean up in the Policy, in the event of direct physical loss or damage to the property covered hereunder, this Policy (subject otherwise to its terms, conditions and limitations, including but not limited to any applicable deductible) also insures, within the sum covered:

- (a) expenses reasonably incurred in removal of debris of the property hereunder destroyed or damaged from the premises of the Named Insured; and/or;
- (b) cost of clean up at the premises of the Named Insured made necessary as a result of such direct physical loss or damage;

PROVIDED that this Policy does not insure against the costs of decontamination or removal of water, soil or any other substance on or under such premises.

19. Authorities Exclusion:

Fines, penalties or cost incurred or sustained by the Named Insured or imposed on the Named Insured at the order of any Government Agency, Court or other Authority, in connection with any kind or description of environmental impairment including seepage or pollution or contamination from any cause.

20. The following exclusion applies to Terrorism:

Any act of terrorism. An act of terrorism means an act, including but not limited to the use of the force or violence and/or the threat thereof, 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 purpose including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This Policy 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 the paragraph above.

If the Company allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Named Insured.

In the event any portion of this exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect. All other terms and conditions remain unaltered.

21. Lack of the following services:

- a. incoming electricity, fuel, gas, water, steam or refrigeration;
- b. outgoing sewerage; or
- c. incoming or outgoing telephone or similar services;

all when caused by loss or damage to any property outside Insured Location(s).

However, the above do not apply to OFF PREMISES SERVICE INTERRUPTION.

C. STATUTES

If any of the articles of this Policy conflict with the laws or statutes of any jurisdictions in which this Policy applies this Policy is amended to conform to such laws or statutes.

D. TERRITORIAL LIMITS

This Policy insures Real and Personal Property within the United States of America. Personal Property is extended to Worldwide coverage. The coverage provided by this clause for Personal Property is sub-limited to USD as per Declaration Page.

E. REINSTATEMENT

Any reduction in the amount insured hereunder due to payment of any loss or losses shall be automatically reinstated for the balance of the term of this contract except as respects to the perils of Earthquake Shock and Flood.

F. FREE ON BOARD (F.O.B.) SHIPMENTS

The Company shall be liable for the interest of the Named Insured at sole option of the Named Insured, the interest of the consignee in merchandise, which has been sold by the Named Insured under terms of F.O.B. point of origin or other terms usually regarded as terminating shippers' responsibility short of point of delivery.

G. BREACH OF CONDITIONS

If any breach of a clause, condition or warranty of this Policy shall occur prior to a loss affected thereby under this Policy, such breach shall not void the Policy nor avail the Company to avoid liability unless such breach shall exist at the time of such loss under this contract or Policy, and be a contributing factor to the loss for which claim is presented hereunder, it being understood that such breach of clause or condition is applicable only to the property affected thereby. Notwithstanding the foregoing, if the Named Insured establishes that the breach, whether contributory or not, occurred without its knowledge or permission or beyond its control, such breach shall not prevent the Named Insured from recovering under this Policy.

H. PERMITS AND PRIVILEGES

Anything in the printed conditions of this Policy to the contrary notwithstanding, permission is hereby granted:

1. to maintain present hazards and hazards which are consistent with the current operation of insured facilities;
2. to make additions, alterations, extensions, improvements and repairs, to delete, demolish, construct and reconstruct, and also to include all materials, equipment and supplies incidental to the foregoing operations of the property covered hereunder, while in, on and/or about the premises or adjacent thereto;
3. for such use of the premises as usual and/or incidental to the business as conducted therein and to keep and use all articles and materials usual and/or incidental to said business in such quantities as the exigencies of the business require;

4. to be or become vacant or unoccupied. If a building becomes vacant or unoccupied, notice is to be given to the Company prior to the one-hundred twentieth (120th) consecutive day of vacancy or lack of occupancy. The giving, or failure to give such notice will not constitute a condition precedent to the Company's liability, but the Named Insured shall make a reasonable effort to comply with such requirement.

This Policy shall not be prejudiced by:

1. any error in stating the name, number, street, or location of any building(s) and contents covered hereunder, or any error or omission involving the name or title of the Named Insured;
2. any act or neglect of the owner of the building, if the Named Insured hereunder is not the owner, or of any occupant of the within described premises other than the Named Insured, when such act or neglect is not within the control of the Named Insured, named herein; or
3. by failure of the Named Insured to comply with any of the warranties or conditions endorsed hereon in any portion of the premises over which the Named Insured has no control.

I. PROTECTIVE SAFEGUARDS

The Named Insured shall exercise due diligence in maintaining in complete working order all protective safeguard equipment and services.

J. NO BENEFIT TO BAILEE

This Policy shall in no way inure directly or indirectly to the benefit of any carrier or other bailee.

K. NOTICE OF LOSS

In the event of loss or damage insured against under this Policy, the Named Insured shall give notice thereof to ALLIANT INSURANCE SERVICES, INC., 100 Pine Street, 11th Floor, San Francisco, CA 94111-1073. TEL NO. (877) 725-7695, FAX NO. (415) 403-1466 of such loss. Such notice is to be made as soon as practicable upon knowledge within the risk management or finance division of the insured that a loss has occurred.

L. ARBITRATION OF VALUE

If the Named Insured and the Company fail to agree as to the amount of loss, each shall on the written demand of other, made within sixty (60) days after receipt of proof of loss by the Company, select a competent and disinterested appraiser, and the appraisal shall be made at a reasonable time and place. The appraisers shall first select a competent and disinterested umpire, and failing for fifteen (15) days to agree upon such umpire, then on the request of the Named Insured or the Company, such umpire shall be selected by a judge of a court of record in the state in which such appraisal is pending. The appraisers shall then appraise the loss, stating separately the fair market value at the time of loss and the amount of loss, and failing to agree shall submit their differences to the umpire. An award in writing of any two shall determine the amount of loss. The Named Insured and the Company shall each pay their chosen appraiser and shall bear equally the other expenses of the appraisal and umpire. The Named Insured shall not be held to have waived any of its rights by any act relating to appraisal.

M. PROOF OF LOSS

The Named Insured shall render a signed and sworn proof of loss as soon as practical after the occurrence of a loss, stating the time, place and cause of loss, the interest of the Named Insured and of all others in the property, the value thereof and the amount of loss or damage thereto.

N. SETTLEMENT OF LOSS

All adjusted claims shall be paid or made good to the Named Insured within thirty (30) days after presentation and acceptance of satisfactory proof of interest and loss at the office of the Company. No loss shall be paid or made good if the Named Insured has collected the same from others.

O. SUBROGATION

In the event of any loss payment under this Policy, the Company, shall be subrogated to all the Named Insured's rights of recovery thereof against any person or organization and the Named Insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights.

As respects subrogation it is agreed that, after expenses incurred in subrogation are deducted, the Named Insured and the Company shall share proportionately to the extent of their respective interests as determined by the amount of their net loss. Any amount thus found to be due to either party from the other shall be paid promptly.

Notwithstanding the above wording, the Named Insured has the right to enter into an agreement that releases or waives the Named Insured's right to recovery against third parties responsible for the loss if made before the loss occurred.

P. CANCELLATION

This Policy may be cancelled by the Named Insured at any time by written notice or surrender of this Policy. This Policy may also be cancelled by or on behalf of the Company by delivering to the Named Insured or by mailing to the Named Insured, by registered, certified or other first class mail at the Named Insured's address as shown in this Policy, written notice, not less than ninety (90) days prior to the effective date of cancellation. The mailing of such notice as aforesaid shall be sufficient proof and this Policy shall terminate at the date and hour specified in such notice. Notwithstanding what has been stated above, however, should this Policy be cancelled for non-payment of assessment, the Company shall only be required to give the Named Insured ten (10) days notice.

If this insurance in total shall be cancelled by the Named Insured, the Company shall retain the customary short rate proportion of the premium hereon. If the Company elects to cancel coverage mid-term, then such cancellation shall be handled on a pro-rata basis without short rate penalty.

In the event of cancellation the aggregate retention and specific limit amount shall be applied pro rata with the balance, if any, to be paid to the Named Insured.

Payment or tender of any unearned premium by the Company shall not be condition precedent to the effectiveness of cancellation but such payment shall be made forthwith.

Cancellation shall not affect coverage on any shipment in transit on date of cancellation. Coverage will continue in full force until such property is safely delivered and accepted at place of final destination.

It is understood and agreed that if the Named Insured cancels this Policy, the Policy is subject to 25% minimum earned premium regardless of the length of time coverage is in force.

Q. ABANDONMENT

There shall be no abandonment to the Company of any property.

R. ASSIGNMENT

Assignment or transfer of this Policy shall not be valid except with the written consent of the Company.

S. SALVAGE

When, in connection with any loss hereunder, any salvage is received prior or subsequent to the payment of such loss, the loss shall be figured on the basis on which it would have been settled had the amount of salvage been known at the time the loss was originally determined. The salvage value will be deducted from the claim or returned to the Company.

T. OTHER INSURANCE

Permission is hereby granted to the Named Insured to carry more specific insurance on any property covered under this Policy. This Policy shall not attach or become insurance upon any property which at the time of loss is more specifically described and covered under any other policy form until the liability of such other insurance has first been exhausted and shall then cover only the excess of value of such property over and above the amount payable under such other insurance, whether collectible or not. This Policy, subject to its conditions and limitations, shall attach and become insurance upon such property as respects any peril not covered by such other insurance and not otherwise excluded herein.

In the event of a loss that is covered by other insurance, wherein this Policy is excess of any amount paid by such other insurer, the other insurance shall be applied to the deductible amount stated elsewhere. Should the amount paid by such other insurance exceed these deductibles, no further deductibles shall be applied under this Policy.

U. EXCESS INSURANCE

Permission is granted for the Named Insured to maintain excess insurance over the limit of liability set forth in this Policy without prejudice to this Policy and the existence of such insurance, if any, shall not reduce any liability under this Policy. Also it is understood and agreed as respects earthquake shock or flood, that in the event of reduction or exhaustion of the aggregate limits of liability under the underlying Policy(s) by reason of loss(es) hereunder, this Policy shall:

1. in the event of reduction, pay out excess of the reduced underlying limit and;
2. in the event of exhaustion, continue in force as the underlying Policy.

V. RIGHT TO REVIEW RECORDS FOLLOWING AN INSURED LOSS

The Named Insured as often as may be reasonably required, shall submit and so far as within their power, cause all other persons interested in the property or employees to submit to examination under oath by any person named by the Company relative to any and all matters in connection with a claim, and produce for examination all books of account, bills, invoices and other vouchers or certified copies thereof if originals be lost, at such reasonable time and place as may be designated by the Company or their representatives and shall permit extracts and copies thereof to be made.

W. CONCEALMENT AND FRAUD

This entire Policy shall be void, if whether before or after a loss, the Named Insured has willfully concealed or misrepresented any material facts or circumstance concerning this Policy of the subject thereof, or the interest of the Named Insured therein, or in case of any fraud or false swearing by the Named Insured relating thereto.

X. FULL WAIVER

The terms and conditions of this form and any approved endorsements supersede any policy jacket that may be attached hereto.

Y. SUIT AGAINST COMPANY

No suit, action or proceeding for the recovery of any claim under this Policy shall be sustainable in any court of law or equity unless the Named Insured shall have complied with all the requirements of this Policy, nor unless the suit is commenced within twelve (12) months after the date that the Company has made its final offer of settlement or denial of the loss. However, that if under the laws of the jurisdiction in which the property is located such limitation is invalid, then any such claims shall be void unless such action, suit or proceedings be commenced within the shortest limit of time permitted by the laws of such jurisdiction.

Z. JOINT LOSS ADJUSTMENT – BOILER & MACHINERY

In the event of damage to or destruction of property, at a location designated in this Policy and also designated in a boiler and machinery insurance policy, and there is a disagreement between the Company and the Named Insured with respect to:

- (i) Whether such damage or destruction was caused by a peril covered against by this Policy or by an accident covered against by such boiler and machinery insurance policy(ies) or;
- (ii) The extent of participation of this Policy and of such boiler and machinery insurance policy in a loss that is covered against, partially or wholly, by one or all of said policy(ies).

The Company shall, upon written request of the Named Insured, pay to the Named Insured one-half of the amount of the loss which is in disagreement, but in no event more than the Company would have paid if there had been no boiler and machinery insurance policy(ies) in effect, subject to the following conditions:

- (i) The amount of loss which is in disagreement after making provisions for any undisputed claims payable under the said policy(ies) and after the amount of the loss is agreed by the Named Insured and the Boiler and Machinery Insurer and the Company is limited to the minimum amount remaining payable under either the boiler and machinery insurance policy(ies).
- (ii) The boiler and machinery insurer(s) shall simultaneously pay to the Named Insured, one-half of the said amount, which is in disagreement.
- (iii) The payments by the Company and acceptance of the same by the Named Insured signify the agreement of the Company to submit to and proceed with arbitration within ninety (90) days of such payments:

The arbitrators shall be three (3) in number, one of whom shall be appointed by the boiler insurer(s) and one of whom shall be appointed by the Company hereon and the third appointed by consent of the other two, and the decision by the arbitrators shall be binding on the insurer(s) and the Named Insured and that judgment upon such award may be entered in any court of competent jurisdiction.

(iv) The Named Insured agrees to cooperate in connection with such arbitration but not to intervene therein.

(v) This agreement shall be null and void unless the Policy of the boiler and machinery Insurer is similarly endorsed.

In no event shall an Insurer be obligated to pay more than their total single limit.

AA. JOINT LOSS ADJUSTMENT – EXCESS PROPERTY

In the event of damage to or destruction of property at a location designated in this Policy and also designated in an excess insurance policy(ies) and if there is disagreement between the insurers with respect to:

- (1) whether such damage or destruction was caused by a single event or by multiple events or;
- (2) the extent of participation of this Policy and any excess insurance policy in a loss covered against partially or wholly, by one of said Policy or policy(ies).

The Company shall, upon written request of the Named Insured, pay to the Named Insured one-half of the amount of the loss which is in disagreement, but in no event more than the Company would have paid if there had been no excess insurance or policy(ies) in effect, subject to the following conditions:

- (1) the amount of loss which is in disagreement after making provisions for any undisputed claims payable under the said policy(ies) and after the amount of the loss is agreed by the Named Insured and the Company is limited to the minimum amount remaining payable under either the primary insurance policy or excess insurance policy(ies);
- (2) the excess insurers shall simultaneously pay to the Named Insured one-half of the said amount which is in disagreement, and;
- (3) the payments by the Company hereunder and acceptance of the same by the Named Insured signify the agreement of the Company to submit to and proceed with arbitration within ninety (90) days of such payments.

The arbitrators shall be three (3) in number, one of whom shall be appointed by the excess insurer(s) and one of whom shall be appointed by the Company and the third appointed by consent of the other two, and the decision by the arbitrators shall be binding on the Company and the Named Insured, and that judgment upon such award may be entered in any court of competent jurisdiction.

- (4) The Named Insured agrees to cooperate in connection with such arbitration but not to intervene therein.

AB. LENDER'S LOSS PAYABLE

The following provisions (or equivalent) apply as required by "mortgages" and "lenders" to whom certificates of coverage have been issued.

1. Loss or damage, if any, under this Policy, shall be paid to the Payee named on the first page of this Policy, its successors and assigns, hereinafter referred to as "the Lender", in whatever form or capacity its interests may appear and whether said interest be vested in said Lender in its individual or in its disclosed or undisclosed fiduciary or representative capacity, or otherwise, or vested in a nominee or trustee of said Lender.
2. The insurance under this Policy, or any rider or endorsement attached thereto, as to the interest only of the Lender, its successors and assigns, shall not be invalidated nor suspended:
 - (a) by any error, omission, or change respecting the ownership, description, possession, or location of the subject of the insurance or the interest therein, or the title thereto;
 - (b) by the commencement of foreclosure proceedings or the giving of notice of sale of any of the property covered by this Policy by virtue of any mortgage or trust deed;
 - (c) by any breach of warranty, act, omission, neglect, or non-compliance with any of the provisions of this Policy, including any and all riders now or hereafter attached thereto, by the Named Insured, the borrower, mortgagor, trustor, vendee, owner, tenant, warehouseman, custodian, occupant, or by the agents of either or any of them or by the happening of any event permitted by them or either of them, or their agents, or which they failed to prevent, whether occurring before or after the attachment of this endorsement, or whether before or after a loss, which under the provisions of this Policy of insurance or of any rider or endorsement attached thereto would invalidate or suspend the insurance as to the Named Insured, excluding here from, however, any acts or omissions of the Lender while exercising active control and management of the property.
3. In the event of failure of the Named Insured to pay any premium or additional premium which shall be or become due under the terms of this Policy or on account of any change in occupancy or increase in hazard not permitted by this Policy, the Company agrees to give written notice to the Lender of such non-payment of premium after sixty (60) days from and within one hundred and twenty (120) days after due date of such premium and it is a condition of the continuance of the rights of the Lender hereunder that the Lender when so notified in writing by this Company of the failure of the Named Insured to pay such premium shall pay or cause to be paid the premium due within ten (10) days following receipt of the Company's demand in writing therefore. If the Lender shall decline to pay said premium or additional premium, the rights of the Lender under this Lender's Loss Payable Endorsement shall not be terminated before ten (10) days after receipt of said written notice by the Lender.
4. Whenever the Company shall pay to the Lender any sum for loss or damage under this Policy and shall claim that as to the Named Insured no liability therefore exists, the Company, at its option, may pay to the Lender the whole principal sum and interest and other indebtedness due or to become due from the Named Insured, whether secured or unsecured, (with refund of all interest not accrued), and the Company, to the extent of such payment, shall thereupon receive a full assignment and transfer, without recourse, of the debt and all rights and securities held as collateral thereto.

5. If there be any other insurance upon the within described property, the Company shall be liable under this Policy as to the Lender for the proportion of such loss or damage that the sum hereby insured bears to the entire insurance of similar character on said property under policies held by, payable to and expressly consented to by the Lender. Any Contribution Clause included in any Fallen Building Clause Waiver or any Extended Coverage Endorsement attached to this contract of insurance is hereby nullified, and also any Contribution Clause in any other endorsement or rider attached to this contract of insurance is hereby nullified except Contribution Clauses for the compliance with which the Named Insured has received reduction in the rate charged or has received extension of the coverage to include hazards other than fire and compliance with such Contribution Clause is made a part of the consideration for insuring such other hazards. The Lender upon the payment to it of the full amount of its claim, will subrogate the Company (pro rata with all other insurers contributing to said payment) to all of the Lender's rights of contribution under said other insurance.
6. The Company reserves the right to cancel this Policy at any time, as provided by its terms, but in such case this Policy shall continue in force for the benefit of the Lender for ten (10) days after written notice of such cancellation is received by the Lender and shall then cease.
7. This Policy shall remain in full force and effect as to the interest of the Lender for a period of ten (10) days after its expiration unless an acceptable policy in renewal thereof with loss there under payable to the Lender in accordance with the terms of this Lender's Loss Payable Endorsement, shall have been issued by some insurance company and accepted by the Lender.
8. Should legal title to and beneficial ownership of any of the property covered under this Policy become vested in the Lender or its agents, insurance under this Policy shall continue for the term thereof for the benefit of the Lender but, in such event, any privileges granted by this Lender's Loss Payable Endorsement which are not also granted the Named Insured under the terms and conditions of this Policy and/or under other riders or endorsements attached thereto shall not apply to the insurance hereunder as respects such property.
9. All notices herein provided to be given by the Company to the Lender in connection with this Policy and this Lender's Loss Payable Endorsement shall be mailed to or delivered to the Lender at its office or branch described on the first page of the Policy.

Approved: Board of Fire Underwriters of the Pacific; California Bankers' Association – Committee on Insurance

AC. SEVERAL LIABILITY NOTICE

The subscribing insurers' obligations under contracts of insurance to which they subscribe are several, not joint and are limited solely to the extent of their individual subscriptions. The subscribing insurers are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of its obligations.

AD. LOSS PAYABLE PROVISIONS

A. LOSS PAYABLE

For covered property in which both insured and a Loss Payee have an insurable interest, the Company will:

1. Adjust losses with the Named Insured, and;

2. Pay any claim for loss or their damage jointly to the Named Insured and the Loss Payee, as interests may appear.

B. LENDER'S LOSS PAYABLE

1. The Loss Payee is a creditor, including a mortgage holder or trustee, whose interest in Covered Property is established by such written instruments as:
 - a. Warehouse receipts;
 - b. A contract for deed;
 - c. Bills of lading;
 - d. Financing statements or;
 - e. Mortgages, deeds of trust or security agreements.
2. For Covered Property in which both the Named Insured and a Loss Payee have an insurable interest:
 - a. The Company will pay for covered loss or damage to each Loss Payee in their order of precedence, as interests may appear.
 - b. The Loss Payee has the right to receive loss payment even if the Loss Payee has started foreclosure or similar action on the Covered Property.
 - c. If the Company deny the Named Insured claim because of the insured act or because the Named Insured have failed to comply with the terms of the Coverage Part, the Loss Payee will still have the right to receive loss payment if the Loss Payee:
 - (1) Pays any premium due under this Coverage Part at the Company's request if the Named Insured have failed to do so;
 - (2) Submits a signed, sworn proof of loss within ninety (90) days after receiving notice from the Company of the Named Insured failure to do so, and;
 - (3) Has notified the Company of any change in ownership, occupancy or substantial change in risk known to the Loss Payee.

All of the terms of this Coverage Part will then apply directly to the Loss Payee.

- d. If the Company pays the Loss Payee for any loss or damage and deny payment to the Named Insured because of the Named Insured acts or because the Named Insured have failed to comply with the terms of this Coverage Part:
 - (1) The Loss Payee's rights will be transferred to the Company to the extent of the amount the Company pays and;
 - (2) The Loss Payee's rights to recover the full amount of the Loss Payee's claim will not be impaired.

At the Company's option, the Company may pay to the Loss Payee the whole principal on the debt plus any accrued interest. In this event, the Named Insured will pay the insureds' remaining debt to the Company

3. If the Company cancels this Policy, the Company will give written notice to the Loss Payee at least:
 - a. Ten (10) days before the effective date of cancellation if the Company cancels for the insured non-payment of premium or;

- b. Thirty (30) days before the effective date of cancellation if the Company cancels for any other reason.
4. If the Company elects not to renew this Policy, the Company will give written notice to the Loss Payee at least ten (10) days before the expiration date of this Policy.

C. CONTRACT OF SALE

1. The Loss Payee is a person or organization the Named Insured have entered a contract with for the sale of Covered Property.
2. For Covered Property in which both the Named Insured and the Loss Payee have an insurable interest the Company will:
 - a. Adjust losses with the Named Insured and;
 - b. Pay any claim for loss or damage jointly to the Named Insured and the Loss Payee, as interests may appear.
3. The following is added to the OTHER INSURANCE Condition:

For Covered Property that is the subject of a contract of sale, the word "the Insured" includes the Loss Payee.

AE. ELECTRONIC DATA

A. ELECTRONIC DATA EXCLUSION

Notwithstanding any provision to the contrary within the Policy or any endorsement thereto, it is understood and agreed as follows:-

- 1) This Policy does not insure 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 program, 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 Policy, subject to all its terms, conditions and exclusions, will cover physical damage occurring during the Policy period to property insured by this Policy directly caused by such listed peril.

Listed Perils:
Fire, Explosion

B. ELECTRONIC DATA PROCESSING MEDIA VALUATION

Notwithstanding any provision to the contrary within the Policy or any endorsement thereto, it is understood and agreed as follows:-

Should electronic data processing media insured by this Policy suffer physical loss or damage insured by this Policy, 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 USD10,000,000 any one loss, incurred by the Named Insured 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 Policy does not insure any amount pertaining to the value of such ELECTRONIC DATA to the Named Insured or any other party, even if such ELECTRONIC DATA cannot be recreated, gathered or assembled.

AF. LOSS ADJUSTMENT SERVICES

McLarens Young, International, 180 Montgomery Street, Suite 2100, San Francisco, California 94104-4231 is hereby authorized to represent the Company in the investigation and adjustment of any loss or damage under this Policy at the expense of the Company and without regard to the amount of loss or damage and/or applicable deductible if any.

However, the Company reserves the right to utilize other adjusting firms at its discretion.

AG. SERVICE OF SUIT CLAUSE (USA) APPLICABLE TO EXCESS CARRIERS

It is agreed that in the event of the failure of the Underwriters hereon to pay any amount claimed to be due hereunder, the Underwriters hereon, at the request of the Named Insured (or Reinsured), will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this Clause constitutes or should be understood to constitute a waiver of Underwriters' rights to commence an action in any Court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another Court as permitted by the laws of the United States or of any State in the United States. It is further agreed that service of process in such suit may be made upon:

1. Lloyd's America Inc., Attention: Legal Department, 280 Park Avenue, East Tower, 25th Floor, New York, NY 10017 in respect of Insurers identified in Security Details section as "Lloyd's Stamp:" followed by 4 digits.

Mendes and Mount, 750 Seventh Avenue, New York, NY 10019-6829 are the nominee in respect of any non-Lloyd's participation on this Contract.

Note FLWAService Corp, c/o Foley and Lardner LLP, 555 California Street, Suite 1700, San Francisco, CA 94104-1520 are the nominee for CA (applicable to all markets except as noted below)

2. Counsel, Legal Department, Lexington Insurance Company, 99 High Street, Boston, Massachusetts, 02110 (applicable to Lexington Insurance Company)
3. XL Catlin Insurance Company UK Limited, LIRMA C7509: Sarah Mims, XL Global Services Inc., 505 Eagleview Boulevard, Exton, PA 19341

and that in any suit instituted against any one of them upon this contract, Underwriters will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

The above-named are authorized and directed to accept service of process on behalf of Underwriters in any such suit and/or upon the request of the Insured (or Reinsured) to give a written undertaking to

the Insured (or Reinsured) that they will enter a general appearance upon Underwriters' behalf in the event such a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefore, Underwriters hereon hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Insured (or Reinsured) or any beneficiary hereunder arising out of this contract of insurance (or reinsurance), and hereby designate the above-named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

NMA1998 (amended)

AH. DEFINITIONS

1. OCCURRENCE

Each occurrence is defined as a loss, incident or series of losses or incidents not otherwise excluded by this Policy and arising out of a single event or originating cause and includes all resultant or concomitant insured losses. When the term applies to loss or losses from earthquake shock, flood and/or windstorm, the following provisions shall apply:

a. Windstorm

Each loss by windstorm shall constitute a single claim hereunder; provided, if more than one windstorm shall occur within any period of seventy-two (72) hours during the term of this Policy, such windstorm shall be deemed to be a single windstorm within the meaning thereof. The Named Insured may elect the moment from which each of the aforesaid periods of seventy-two (72) hours shall be deemed to have commenced but no two such seventy-two (72) hour periods shall overlap. The Company shall not be liable for any loss occurring before the effective date and time of the Policy. The Company will be liable for any losses occurring for a period of up to seventy-two (72) hours after the expiration of this Policy provided that the first windstorm loss or damage within that seventy-two (72) hours occurs prior to the date and time of expiration of this Policy.

In the event of there being a difference of opinion between the Named Insured and the Company as to whether or not all windstorm losses sustained by the Named Insured during an elected period of seventy-two (72) hours arose out of, or was caused by a single atmospheric disturbance, the stated opinion of the National Weather Service or comparable Authority in any other country or locality shall govern as to whether or not a single atmospheric disturbance continued throughout the period at the location(s) involved.

b. Flood

Each loss by flood shall constitute a single loss hereunder.

1. If any flood occurs within a period of the continued rising or overflow of any river(s) or stream(s) and the subsidence of same within the banks of such river(s) or stream(s) or;
2. If any flood results from any tidal wave or series of tidal waves caused by any one disturbance;

such flood shall be deemed to be a single occurrence within the meaning of this Policy.

Should any time period referred to above extend beyond the expiration date of this Policy and commence prior to expiration, the Company shall pay all such flood losses occurring during such period as if such period fell entirely within the term of this Policy.

The Company shall not be liable, however, for any loss caused by any flood occurring before the effective date and time of this Policy or commencing after the expiration date and time of this Policy.

Flood shall mean a general condition of partial or complete inundation of normally dry land area from:

1. overflow of inland or tidal water;
2. unusual and rapid accumulation or run off of surface waters from any natural source.

Flood shall also mean mudslide or mudflow, which is a river or flow of liquid mud caused by flooding as defined in 1. or 2. above.

The definition of flood does not include ensuing loss or damage by fire, explosion, or sprinkler leakage.

c. Flood Zone A and V

Flood zones A and V as referenced in this Policy is defined by FEMA as being inclusive of all 100 year high risk flood areas. A one-hundred-year flood is a flood event that has a 1% probability of occurring in any given year.

d. Earthquake Shock

With respect to the peril of earthquake shock, any and all losses from this cause within a one hundred sixty-eight (168) hour period shall be deemed to be one loss. The Named Insured may elect the moment from which each of the aforesaid periods of one hundred sixty eight (168) hours shall be deemed to have commenced but no two such one hundred sixty eight (168) hour periods shall overlap.

The Company shall not be liable for any loss caused by an earthquake shock occurring before the effective date and time of this Policy. The Company will be liable for any losses occurring for a period of up to one hundred sixty eight (168) hours after the expiration of this Policy provided that the first earthquake shock loss or damage within that one hundred sixty eight (168) hours occurs prior to the date and time of the expiration of this Policy.

In the event of there being a difference of opinion between the Named Insured and the Company as to whether or not all earthquake shock losses sustained by the Named Insured during an elected period of one hundred sixty eight (168) hours arose out of, or were caused by a single earthquake shock, the stated opinion of the National Earthquake Information Center of the United States Department of the Interior or comparable Authority in any other country or locality shall govern as to whether or not a single earthquake shock continued throughout the period at the locations involved.

The term earthquake shock is defined as: earth movement meaning natural faulting of land masses, but not including subsidence, landslide, rock slide, earth rising, earth

sinking, earth shifting or settling unless as a direct result of such earth movement. The definition of earthquake shock does not include ensuing loss or damage by fire, explosion or sprinkler leakage. Further Earthquake Sprinkler Leakage is covered outside of the “Earthquake Shock” definition and subject to the basic peril deductible.

2. PERSONAL PROPERTY OF OTHERS

Means, any property (other than real property) belonging to others for which a Named Insured has assumed liability. This includes but is not limited to:

- Articles of Clothing
- Jewelry
- Sound Equipment
- Fine Arts (up to the sub-limit of unscheduled fine arts)
- EDP Media & Hardware
- Valuable Papers
- Portable Electronic Equipment
- Employee Tools

3. IMPROVEMENTS AND BETTERMENTS

Means, additions or changes made by a Named Insured / lessee at their own expense to a building they are occupying that enhance the building’s value.

4. VALUABLE PAPERS AND RECORDS

Means, all inscribed, printed, or written; documents, manuscripts or records; including but not limited to abstracts, books, deeds, drawing, films, maps, or mortgages. Valuable Papers are not money, securities, stamps or converted data program or instructions used in the Named Insured’s data processing operations including the materials on which data is recorded.

5. TIER I WINDSTORM COUNTIES

State	Tier I Counties, Parishes or Independent Cities
Alabama	Baldwin, Mobile
Connecticut	Fairfield, Middlesex, New Haven, New London
Delaware	Entire State, All Counties
Florida	Entire State, All Counties
Georgia	Bryan, Camden, Chatham, Glynn, Liberty, McIntosh,
Hawaii	Entire State, All Counties
Louisiana	Assumption, Calcasieu, Cameron, Iberia, Jefferson, Lafourche, Livingston, Orleans, Plaquemines, St. Bernard, St. Charles, St. James, St. John the Baptist, St. Mary, St. Tammany, Tangipahoa, Terrebonne, Vermilion
Maine	Cumberland, Hancock, Knox, Lincoln, Sagadahoc, Waldo, Washington, York
Maryland	Anne Arundel, Baltimore, Baltimore City, Calvert, Cecil, Dorchester, Harford, Kent, Queen Anne’s, St. Mary’s, Somerset, Talbot, Wicomico, Worcester

State	Tier I Counties, Parishes or Independent Cities Cont.
Massachusetts	Barnstable, Bristol, Dukes, Essex, Middlesex, Nantucket, Norfolk, Plymouth, Suffolk
Mississippi	Hancock, Harrison, Jackson
New Hampshire	Rockingham, Strafford
New Jersey	Atlantic, Burlington, Cape May, Cumberland, Middlesex, Monmouth, Ocean, Salem, Union
New York	Bronx, Kings, Nassau, New York, Queens, Richmond, Suffolk
North Carolina	Beaufort, Bertie, Brunswick, Camden, Carteret, Chowan, Columbus, Craven, Currituck, Dare, Hyde, Jones, New Hanover, Onslow, Pamlico, Pasquotank, Pender, Perquimans, Tyrell, Washington
Rhode Island	Entire State, All Counties
South Carolina	Beaufort, Berkley, Charleston, Colleton, Georgetown, Horry, Jasper
Texas	Aransas, Brazoria, Calhoun, Cameron, Chambers, Galveston, Harris (entire County), Jackson, Jefferson, Kenedy, Kleberg, Liberty, Matagorda, Newton, Nueces, Orange, Refugio, San Patricio, Victoria, Willacy
Virginia	Accomack, Charles City, Chesapeake City, Gloucester, Hampton City, Isle of Wight, James City, Lancaster, Mathews, Middlesex, New Kent, Newport News, Norfolk City, Northampton, Northumberland, Poquoson City, Portsmouth City, Prince George, Suffolk City, Sussex, Surry, Virginia Beach City, Westmoreland, Williamsburg City, York

6. TIER 2 WINDSTROM COUNTIES

State	Tier II Counties, Parishes or Independent Cities
Georgia	Brantley, Charlton, Effingham, Long, Wayne
Louisiana	Acadia, Ascension, East Baton Rouge, Iberville, Jefferson Davis, Lafayette, St. Martin (North), Washington, West Baton Rouge
Mississippi	George, Pearl River, Stone
North Carolina	Bladen, Duplin, Gates, Hertford, Lenoir, Martin, Pitt
South Carolina	Florence, Marion, Williamsburg
Texas	Bee, Brooks, Fort Bend, Goliad, Hardin, Hidalgo, Jasper, Jim Wells, Wharton

AI. ADDITIONAL INSURED'S / LOSS PAYEES

It is hereby understood and agreed that the interest of Additional Insured's and/or Loss Payees is automatically included, as per schedule held on file with Alliant Insurance Services, Inc.

SPECIMEN

SECTION V

FINE ARTS

A. COVERAGE

This Policy insures against all risks of direct physical loss of or damage except as hereafter excluded occurring during the policy period to fine arts, which are the property of the Named Insured or the property of others in the custody or control of the Named Insured while on exhibition or otherwise within the limits of the United States.

If any of the property covered by this Section is also covered under any other provisions of the Policy of which this Section is made a part, those provisions are hereby amended to exclude such property, the intent being that the coverage under this Section is the sole coverage on such property.

1. PROPERTY COVERED

Objects of art of every kind and description, and property incidental thereto, which are the property of the Named Insured, or the property of others in the custody and control of the Named Insured, or in transit at the Named Insured's risk, and property in which the Named Insured shall have a fractional ownership interest which are owned by or have been leased, loaned, rented or otherwise made available to the Named Insured. "Property" shall mean paintings, drawings, etchings, prints, rare books, manuscripts, rugs, tapestries, furniture, pictures, bronzes, potteries, porcelains, marbles statuary and all other bonafide works of art and other objects of rarity, historic value, cultural interest or artistic merit, which are part of the collections of the Named Insured, or in the care, custody or control of the Named Insured, and their frames, glazing and shadow boxes.

2. "WALL TO WALL" ("NAIL TO NAIL") COVERAGE

This Section covers the Named Insured's property on a "Wall to Wall" ("Nail to Nail") basis, or domicile to domicile basis, as applicable, from the time said property is removed from its normal repository incidental to shipment until returned thereto or other point designated by the owner or owner's agent prior to return shipment, including while in transit to or from points of consolidation or deconsolidation, packing, repacking or unpacking, while at such locations during such processes or awaiting shipment.

Coverage shall terminate upon arrival of the covered property at the final destination designated by the owner or owner's agent, or upon expiration of this Policy, whichever may occur first, except that expiration of this Policy shall not prejudice coverage of any risk then in transit.

B. EXCLUSIONS

1. Loss or damage occasioned by: wear and tear, gradual deterioration, insects, vermin, inherent vice or damage sustained due to and resulting from any repairing, restoration or retouching process;
2. Loss or damage caused by or resulting from:
 - a. War, hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack;

- i. by any government or sovereign power (de jure or de facto), or by any authority maintaining or using military, naval or air forces or;
 - ii. by military, naval or air forces; or
 - iii. by an agent of any such government, power, authority or forces;
 - b. Any weapon of war employing atomic fission or radioactive force whether in time of peace or war;
 - c. Insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an occurrence, seizure or destruction under quarantine or customs regulations, confiscation by order of any government or public authority, or risks of contraband or illegal transportation or trade.
3. Nuclear reaction or nuclear radiation or radioactive contamination from any cause, all whether direct or indirect, controlled or uncontrolled, proximate or remote, or is contributed to or aggravated by a Covered Cause of Loss. However:
 - a. If fire not otherwise excluded results, the Company shall be liable for the direct physical loss or damage by such resulting fire, but not including, any loss or damage due to nuclear reaction, nuclear radiation, or radioactive contamination, and
 - b. This Policy does insure against physical loss or damage caused by sudden and accidental radioactive contamination, including resultant radiation damage, from material used or stored or from processes conducted on the Named Insured premises, provided that, at the time of such loss or damage, there is neither a nuclear reactor nor any new or used nuclear fuel on the Named Insured premises.
4. Any dishonest, fraudulent or criminal act by the Named Insured, a partner therein or an officer, director employee or trustee thereof, whether acting alone or in collusion with others.

For the purpose of this exclusion an act of vandalism or malicious damage by an employee shall not constitute a dishonest, fraudulent or criminal act.

C. LOSS PAYMENT BASIS / VALUATION

The valuation of each article of property covered by this Section shall be determined as follows:

- a. Property of the Named Insured shall be covered for and valued at the current fair market value of each article indicated on the books and records of the Named Insured prior to loss, according to the Named Insured's valuation of each object covered.
- b. Property of others loaned to the Named Insured and for which the Named Insured may be legally liable, or which the Named Insured has been instructed to insure, shall be covered for and valued at the amount agreed upon for each article by the Named Insured and owner(s) as recorded on the books and records of the Named Insured prior to loss.
- c. Otherwise, in the absence of recorded current fair market values or agreed values for each article covered, the Company shall not be liable beyond the fair market value of the property at the time any loss or damage occurs. Said value shall be ascertained by the Named Insured and the Company or, if they differ, then the amount of value or loss shall be determined as provided in the following appraisal clause.

D. SPECIAL CONDITIONS

1. **Misrepresentation and Fraud:** This entire Section shall be void if, whether before or after a loss, the Named Insured has concealed or misrepresented any material fact or circumstance concerning this Policy or the subject thereof, or the interest of the Named Insured therein, or in case of any fraud or false swearing by the Named Insured relating thereto.
2. **Notice of Loss:** The Named Insured shall as soon as practicable report in writing to the Company or its agent every loss, damage or occurrence which may give rise to a claim under this Section and shall also file with the Company or its agent within ninety (90) days from the date of discovery of such loss, damage or occurrence, a detailed sworn proof of loss.
3. **Examination under Oath:** The Named Insured, as often as may be reasonably required, shall exhibit to any person designated by the Company all that remains of any property herein described, and shall submit, and insofar as is within its power cause its employees, Named Insured and others to submit to examination under oath by any person named by the Company and subscribe the same; and, as often as may be reasonably required, shall produce for examination all writings, books of account, bills, invoices and other vouchers, or certified copies thereof if originals be lost, at such reasonable time and place as may be designated by the Company or its representative and shall permit extracts and copies thereof to be made. No such examination under oath or examination of books or documents, nor any act of the Named Insured or any of its employees or representatives in connection with the investigation of any loss or claim hereunder, shall be deemed a waiver of any defense which the Named Insured might otherwise have with respect to any loss or claim, but all such examinations and acts shall be deemed to have been made or done without prejudice to the Company's liability.
4. **Settlement of Loss:** All adjusted claims shall be paid or made good to the Named Insured within sixty (60) days after presentation and acceptance of satisfactory proof of interest and loss at the office of the Company. No loss shall be paid or made good if the Named Insured has collected the same from others.
5. **No Benefit to Bailee:** This Section shall in no way inure directly or indirectly to the benefit of any carrier or other bailee.
6. **Subrogation or Loan:** If in the event of loss or damage the Named Insured shall acquire any right of action against any individual, firm or corporation for loss of, or damage to, property covered hereunder, the Named Insured will, if requested by the Company, assign and transfer such claim or right of action to the Company or, at the Company's option, execute and deliver to the Company the customary form of loan receipt upon receiving an advance of funds in respect of the loss or damage; and will subrogate the Company to, or will hold in trust for the Company, all such rights of action to the extent of the amount paid or advanced, and will permit suit to be brought in the Named Insured's name under the direction of and at the expense of the Company.
7. **Protection and Preservation of Property:** In case of actual or imminent physical loss or damage of the type insured against by this Policy, the expenses incurred by the Named Insured in taking reasonable and necessary actions for the temporary protection and preservation of property insured hereunder shall be added to the total physical loss or damage otherwise recoverable under the Policy and be subject to the applicable deductible and without increase in the limit provisions contained in this Policy.
8. **Appraisal:** If the Named Insured and the Company fail to agree as to the amount of loss, each shall on the written demand of other, made within sixty (60) days after receipt of proof of loss by the Company, select a competent and disinterested appraiser, and the appraisal shall be made at a reasonable time and place. The appraisers shall first select a competent and

disinterested umpire, and failing for fifteen (15) days to agree upon such umpire, then on the request of the Named Insured or the Company, such umpire shall be selected by a judge of a court of record in the state in which such appraisal is pending. The appraisers shall then appraise the loss, stating separately the fair market value at the time of loss and the amount of loss, and failing to agree shall submit their differences to the umpire. An award in writing of any two shall determine the amount of loss. The Named Insured and the Company shall each pay their chosen appraiser and shall bear equally the other expenses of the appraisal and umpire. The Named Insured shall not be held to have waived any of its rights by any act relating to appraisal.

9. **Civil Authority:** Property covered under this Section against the peril of fire is also covered against the risk of damage or destruction by Civil authority during a conflagration and for the purpose of retarding the same; provided that neither such conflagration nor such damage or destruction is caused or contributed to by a peril otherwise excluded herein.
10. **Changes:** Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this Section or stop the Named Insured from asserting any right under the terms of this Section, nor shall the terms of this Section be waived or changed except by endorsement issued to form a part of this Section.
11. **Additional Covered Party(ies):** Corporations, associations, firms, institutions, museums, persons and others who own or control collections, objects or articles who make them available to the Named Insured, and temporary borrowers or custodians (but not carriers, packers or shippers) of property covered, are additional Named Insured(s) hereunder, but only as respects coverage afforded to said Named Insured's property.
12. **Packing:** It is agreed by the Named Insured that the property covered hereunder be packed and unpacked by competent packers.
13. **Other Insurance:** This fine arts floater Section is excess coverage over any other valid and collectible insurance which may apply to any objects of art for which coverage would apply under this Policy.
14. **Pair And Set:** In the event of the total loss of any article or articles which are a part of a set, the Company agrees to pay the Named Insured the full amount of the value of such set and the Named Insured agrees to surrender the remaining article or articles of the set to the Company.

SECTION VI

CONTRACTORS EQUIPMENT

A. COVERAGE

This Policy insures contractors equipment, whether self propelled or not, including equipment thereof while attached thereto or located thereon, such as bulldozers, drag lines, power shovels, derricks, drills, concrete mixers and other machinery of a similar nature, and not subject to motor vehicle registration.

If any of the property covered by this Section is also covered under any other provisions of the Policy of which this Section is made a part, those provisions are hereby amended to exclude such property, the intent being that the coverage under this Section is the sole coverage on such property.

B. PERILS EXCLUDED

This Section insures against all risks of direct physical loss or damage occurring during the policy period to the above described property from any external cause except as provided below.

1. Loss or damage due to wear, tear, rust, corrosion, latent defect, mechanical breakage or improper assemblage.
2. Loss or damage due to the weight of the load imposed on the machine exceeding the capacity for which such machine was designed.
3. Loss or damage to crane or derrick boom(s) and jib(s) of lattice construction while being operated unless directly caused by fire, lightning, hail, windstorm, earthquake shock, explosion, riot, riot attending a strike, civil commotion, actual physical contact with an aircraft or airborne missile including objects falling therefrom, collision with other vehicles or other contractors equipment whether or not such other equipment is covered hereunder, landslide, or upset of the unit of which it is a part (but only when and to the same extent that such other perils are covered by the Policy).
4. Loss or damage due to explosion arising from within steam boilers.
5. Loss or damage to dynamos, exciters, lamps, switches, motors or other electrical appliances or devices, including wiring, caused by lightning or other electrical currents (artificial or natural) unless fire ensues and then for the loss by fire only.
6. Loss or damage due to dishonesty of Named Insured's employees or persons to whom the Named Insured's property is entrusted.
7. Loss or damage caused by or contributed to failure of the Named Insured to keep and maintain the property in a thorough state of repair.

8. Loss or damage caused by or resulting from:
 - a. War, hostile or warlike action in time of peace or, including action in hindering, combating or defending against an actual, impending or expected attack;
 - i. by any government or sovereign power (de jure or de facto) or by any authority maintaining using military, naval or air forces or;
 - ii. any military, naval or air forces or;
 - iii. by an agent of any such government, power, authority or forces;
 - b. any weapon of war employing atomic fission or radioactive force whether in time of peace or war;
 - c. insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an occurrence, seizure or destruction under quarantine or customs regulations, confiscation by order of any government or public authority, or risks of contraband or illegal transportation or trade;
9. Loss by nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, and whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by the peril(s) covered against in this endorsement; however, subject to the foregoing and all provisions of this Policy, direct loss by fire resulting from nuclear reaction or nuclear radiation or radioactive contamination is covered against by this Policy.

C. PROPERTY EXCLUDED

1. Automobiles, motorcycles, motor trucks, or parts thereof.
2. Buildings
3. Machinery or equipment or building materials to be installed in any building for the purpose of becoming a part thereof; nor on any property which has become a permanent part of any structure.
4. Property that is located underground.
5. Property while waterborne except while being transported on any regular ferry.
6. The storage risk of property not owned or required to be insured by the Named Insured at premises controlled or leased by the Named Insured, except where incidental to the regular or frequent use of the equipment or property.
7. Plans, blue prints, designs or specifications.

D. LOSS PAYMENT BASIS / VALUATION

On Contractors Equipment (whether self propelled or not), on or off premises, where Replacement Cost (New) values are specified, loss or damage shall be based on 100% of the Replacement Cost (New) at the time of loss. Partial losses shall be based on the cost of repairing or replacing the damaged portion, up to the fair market value of the Contractors Equipment. However, should these costs exceed the fair market value then recovery shall be based upon the Replacement Cost (New).

If the values, provided by the Named Insured, provides a valuation based on replacement cost, then recovery will be on the same basis, if replaced. If not replaced, the basis of recovery shall be actual cash value.

E. SPECIAL CONDITIONS

This section covers property only within the limits of the United States of America.
It is a condition of this Policy that all articles covered hereunder are in sound condition at the time of attachment of this Policy.

SPECIMEN

SECTION VII

ACCOUNTS RECEIVABLE

A. COVERAGE

This Policy covers the loss of or damage resulting from insured perils to the Named Insured's records of accounts receivable as defined below, occurring during the policy period.

B. EXCLUSIONS

In addition to the exclusions in the General Conditions, this coverage does not apply:

1. To loss due to any fraudulent, dishonest or criminal act by the Named Insured, a partner therein, or an officer, director, employee or trustee thereof, while working or otherwise and whether acting alone or in collusion with others.

For the purpose of this exclusion an act of vandalism or malicious damage by an employee shall not constitute a dishonest, fraudulent or criminal act.

2. To loss due to bookkeeping, accounting or billing errors or omissions.
3. To loss, the proof of which as to factual existence, is dependent upon an audit of records or an inventory computation; but this shall not preclude the use of such procedures in support of claim for loss which the Named Insured can prove through evidence wholly apart therefrom, is due solely to a risk of loss to records of accounts receivable not otherwise excluded hereunder.
4. To loss due to alteration, falsification, manipulation, concealment, destruction or disposal of records of accounts receivable 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.

C. LOSS PAYMENT BASIS / VALUATION

When there is proof that a loss covered by this Policy has occurred but the Named Insured cannot accurately establish the total amount of accounts receivable outstanding as of the date of such loss, such amount shall be based on the Named Insured's monthly statements and shall be computed as follows:

1. Determine the amount of all outstanding accounts receivable at the end of the same fiscal month in the year immediately preceding the year in which the loss occurs;
2. Calculate the percentage of increase or decrease in the average monthly total of accounts receivable for the twelve (12) months immediately preceding the month in which the loss occurs as compared with such average for the months of the preceding year;
3. The amount determined under (a) above, increased or decreased by the percentage calculated under (b) above, shall be the agreed total amount of accounts receivable as of the last day of the fiscal month in which said loss occurs;

4. The amount determined under (c) above shall be increased or decreased in conformity with the normal fluctuations in the amount of accounts receivable during the fiscal month involved, due consideration being given to the experience of the business since the last day of the last fiscal month for which statement has been rendered.

There shall be deducted from the total amount of accounts receivable, however established, the amount of such accounts evidenced by records not lost or damaged or otherwise established or collected by the Named Insured, and an amount to allow for probable bad debts which would normally have been uncollectible by the Named Insured. All unearned interest and service charges shall be deducted.

D. DEFINITIONS:

ACCOUNTS RECEIVABLE

1. All sums due to the Named Insured from customers provided the Named Insured is unable to effect collection thereof as the direct result of loss or damage to records of accounts receivable.
2. Interest charges on any loan to offset impaired collections pending repayment of such sums made uncollectible by such loss or damage.
3. Collection expense in excess of normal collection cost and made necessary because of such loss or damage.
4. Other expenses, when reasonably incurred by the Named Insured, in re-establishing records of accounts receivable following such loss or damage.

SECTION VIII

UNMANNED AIRCRAFT

A. COVERAGE

This Policy insures against all risks of direct physical loss of or damage except as hereafter excluded occurring during the policy period to **Unmanned Aircraft**, that are usual to the Named Insured's business and that the Named Insured own or are required to insure, sustained while not **In Flight** or **In Motion** and which are not the result of fire or explosion following crash or collision while the **Unmanned Aircraft** was **In Flight** or **In Motion** that are:

1. Listed on the schedule which is a part of this Policy or which is on file with the Company;
2. Unscheduled but for an amount not to exceed the limit shown on the Declarations

If any of the property covered by this Section is also covered under any other provisions of the Policy of which this Section is made a part, those provisions are hereby amended to exclude such property, the intent being that the coverage under this Section is the sole coverage on such property.

B. PERILS EXCLUDED

This Section insures against all risks of direct physical loss or damage occurring during the policy period to **Unmanned Aircraft** from any external cause except as provided below.

1. Loss or damage due to the **Unmanned Aircraft** being **In Flight** or **In Motion** including during propulsion system startup or any time the propulsion system is operating.
2. Loss or damage due to wear, tear, rust, corrosion, latent defect, mechanical breakage, freezing or improper assemblage.
3. Loss or damage due to the weight of the load imposed on the **Unmanned Aircraft** exceeding the capacity for which such **Unmanned Aircraft** was designed.
4. Loss or damage to tires except where such loss or damage is caused by fire, theft, windstorm or vandalism or is the direct result of physical damage covered by this Policy.
5. Loss or damage to **Unmanned Aircraft** while being worked upon except for direct loss or damage caused by resulting fire or explosion.
6. Loss or damage to dynamos, exciters, lamps, switches, motors or other electrical appliances or devices, including wiring, caused by lightning or other electrical currents (artificial or natural) unless fire ensues and then for the loss by fire only.
7. Loss or damage due to conversion, embezzlement or secretion by any person or organization with legal right to possession of such **Unmanned Aircraft** under bailment, lease, conditional sale, purchase agreement, mortgage or other legal agreement that governs the use, sale or lease of the **Unmanned Aircraft**, nor for any loss or damage during or resulting therefrom.
8. Loss or damage due to dishonesty of Named Insured's employees or persons to whom the Named Insured's property is entrusted.
9. Loss or damage caused by or contributed to failure of the Named Insured to keep and maintain the property in a thorough state of repair.

10. Loss or damage caused by or resulting from:

- a. War, hostile or warlike action in time of peace or, including action in hindering, combating or defending against an actual, impending or expected attack,
 - i. by any government or sovereign power (de jure or de facto) or by any authority maintaining using military, naval or air forces; or
 - ii. any military, naval or air forces; or
 - iii. by an agent of any such government, power, authority or forces;
- b. any weapon of war employing atomic fission or radioactive force whether in time of peace or war;
- c. insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an occurrence, seizure or destruction under quarantine or customs regulations, confiscation by order of any government or public authority, or risks of contraband or illegal transportation or trade;

C. PROPERTY EXCLUDED

1. **Unmanned Aircraft** that are located in underground mines, caverns or underground storage facilities.
2. **Unmanned Aircraft** while waterborne except while being transported on any regular ferry.
3. The storage risk of **Unmanned Aircraft** not owned or required to be insured by the Named Insured at premises controlled or leased by the Named Insured, except where incidental to the regular or frequent use of the equipment or property.

D. LOSS PAYMENT BASIS / VALUATION

On **Unmanned Aircraft**, on or off premises, where Replacement Cost (New) values are specified, loss or damage shall be based on 100% of the Replacement Cost (New) at the time of loss. Partial losses shall be based on the cost of repairing or replacing the damaged portion, up to the fair market value of the **Unmanned Aircraft**. However, should these costs exceed the fair market value then recovery shall be based upon the Replacement Cost (New).

If the values, provided by the Named Insured, provides a valuation other than replacement cost, then recovery will be on the same basis, if replaced. If not replaced, the basis of recovery shall be actual cash value.

E. SPECIAL CONDITIONS

This section covers property only within the limits of the United States of America.

It is a condition of this Policy that all articles covered hereunder are in sound condition at the time of attachment of this Policy.

F. DEFINITIONS

1. UNMANNED AIRCRAFT

Means a powered aerial vehicle that does not carry a human operator, uses aerodynamic forces to provide vehicle lift, can fly autonomously or be piloted remotely, is recoverable and in some cases can carry a non-lethal payload including the propulsion system and equipment usually installed in the vehicle (1) while installed in the vehicle, (2) while temporarily removed from the vehicle and (3) while removed from the aircraft for replacement until such time as replacement by a similar item has commenced; also tools and equipment which are specially designed for the aircraft and which are ordinarily carried therein.

2. IN FLIGHT

Means, with respect to fixed wing **Unmanned Aircraft**, the time commencing with the actual take-off run or launch and continuing thereafter until it has completed its landing run; or capture; and if the **Unmanned Aircraft** is a rotorcraft, from the time the rotors start to revolve under power for the purpose of flight until they subsequently cease to revolve after landing; and if the **Unmanned Aircraft** is a balloon, while it is inflated or being inflated or deflated.

3. IN MOTION

Means while the **Unmanned Aircraft** is moving under its own power or the momentum generated therefrom or while it is **In Flight** and, if the **Unmanned Aircraft** is a rotorcraft, any time the rotors are rotating or while it is **In Flight** and, if the **Unmanned Aircraft** is a glider or balloon, any time it is being transported, towed or while it is **In Flight**.

**ALLIANT INSURANCE SERVICES, INC.
ALLIANT PROPERTY INSURANCE PROGRAM (APIP)**

BOILER & MACHINERY EVIDENCE ATTACHMENT

NAMED INSURED: Enduris Non - HPR Properties

DECLARATION: 30-Districts 1

POLICY PERIOD: July 1, 2020 to July 1, 2021

REFERENCE NUMBER: APIP2020 (Dec 30)

COMPANIES: See Attached List of Companies

TOTAL INSURED VALUES: \$ 3,555,505,180 as of June 23, 2020

COVERAGES & LIMITS:

\$	100,000,000	Boiler Explosion and Machinery Breakdown, (for those Named Insureds that purchase this optional dedicated coverage) as respects Combined Property Damage and Business Interruption/Extra Expense (Including Bond Revenue Interest Payments where Values Reported and excluding Business Interruption for power generating facilities unless otherwise specified). Limit includes loss adjustment agreement and electronic computer or electronic data processing equipment with the following sub-limits:
	Included	Jurisdictional and Inspections.
\$	10,000,000	Per Occurrence for Service/Utility/Off Premises Power Interruption.
	Included	Per Occurrence for Consequential Damage/Perishable Goods/Spoilage.
\$	10,000,000	Per Occurrence for Electronic Data Processing Media and Data Restoration.
\$	2,000,000	Per Occurrence, Per Named Insured and in the Annual Aggregate per Declaration for Earthquake Resultant Damage for Named Insureds who purchase Dedicated Earthquake Coverage.
\$	10,000,000	Per Occurrence for Hazardous Substances / Pollutants / Decontamination.
	Included	Per Occurrence for Machine or Apparatus used for Research, Diagnosis, Medication, Surgical, Therapeutic, Dental or Pathological Purposes.
NEWLY ACQUIRED LOCATIONS:	\$ 25,000,000	Automatic Acquisition for Boiler & Machinery values at newly acquired locations. Values greater than 25,000,000 or Power Generating Facilities must be reported within 120 days and must have prior underwriting approval prior to binding
VALUATION:		Repair or Replacement except Actual Loss sustained for all Time Element coverages
EXCLUSIONS (Including but not limited to):		<ul style="list-style-type: none"> • Testing • Explosion, except for steam or centrifugal explosion • Explosion of gas or unconsumed fuel from furnace of the boiler

**OBJECTS EXCLUDED:
(Including but not limited to):**

- Insulating or refractory material
- Buried Vessels or Piping

**NOTICE OF
CANCELLATION:**

90 days except 10 days for non-payment of premium

DEDUCTIBLES:

- \$ 5,000 Except as shown for Specific Objects or Perils.
- \$ 5,000 Electronic Data Processing Media.
- \$ 5,000 Consequential Damage.
- \$ 5,000 Objects over 200 hp, 1,000 KW/KVA/Amps or Boilers over 5,000 square feet of heating surface.
- \$ 50,000 Objects over 350 hp, 2,500 KW/KVA/Amps or Boilers over 10,000 square feet of heating surface.
- \$ 100,000 Objects over 500 hp, 5,000 KW/KVA/Amps or Boilers over 25,000 square feet of heating surface.
- \$ 250,000 Objects over 750 hp, 10,000 KW/KVA/Amps or Boilers over 75,000 square feet of heating surface.
- \$ 350,000 Objects over 25,000 hp, 25,000 KW/KVA/Amps or Boilers over 250,000 square feet of heating surface.

10 per foot / \$2,500 Minimum Deep Water Wells.

24 Hours Business Interruption/Extra Expense Except as noted below.
30 Days Business Interruption - Revenue Bond.

24 Hour Waiting Period Utility Interruption.

5 x 100% of Daily Value Business Interruption - All objects over 750 hp or 10,000 KW/KVA/Amps or 10,000 square feet heating surface.

5 x 100% of Daily Value Business interruption - All Objects at Waste Water Treatment Facilities and All Utilities.

BROKER:

ALLIANT INSURANCE SERVICES, INC.
License No. 0C36861
Doug Wozniak, AAI
Senior Vice President

Karen A. Worden
Vice President, Account Executive

Rita Carey
Account Manager

Alicia Cortez
Assistant Account Manager

Coverage outlined in this Evidence Attachment is subject to the terms and conditions set forth in the policy. Please refer to policy for specific terms, conditions and exclusions.

NOTES:

- **Change in Total Insurable Values will result in adjustment in premium**
- **Some coverage, sublimits, terms and conditions could change until negotiations with the insurance carriers have been finalized**

SECTION IX

BOILER AND MACHINERY BREAKDOWN EXTENSION

1. Perils Insured

In consideration of the premium paid and subject to the terms, conditions and Exclusions of the Policy to which this Extension is attached, and to the following terms and conditions, this Insurance is extended to cover direct damage to Covered Property caused by a Covered Cause of Loss.

2. Additional Coverage

(a) Hazardous Substance

The additional expense incurred for cleanup, repair or replacement or disposal of damaged, contaminated or polluted Covered Property as a result of an Accident, which causes property to become damaged, contaminated or polluted by a substance declared hazardous to health by an authorized governmental agency. The coverage provided by this clause is sub-limited to USD as per Declaration Page. For the purpose of this coverage “Additional expense” means any expense that would not have incurred, if no substance hazardous to health had been involved in the accident

(b) Ammonia Contamination

The loss, including salvage expense, incurred with respect to damage by ammonia contacting or permeating Covered Property under refrigeration or in process requiring refrigeration, as a result of any one Accident to one or more Objects. The coverage provided by this clause is sub-limited to USD as per Declaration Page.

(c) Water Damage

The loss, including salvage expense, with respect to Covered Property damaged by water, resulting from any one Accident. The coverage provided by this clause is sub-limited to USD as per Declaration Page.

(d) Media Coverage

The loss to all forms of electronic, magnetic and optical tapes and discs used in any electronic computer or electronic data processing equipment directly damaged by an Accident to an Object. The coverage provided by this clause is sub-limited to USD as per Declaration Page. For the purpose of this coverage, the valuation basis for “Media” is as follows:

- i. For “Media” that are mass-produced and commercially available, at the replacement cost.
- ii. For all other “Media”, at the cost of blank material for reproducing the records.

(e) Consequential Damage

The “Consequential Damage” to refrigerated and frozen goods of the Named Insured or for which the Named Insured is legally liable or under the Named Insured’s care, custody or control caused solely by an Accident to an Object. For the purpose of this coverage, “Consequential Damage” is defined as loss due to spoilage from lack of power, light, heat, steam or refrigeration, resulting from Accident. The coverage provided by this clause is sub-limited to USD as per Declaration Page.

(f) Utility Interruption

The loss caused by an Accident to an Object that is owned, operated or controlled by a public or private entity that the Named Insured has contracted with to furnish them with electrical utility service including all direct electrical suppliers. The coverage provided by this clause is sub-limited to USD as per Declaration Page.

(g) CFC Refrigerants and Halon

The replacement of any CFC (chlorofluorocarbon) refrigerant used in refrigeration or air conditioning equipment or Halon used in a fire suppression system due to an "Accident" to an Object.

(h) Ordinance or Law

If an Accident to an Object at the Named Insured's location damages a building that is "Covered Property", the Company will pay for

- i. Loss to the Undamaged Portion of the Building, meaning loss to the undamaged portion of the building caused by enforcement of any ordinance or law that:
 - a. Requires the demolition of parts of the same building not damaged by the Accident to an Object; or
 - b. Regulates the construction or repair of buildings, or establishes zoning or land use requirements at the location of the building.
- ii. Demolition Cost meaning the cost to demolish and clear the site of undamaged parts of the building, caused by the enforcement of building, zoning, or land ordinance or use.
- iii. Increased Cost of Construction, meaning the increased cost to:
 - a. Repair or reconstruct damaged portions of the building; and
 - b. Reconstruct or remodel undamaged portions of the building whether or not demolition is required;

when the increased cost is a consequence of enforcement of building, zoning or land use ordinance or law. But the Company will only pay for this increased cost if the building is repaired, reconstructed or remodeled. Also, if the building is repaired, reconstructed or remodeled, it must be intended for similar occupancy as the current building, unless such occupancy is not permitted by zoning or land use ordinance or law.

Insurance under this section only applies with respect to ordinance or law that is in force at the time of the Accident to an Object. Insurance under this section does not apply to:

- a. Costs associated with the enforcement of any ordinance or law which requires any Named Insured or others to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of substances declared to be hazardous to health by a governmental agency; or
- b. Loss due to any ordinance or law that:

- i. The Named Insured was required to comply with before the Accident to an Object even if the building was undamaged; and
- ii. The Named Insured failed to comply with.

The coverage provided by this clause is sub-limited to USD as per Declaration Page.

3. Definition of Accident

Accident shall mean a sudden and accidental breakdown of the Object, or a part thereof, which manifests itself at the time of its occurrence by physical damage to the Object that necessitates repair or replacement of the Object or part thereof; but Accident shall not mean:

- a. depletion, deterioration, corrosion, or erosion of material;
- b. wear and tear;
- c. leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
- d. the breakdown of any vacuum tube, gas tube or brush;
- e. the breakdown of any structure or foundation supporting the Object or any part thereof;
- f. the functioning of any safety device or protective device.

4. Definition of Object

Except as otherwise specifically designated herein, Object as described below shall mean any equipment or apparatus which is owned by, leased by or operated under the control of the Named Insured subject to the Exclusions and Special Provisions specified herein:

- a. Any boiler, any fired vessel, any unfired vessel subject to vacuum or internal pressure other than static pressure of contents, any refrigerating and air conditioning vessels, or any piping and its accessory equipment, but such Object shall not include:
 - i. Any boiler setting, any insulating or refractory material,
 - ii. Any sewer piping, any underground gas piping, any piping forming a part of a sprinkler system or any water piping other than
 - a. Feed water piping between any boiler and its feed pumps or injectors
 - b. Boiler condensate returning piping
- b. Any mechanical or electrical machine or electrical apparatus used for the generation, transmission or utilization of mechanical or electrical power, but Object shall not include
 1. Any structure or foundation other than a bedplate of a machine,
 2. Any vehicle, elevator, crane, hoist, power shovel or drag line, but not excluding any electrical equipment used with said machine or apparatus,
 3. Any refractory material, or
 4. Any penstock or draft tube.

5. Covered Cause of Loss

A Covered Cause of Loss is an "Accident" to an Object insured hereon. An Object must be in use or connected ready for use at the time of the Accident.

6. Covered Property

Covered Property, as used in this Extension, means any property not otherwise excluded in this Policy that:

- a. The Named Insured owns; or
- b. Is in the Named Insured's care, custody or control and for which they are legally liable

7. Special Provisions

- a. As respects any boiler, fired or unfired vessel, refrigerating system or piping, the Company shall not be liable for loss from an Accident while said Object is undergoing a hydrostatic, pneumatic or gas pressure test that exceeds manufacturers recommended limits.
- b. As respects any boiler of fired vessel, the Company shall not be liable for loss from an explosion of gas or unconsumed fuel within the furnace of such Object or within the passages from the furnace to the atmosphere, whether or not such explosion (a) is contributed to or aggravated by an Accident to any part of said Object that contains steam or water, or (b) is caused in whole or in part, directly or indirectly, by any Accident to any Object, or part thereof, nor shall the Company be liable for any loss from an Accident caused directly or indirectly by such explosion.
- c. As respects any unfired vessel which is used for the storage of gas or liquid and which is periodically filled, moved, emptied and refilled in the course of its normal service, such vessel shall be considered as "connected ready for use" within the terms of this Extension of the Policy.
- d. As respects any Object or part of an Object that is being dismantled, reassembled or is in storage, will be considered as "connected ready for use" within the terms of this Extension of the Policy.
- e. As respects any gas turbine of the internal combustion type, (a) the combustor or such Object shall not be considered to be a "furnace" as the word is used in the Definition of Accident or in Special Provision 2 above and (b) the Definition of Accident shall not mean the cracking of any part of the Turbine exposed to the production of combustion.
- f. As respects new turbine generator units, coverage shall not apply until the unit has been contractually accepted by the Named Insured, that all tests required by the contractor have been performed and satisfied and the unit has been placed in commercial operation.

8. Valuation

- a. The Company will pay the Named Insured the amount the Named Insured spends to repair or replace the property directly damaged by an Accident. The Company payment will be the smallest of:
 - 1) The Limit of Insurance;
 - 2) The cost at the time of the Accident to repair the damaged property with property of like kind, capacity, size and quality;
 - 3) The cost at the time of the Accident to replace the damaged property on the same site with other property:
 - a) Of like kind, capacity, size and quality; and

- b) Used for the same purpose
 - 4) The amount the Named Insured actually spends that is necessary to repair or replace the damaged property.
- b. As respects any Object if the cost of repairing or replacing only a part of the Object is greater than:
- 1) the cost of repairing the Object; or
 - 2) the cost of replacing the entire Object on the same site;

The Company will pay only the smaller of (1) or (2). The repair parts or replacement Object must be:

- 1) of like kind, capacity, size and quality; and
 - 2) used for the same purpose.
- c. The Company will not pay:
- 1) if the loss or damage is to property that is obsolete or useless to the Named Insured; or
 - 2) for any extra cost if the Named Insured decides to repair or replace the damaged property with property of a better kind or quality or of larger capacity,
- d. If the Named Insured does not repair or replace the damaged property within 18 months after the date of the Accident then the Company will pay on the smaller of the:
- 1) cost it would have taken to repair; or
 - 2) actual cash value;
- at the time of the "accident".

Paragraph (d) does not apply to any time period beyond the 18 months that the Company agrees to in writing.

- e. As respects CFC (chlorofluorocarbon) refrigerant or Halon, the following valuation basis is applicable:
- 1) If the CFC refrigerant or Halon is replaceable, the Named Insured may, at their option, elect to:
 - a) Repair or replace the damaged refrigeration equipment, air conditioning equipment or fire suppression system and replace the lost CFC refrigerant or Halon subject to it being of like kind, capacity, size and quality and used for the same purpose; or
 - b) Change the refrigeration equipment, air conditioning equipment or fire suppression system, through modification or replacement, to:
 - i. Refrigeration or air conditioning equipment that uses an approved non - CFC refrigerant; or

- ii. A fire suppression system that uses an approved non – Halon agent.

But this option is available only if the change to the equipment or system is made within 18 months after the date of the Accident or within any extended time period that the Company agrees to in writing.

If Option 1) b) above is elected, the Company will not pay more than the least of the following amounts:

- a) The Limit of Insurance;
 - b) The cost at the time of the Accident to repair the damaged refrigeration equipment, air conditioning equipment or fire suppression system, retrofit the equipment or system to accept non – CFC refrigerant or non – Halon fire suppressant, and charge the equipment or system with that refrigerant or fire suppressant;
 - c) The cost at the time of the Accident to replace the damaged refrigeration equipment, air conditioning equipment or fire suppression system with equipment or a system that is functionally equivalent and uses an approved non – CFC refrigerant or non – Halon fire suppressant;
 - d) The amount that the Named Insured actually spend that is necessary to change the refrigeration equipment, air conditioning equipment or fire suppression system, through modification or replacement, to equipment or a system that uses an approved non – CFC refrigerant or non – Halon fire suppressant; or
 - e) One hundred twenty-five percent (125%) of the amount the Company otherwise would have paid for loss to the refrigeration equipment, air conditioning equipment or fire suppression system.
- f. If the CFC refrigerant or Halon is not replaceable and:
- 1) The Named Insured repairs or replaces the damaged equipment within 18 months after the date of the Accident or within any extended time that the Company agrees to in writing, the Company will pay the least of the following amounts:
 - a) The Limit of Insurance;
 - b) The cost at the time of the Accident to repair the damaged refrigeration equipment, air conditioning equipment or fire suppression system, retrofit the equipment or system to accept non – CFC refrigerant or non – Halon fire suppressant, and charge the equipment or system with that refrigerant or fire suppressant;
 - c) The cost at the time of the Accident to replace the damaged refrigeration equipment, air conditioning equipment or fire suppression system with equipment or a system that is functionally equivalent and uses an approved non – CFC refrigerant or non – Halon fire suppressant;
 - d) The amount that the Named Insured actually spend that is necessary to change the refrigeration equipment, air conditioning equipment or fire suppression system, through modification or replacement, to equipment or a system that uses an approved non – CFC refrigerant or non – Halon fire suppressant.

- 2) If the Named Insured does not replace the damaged equipment within 18 months after the date of the Accident or within the extended time period that the Company agrees to in writing, the Company will not pay more than the lesser of:
- a) The amount that the Company would have paid if repair or replacement of the damaged equipment had been made as determined in F 1 above; or
 - b) The actual cash value of the damaged equipment at the time of the Accident.
- g. As respects Insurance under Ordinance and Law, the most the Company will pay as a result of any one Accident for:
- a) Loss to the Undamaged portion of the building is included in the Limit of Insurance that otherwise applies to the damaged building. But in no event will the amount the Company pay for loss to the building, including the loss in value of the undamaged portion of the building due to enforcement of an ordinance or law to which this coverage applies, exceed:
 - i. The amount that the Named Insured actually spend to repair, rebuild or replace the building, but not more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or
 - ii. The actual cash value of the building at the time of loss if the building is not repaired or replaced.
 - b) Demolition and Increased Cost of Construction is USD as per Declaration Page, subject to the following:
 - i. With respect to the coverage provided for Demolition Cost, the Company will not pay more than the amount the Named Insured actually spend to demolish and clear the site of the undamaged parts of the building;
 - ii. With respect to the coverage provided for Increased Cost of Construction:
 - (a) The Company will not pay for the Increased Cost of Construction:
Until the building is actually repaired or replaced at the same or another premises; and

Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed 18 months. The Company may extend this period in writing during the 18 months.
 - (b) If the building is repaired or replaced at the same location, or if the Named Insured elect to rebuild at another location, the most the Company will pay for the increased cost of construction is the increased cost of construction at the same location.
 - (c) If the ordinance or law requires relocation to another location, the most the Company will pay for the increased cost of construction is the increased cost of construction at the new location.

- h. If a claim or “suit” is brought against the Named Insured alleging that the Named Insured is liable for damage to property of another that was caused by an Accident to an Object, the Company will either:
 - 1. Settle the claim or “suit”, or
 - 2. Defend the Named Insured against the “suit” but reserve the right for themselves to settle at any point.

9. Exclusions

- a. To loss:
 - 1) from explosion of an Object other than:
 - a) Any steam boiler, steam piping, steam turbine, gas turbine, steam engine, or
 - b) Any machine when such loss is caused by centrifugal force or mechanical breakdown,
- b. Nuclear reaction or radiation or radioactive contamination however caused, however this exclusion shall not apply to nuclear medicine at covered hospitals,
- c. From fire concomitant with or following an Accident.
- d. From an Accident caused directly or indirectly by fire
- e. From a combustion explosion outside the Object concomitant with or following an Accident,
- f. From an Accident caused directly or indirectly by a combustion explosion outside an Object

10. Conditions:

- a. Inspection

The Company shall be permitted but not obligated to inspect the Named Insured’s property and operations at any reasonable time. Neither the right to make inspections nor the making thereof nor any advice or report resulting therefrom shall constitute an undertaking, on behalf of or for the benefit of the Named Insured or others, to determine or warrant that such property or operations are safe or healthful, or are in compliance with any law, rule or regulation.
- b. Suspension

Upon the discovery of a dangerous condition with respect to any Object, Alliant Insurance Services, Inc., may immediately suspend the insurance, with respect to an Accident to said Object, by written notice mailed or delivered to the Named Insured at the address of the Named Insured stated in the Declaration Page, or at the location of the Object, as stated for it in a schedule or endorsement. The insurance so suspended may be reinstated by the Company but only by an endorsement issued to form a part of this Policy. The Named Insured shall be allowed the unearned portion of the premium paid for such suspended insurance, pro rata for the period of suspension.
- c. Notice of Accident and Adjustments

When an Accident occurs, written notice shall be given to the Company as soon as practicable. The Company shall be given like notice of any claim made on account of such Accident. The Company or their representative shall have reasonable time and opportunity to examine the property, and the Named Insured's Location of Risk, before repairs are undertaken or physical evidence of the Accident is removed, except for protection or salvage. Proof of loss shall be made in such form as the Company may require. If suit is brought against the Named Insured for loss to which this Section of the Policy is applicable, any summons or other process served upon the Named Insured shall be forwarded immediately to the Company.

d. Deductible

In the event of an Accident to an Object as insured under this Extension that is concomitant with or followed by physical loss or damage incurred under the All Risk policy that this Extension attached to, the deductible to be applied to the total loss shall be the highest applicable deductible.

**PROGRAM AND/OR NAMED INSURED AND/OR DECLARATION SPECIFIC
ENDORSEMENTS TO BE PROVIDED AFTER THE ABOVE PAGE**

SPECIMEN

ENDORSEMENT 1

CANCELLATION CLAUSE AMENDMENT DUE TO FINANCIAL STRENGTH DOWNGRADE ENDORSEMENT

It is hereby understood and agreed that Section IV, General Conditions, Clause N, Cancellation of this Policy is amended.

This endorsement modifies insurance provided by the Policy:

The Cancellation Provision, Cancellation Condition, or Cancellation Clause, whichever is applicable, is amended by adding the following paragraph to the end thereof:

Notwithstanding any other terms or conditions of this Policy to the contrary, in the event that the financial strength rating of the **Company** is downgraded to: (1) below A- by A.M. Best Co., or (2) below BBB by Standard & Poor's Ratings Services (hereinafter, the **Credit Rating Downgrade**), this Policy may be canceled by the **FIRST NAMED INSURED** by mailing prior written notice to the Company or by surrender of this Policy to the **Company**.

If this Policy is canceled by the **First Named Insured** due to such **Credit Rating Downgrade**, then the **Company** shall return the unearned pro rata proportion of the premium as of the effective date of cancellation and shall waive any minimum earned premium requirement specified herein.

The following definitions apply to this endorsement:

1. **Company** means Lexington Insurance Company.
2. **First Named Insured** means the first Named Insured as shown on the Declarations page of this Policy.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

ENDORSEMENT 2

COVERAGE TERRITORY ENDORSEMENT

This endorsement modifies insurance provided by the Policy:

The Insurer shall not be deemed to provide cover and the Insurer shall not be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose the Insurer, its parent company or its ultimate controlling entity to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union or the United States of America.

PR4225 (07/13)

ENDORSEMENT 3

WAR AND TERRORISM EXCLUSION ENDORSEMENT **(applies to locations outside the USA, its territories and possessions)**

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss;

- (1) war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
- (2) any act of terrorism.

For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, 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 including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This endorsement 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 (1) and/or (2) above.

If the Underwriters allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Assured.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

NMA2918
08/10/2001

ENDORSEMENT 4

COMMUNICABLE DISEASE EXCLUSION

1. This policy, subject to all applicable terms, conditions and exclusions, covers losses attributable to direct physical loss or physical damage occurring during the period of insurance. Consequently and notwithstanding any other provision of this policy to the contrary, this policy does not insure any loss, damage, claim, cost, expense or other sum, directly or indirectly arising out of, attributable to, or occurring concurrently or in any sequence with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease.
2. For the purposes of this endorsement, loss, damage, claim, cost, expense or other sum, includes, but is not limited to, any cost to clean-up, detoxify, remove, monitor or test:
 - 2.1. for a Communicable Disease, or
 - 2.2. any property insured hereunder that is affected by such Communicable Disease.
3. As used herein, a Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:
 - 3.1. the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
 - 3.2. the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
 - 3.3. the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property insured hereunder.
4. This endorsement applies to all coverage extensions, additional coverages, exceptions to any exclusion and other coverage grant(s).

All other terms, conditions and exclusions of the policy remain the same.

ENDORSEMENT 5

PROPERTY CYBER AND DATA ENDORSEMENT

(This endorsement only applies to capacity placed in the Lloyd's of London market and replaces all references to Cyber coverage within the policy)

- 1 Notwithstanding any provision to the contrary within this Policy or any endorsement thereto this Policy excludes any:
 - 1.1 Cyber Loss, unless subject to the provisions of paragraph 2;
 - 1.2 loss, damage, liability, claim, cost, expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any Data, including any amount pertaining to the value of such Data, unless subject to the provisions of paragraph 3;regardless of any other cause or event contributing concurrently or in any other sequence thereto.
- 2 Subject to all the terms, conditions, limitations and exclusions of this Policy or any endorsement thereto, this Policy covers physical loss or physical damage to property insured under this Policy caused by any ensuing fire or explosion which directly results from a Cyber Incident, unless that Cyber Incident is caused by, contributed to by, resulting from, arising out of or in connection with a Cyber Act including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act.
- 3 Subject to all the terms, conditions, limitations and exclusions of this Policy or any endorsement thereto, should Data Processing Media owned or operated by the Insured suffer physical loss or physical damage insured by this Policy, then this Policy will cover the cost to repair or replace the Data Processing Media itself plus the costs of copying the Data from back-up or from originals of a previous generation. These costs will not include research and engineering nor any costs of recreating, gathering or assembling the Data. If such media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank Data Processing Media. However, this Policy excludes any amount pertaining to the value of such Data, to the Insured or any other party, even if such Data cannot be recreated, gathered or assembled.
- 4 In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.
- 5 This endorsement supersedes and, if in conflict with any other wording in the Policy or any endorsement thereto having a bearing on Cyber Loss, Data or Data Processing Media, replaces that wording.

Definitions

- 6 Cyber Loss means any loss, damage, liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any Cyber Act or Cyber Incident including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act or Cyber Incident.

- 7 Cyber Act means an unauthorized, malicious or criminal act or series of related unauthorized, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any Computer System.
- 8 Cyber Incident means:
- 8.1 any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any Computer System; or
- 8.2 any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any Computer System.
- 9 Computer System means:
- 9.1 any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility,
owned or operated by the Insured or any other party.
- 10 Data means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a Computer System.
- 11 Data Processing Media means any property insured by this Policy on which Data can be stored but not the Data itself.

LMA5400

11 November 2019

**ALLIANT INSURANCE SERVICES, INC.
ALLIANT PROPERTY INSURANCE PROGRAM (APIP)**

POLLUTION LIABILITY EVIDENCE ATTACHMENT

TYPE OF INSURANCE: Insurance Reinsurance

TYPE OF COVERAGE: Claims Made and Reported Pollution Liability

PROGRAM: **Alliant Property Insurance Program (APIP)**

NAMED INSURED: Any member(s), entity(ies), agency(ies), organization(s), enterprise(s), pool(s), Joint Powers Authority(ies) and/or individual(s) attached to each Declaration insured as per Named Insured Schedule on file with Insurer, listed below.

POLICY PERIOD: July 1, 2020 to July 1, 2021

POLICY #: USL00885220

RETROACTIVE DATE: July 1, 2011 for existing insureds included on the 2011-2012 policy at inception; For all other insureds the retroactive date is the date of addition to the Program.

COMPANY: Interstate Fire & Casualty Insurance Company

A.M. BEST INSURANCE RATING: A+, Superior, Financial Category XV
(\$2 Billion or greater)
Effective September 5, 2019

STANDARD & POORS RATING: AA (Very Strong) as of December 2, 2019

ADMITTED STATUS: Non-Admitted in all states

INSURED'S OWN SITES: Per the following SOVs submitted and on file with carrier:

1. PEEIP DEC 1 – SOVs
2. PEEIP DEC 2 – SOVs
3. PEEIP DEC 3 – SOVs
4. PEEIP DEC 4 – SOVs
5. PEEIP DEC 5 – SOVs
6. PEEIP DEC 11 – SOVs
7. PEEIP DEC 12 – SOVs
8. PEEIP DEC 14 – SOVs
9. PEEIP DEC 19 – SOVs
10. PEEIP DEC 23 – SOVs
11. PEEIP DEC 24 – SOVs
12. PEEIP DEC 25 – SOVs
13. PEEIP DEC 26 – SOVs
14. PEEIP DEC 27 – SOVs
15. PEEIP DEC 28 – SOVs
16. PEEIP DEC 29 – SOVs
17. PEEIP DEC 30 – SOVs
18. PEEIP DEC 32 – SOVs (Excludes SPIP, except as endorsed)
19. PEEIP DEC 33 – SOVs
20. PEEIP DEC 34 – SOVs
21. PEEIP DEC 35 – SOVs

**INSURED'S OWN SITES:
CONTINUED**

Covered locations include any real property owned, managed, leased, maintained or operated by the Insured at policy inception. Covered locations also include any subsurface potable water, wastewater or storm water pipes that are located within a one thousand (1,000) foot radius of such covered location as of policy inception.

COVERAGES & LIMITS:

\$25,000,000 Policy Program Aggregate (all insureds combined)
\$ 2,000,000 Per Pollution Condition or Indoor Environmental Condition
\$ 2,000,000 Per Named Insured Aggregate
\$ 2,000,000 Per JPA / Pool Aggregate

SUBLIMITS:

\$ 500,000 Per Named Insured that is a K-12 School District Per Pollution Incident Microbial Matter Sublimit*
 \$ 500,000 Per Named Insured Aggregate that is a K-12 School District for Microbial Matter*
 \$ 100,000 Per Named Insured Per Pollution Incident Dedicated Legal Defense Sublimit*
 \$ 250,000 Per Named Insured Crisis Management Response Costs Sublimit*
 \$ 500,000 Per Named Insured Crisis Management Response Costs Aggregate Sublimit*
 \$ 50,000 Per Named Insured Crisis Management Loss Sublimit

*Note: the above sub-limits payable under this coverage do not increase and are not in addition to the applicable limit of liability, with the exception of the Dedicated Legal Defense and Crisis Management sublimits, which are in addition to the limits of liability.

EXTENDED REPORTING PERIOD:

For First Named Insured - To be determined at the time of election (additional premium can apply); Ninety (90) day basic extended reporting period available without additional premium

SPECIFIC COVERAGE PROVISIONS:

CLAIMS MADE AND REPORTED

Coverage A – Own Site Clean-up Costs:
 Coverage for claims for clean-up costs resulting from a pollution condition on or under the insured's own site that first commenced on or after the retro date, provided that the claim is first made and reported during the policy period and is legally obligated to pay for cleanup costs.

Coverage B – Off-Site Clean-Up Costs:
 Coverage for third-party claims resulting from a pollution condition migrating from or through and beyond the boundaries of the Insured's own site that first commenced on or after the retro date, provided that the claim is first made and reported during the policy period and is legally obligated to pay for cleanup costs.

Coverage C – Third-Party Claims for Bodily Injury or Property Damage:
 Coverage for third-party claims for bodily injury or property damage resulting from a pollution condition on, under or migrating from or through and beyond the boundaries of the Insured's own site that first commenced on or after the retro date, provided that the claim is first made and reported during the policy period and is legally obligated to pay.

SPECIFIC COVERAGE PROVISIONS (cont.):

Coverage D – Emergency Response Costs: Coverage for emergency response costs incurred by or on behalf of the Insured in response to a pollution condition on, under or migrating from or through and beyond the boundaries of an Insured's own site or arising from transportation or resulting from a covered operation, provided that the emergency response costs be incurred within one hundred sixty-eight (168) hours of the commencement of such pollution condition, and reported to the Insurer within fourteen (14) days of commencement of such a pollution condition.

Coverage E – Transportation: Coverage for third-party claims for bodily injury, property damage, or clean-up costs resulting from a pollution condition caused by transportation that first commenced on or after the retro date, provided that the claim is first made and reported to the Insurer during the policy period and is legally obligated to pay.

Coverage F – Non-Owned Locations: Coverage for third-party claims for bodily injury, property damage, or clean-up costs resulting from a pollution condition on, under or migrating from any non-owned location that first commenced on or after the retro date, provided that the claim is first made and reported to the Insurer during the policy period and is legally obligated to pay.

Coverage G – Covered Operations: Coverage for third-party claims for bodily injury, property damage, or clean-up costs resulting from a pollution condition caused by covered operations on or after the retro date, provided that the claim is first made and reported to the Insurer during the policy period and is legally obligated to pay. Covered operations are defined as any operations within the capacity of a public entity which are performed by or on behalf of a named insured outside the physical boundaries of a covered location. Covered operations do not include Transportation.

Coverage H – Business Interruption: Coverage for the Insured's business interruption expense and extra expense during the interruption period, caused directly by a pollution condition on or under the Insured's own site, on or after the retro date, provided such pollution condition results in clean-up costs covered under this policy, and the first-party claim is made and reported to the Insurer during the policy period.

Coverage I – Cyber Events: Coverage for third-party claims for bodily injury, property damage or clean-up costs resulting from a pollution condition arising from a cyber event, provided that the claim is first made and reported to the Insurer during the policy period.

A Cyber Event is defined as any unauthorized processing of data by an Insured; any breach of laws and infringement of regulations pertaining to the maintenance, or protection of data; and any network security failure in any system or device leased, owned, operated or lost by or which is made available or accessible to the Insured for the purpose of processing data. Insured must take reasonable precautions to prevent or cease any activity which may result in a claim, and take all reasonable steps to observe and comply with all statutory or local authority laws obligations and requirements.

Coverage for crisis management response costs (including medical expenses, funeral expenses, psychological counseling, travel expenses temporary living expenses, expenses to secure the scene of a crisis management event) included, provided that the costs have been pre-approved by the insurer and are associated with damages that would be covered by this policy.

SPECIFIC COVERAGE PROVISIONS (cont.):

Supplemental coverage for Products Pollution is included for potable, reclaimed and recycled water processed at any covered location that is also a potable water or wastewater treatment plant. This coverage covers third-party claims arising out of product pollution, provided the claim is first made and reported during the policy period. The Insured's product must have been manufactured, sold, handled or distributed on or after the retro date and the clean-up costs, bodily injury or property damage must be unexpected and unintended from the standpoint of the Insured. Coverage of lead contamination of potable water is excluded.

All Named Insureds scheduled on this policy have the same rights as the First Named Insured (except for those rights specifically reserved to the first named insured); this includes any member of a pool or Joint Powers Authority specifically scheduled onto this policy.

Automatic Acquisition – Coverage for mid-term transactions for values that are less than \$25,000,000 shall be added as a covered location, upon the closing date of such acquisition, or the effective date of such lease, management, operation or maintenance right or obligation, respectively, for no additional premium, automatically.

Property valued at more than \$25,000,000 but less than \$100,000,000, purchased, leased or otherwise acquired by the Insured needs to be reported to the Insurer within 180 days, along with two (2) years of currently valued property loss runs and shall be added as a covered location upon the closing date of such acquisition for an additional premium.

Property valued at more than \$100,000,000, purchased, leased or otherwise acquired by the Insured needs to be reported to the Insurer immediately, along with two (2) years of currently valued property loss runs. Additional premium applies. For acquired locations that have underground storage tanks, the Insured must determine that all operational underground storage tanks are in material compliance with all applicable environmental laws and regulations and must obtain the most recent tank tightness testing or leak detection data conducted within sixty (60) days prior to the effective date that the Insured acquires or leases the subject location.

Illicit Abandonment is included in the definition of pollution condition.

Microbial matter and legionella pneumophila is included in the definition of Pollutant. Microbial matter is defined as mold, mildew and fungi, whether or not such microbial matter is living.

Defense Costs and Expenses are an additional \$100,000 outside the per member limit and within the overall policy aggregate limit.

The insurance afforded by this Policy shall apply as primary to any other valid, collectible insurance, with the exception of the following: policies specifically written to be in excess of this policy, the APIP Property policy, any standalone pollution policy, losses due to or associated with products pollution, any tank fund, or any loss arising in whole or in part to microbial matter or legionella pneumophila.

Blanket Underground Storage Tank coverage included, with a self-insured retention of \$750,000. **Note: Does not meet financial assurance requirements.**

SPECIFIC COVERAGE PROVISIONS (cont.):

Loss covered pursuant to any state storage tank fund, state administered insurance program or restoration funding for any underground storage tank(s) whose owners qualify for reimbursement, or any self-insurance fund established for the purpose of funding clean-up costs for pollution conditions from any underground storage tank(s), shall be considered primary insurance, to which the coverage afforded pursuant to this policy shall apply in excess. Under such primary insurance policy shall erode the \$750,000 per pollution condition self-insured retention.

Blanket Coverage included for Non-Owned Locations. Includes any transfer, storage, treatment or disposal facilities which are used by the Insured, but not owned or operated by the Insured, provided that:

- The waste materials are generated from the Insured's own site, transportation, or covered operations;
- The transfer, storage, treatment or disposal facility is properly licensed and permitted to accept and dispose of such waste and has not filed for bankruptcy as of the date of the transfer, storage, treatment or disposal of such waste;
- The transfer, storage, treatment or disposal facility is not listed or proposed to be listed on the Federal National Priorities List, or any equivalent state or local list as of policy inception.

EXCLUSIONS (including but not limited to cont.):

Coverage does not apply to any claim or loss from:

- Asbestos and Lead Based Paint. *This exclusion does not apply to claims for bodily injury or property damage, or clean-up costs for the remediation of soil, surface water, or groundwater, or clean-up costs that arise out of the inadvertent disturbance of asbestos or asbestos containing materials or lead-based paint.*
- Contractual Liability – *Does not apply liability that the Insured would have had in the absence of the contract or agreement, or the contract or agreement is an insured contract.*
- Employer Liability
- Criminal fines, penalties or assessments
- Internal Expenses – *Does not apply internal expenses incurred in response to emergency response costs, or pursuant to environmental laws that require immediate remediation of a pollution condition.*
- Insured vs. Insured
- Intentional Noncompliance - *does not apply to noncompliance based upon the Insured's good faith reliance upon the written advice of qualified outside counsel received in advance of such noncompliance, or the insured's reasonable response to mitigate a pollution condition or loss, provided that such circumstances are reported in writing to the Insurer within three (3) days of commencement.*
- Prior Knowledge / Non-Disclosure
- Known Claims
- Landfills, Recycling Facilities, or Oil and/or Gas Producing or Refining Facilities
- Ports – *Defined as an Insured's own site on the coast or any other body of water where ships or watercraft can dock and transfer cargo to or from land and engages in the business of importing/exporting of goods.*
- Airports – *Defined as an Insured's own site whereby enplanement occurs and/or cargo is moved for a fee and the following operations are conducted: storage, transportation and dispensing of fuel and/or de-icing solutions.*

EXCLUSIONS (including but not limited to cont.):

Coverage does not apply to any claim or loss from:

- Change in Intended Use or Operation – *Loss arising from a material change in use or operations. For purposes of determining whether a change is material, any change in use that results in more stringent remediation standards than those imposed on the insured's own site at the effective date of the period of insurance shall be considered material. This exclusion does not apply to covered operations that are performed with respect to uses and operations that are within the capacity of a public entity.*
- Professional Liability
- Regulatory Compliance – *Does not apply to any such non-compliance that occurs subsequent to release from a covered underground storage tank.*
- Cyber Event - *Does not apply to losses covered by the Cyber Event coverage in this policy.*
- Work Product
- Sewage Backup - *Does not apply to an Insured's own site.*
- Nuclear fuel, assemblies and components
- Offshore operations
- Property Damage to Conveyances - *does not apply to loss or claims arising from the Insured's negligence*
- Workers Compensation
- Lead Contaminated Water
- War
- Virus and Communicable Disease
- Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS) and Related Chemicals or Products

RETENTION:

- \$150,000 Per Pollution Incident retention except for specific retentions below
- \$450,000 Per Named Insured Aggregate retention applicable to all Pollution Incidents except for specific retentions below
- \$ 50,000 Per Named Insured maintenance retention applicable to all Pollution Incidents except for specific retentions below
- 5 Days Waiting Period for Business Interruption

SPECIFIC RETENTION:

- \$250,000 Per Named Insured retention applicable to microbial matter for K-12 school districts only – *does not erode the Aggregate retention*
- \$750,000 Underground Storage Tanks Specific – *does not erode the Aggregate retention*

CLAIMS REPORTING NOTICE

PLEASE NOTE THAT POLLUTION LIABILITY POLICIES CONTAIN EXTREMELY STRICT CLAIM REPORTING PROCEDURES. Below please find your policy specific claim reporting requirements - Please make sure you understand these obligations. Contact your Alliant Service Team with any questions.

THIS IS A CLAIMS MADE POLICY

This claims-made policy contains a requirement stating that this policy applies only to any claim first made against the Insured and reported to the insurer during the policy period or applicable extended reporting period. Claims must be submitted to the insurer during the policy period, or applicable extended reporting period, as required pursuant to the Claims/Loss Notification Clause within the policy in order for coverage to apply. Late reporting or failure to report pursuant to the policy's requirements could result in a disclaimer of coverage by the insurer.

LOSS REPORTING REQUIREMENTS:

Written notice of any claim or pollution condition, within seven (7) days of discovery for pollution conditions requiring immediate emergency response. Concurrently, please send to:

1) Allianz Global Corporate & Specialty
Attn: FNOL Claims Unit
1 Progress Point Parkway, 2nd Floor
O'Fallon, MO 63368
In emergency, call: (800) 558-1606
Fax: (800) 323-6450
Email: NewLoss@agcs.allianz.com
Online Claims Reporting form available at:
www.agcs.allianz.com/global-offices/united-states

3) Akbar Sharif
Alliant Insurance Services, Inc.
1301 Dove Street, Suite 200
Newport Beach, CA 92660
949-260-5088
415-403-1466 – fax
Akbar.Sharif@alliant.com

NOTICE OF CANCELLATION:

90 days except 10 days for non-payment of premium

REINSTATEMENT PROVISIONS:

Not Provided.

POLLUTION LIABILITY COST:

25% Earned Premium at Inception – Deemed fully 100% earned in the event of a claim or loss.

BROKER:

ALLIANT INSURANCE SERVICES, INC.
License No. 0C36861

NOTES:

- Coverage outlined in this Evidence Attachment is subject to the terms and conditions set forth in the policy.
- Please refer to the Policy for specific terms, conditions and exclusions.
- Change in Total Insurable Values result in adjustment in premium.

ALLIANT PROPERTY INSURANCE PROGRAM – POLLUTION LIABILITY

SUMMARY OF BOUND CHANGES

THE FOLLOWING ITEMS ARE BOUND CHANGES FOR THE 2020-2021 POLICY TERM

Coverage	2019-2020	2020-2021 Bound Changes
Pollution Liability Policy Term	July 1, 2019 to July 1, 2019	July 1, 2020 to July 1, 2021
Sub-limits:	\$ 500,000 Per Named Insured that is a K-12 School District Per Pollution Incident Microbial Matter Sublimit*	\$ 500,000 Per Named Insured that is a K-12 School District Per Pollution Incident Microbial Matter Sublimit*
	\$ 500,000 Per Named Insured Aggregate that is a K-12 School District for Microbial Matter*	\$ 500,000 Per Named Insured Aggregate that is a K-12 School District for Microbial Matter*
	\$ 100,000 Per Named Insured Per Pollution Incident Dedicated Legal Defense Sublimit*	\$ 100,000 Per Named Insured Per Pollution Incident Dedicated Legal Defense Sublimit*
	\$ 250,000 Per Named Insured Crisis Management Response Costs Sub-limit	\$ 250,000 Per Named Insured Crisis Management Response Costs Sublimit
	\$ 50,000 Per Named Insured Crisis Management Loss Sublimit	\$ 50,000 Per Named Insured Crisis Management Loss Sublimit
	*Note: the above sub-limits payable under this coverage do not increase and are not in addition to the applicable limit of liability, with the exception of the Crisis Management sublimits, which are in addition to the limits of liability.	*Note: the above sub-limits payable under this coverage do not increase and are not in addition to the applicable limit of liability, with the exception of the Dedicated Legal Defense sublimit and the Crisis Management sublimits, which are in addition to the limits of liability.

ALLIANT PROPERTY INSURANCE PROGRAM – POLLUTION LIABILITY

SUMMARY OF BOUND CHANGES

THE FOLLOWING ITEMS ARE BOUND CHANGES FOR THE 2020-2021 POLICY TERM

Coverage	2019-2020	2020-2021 Bound Changes
Retention:	\$ 100,000 Per Pollution Incident retention except for specific retentions below	\$ 150,000 Per Pollution Incident retention except for specific retentions below
	\$ 300,000 Per Named Insured Aggregate retention applicable to all Pollution Incidents except for specific retentions below	\$ 450,000 Per Named Insured Aggregate retention applicable to all Pollution Incidents except for specific retentions below
	\$ 50,000 Per Named Insured maintenance retention applicable to all Pollution Incidents except for specific retentions below	\$ 50,000 Per Named Insured maintenance retention applicable to all Pollution Incidents except for specific retentions below
	5 days Waiting Period for Business Interruption	5 days Waiting Period for Business Interruption
Defense Costs and Expenses	Defense Costs and Expenses are within the Limits of Liability.	Defense Costs and Expenses are an additional \$100,000 outside the per member limit and within the overall policy aggregate limit.
Exclusions:	<i>Not Excluded</i>	Virus and Communicable Disease
	<i>Not Excluded</i>	Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS) and Related Chemicals or Products

Insurance policy

Commercial Lines Policy

SPECIMEN

Interstate Fire & Casualty Company
225 West Washington Street, Suite 1800, Chicago, IL 60606-3484

THIS POLICY CONSISTS OF:

- DECLARATIONS
- ONE OR MORE COVERAGE PARTS.

A COVERAGE PART CONSISTS OF:

- ONE OR MORE COVERAGE FORMS
- APPLICABLE FORMS AND ENDORSEMENTS

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.

Secretary



President and Chief Executive Officer



POLICY NUMBER: USL00885220

**ENVIRONMENTAL LIABILITY POLICY DECLARATIONS
ENVIRONMENT PROTECT PREMISES**

THIS IS A CLAIMS-MADE POLICY. PLEASE READ THIS POLICY CAREFULLY.

INSURER:

Interstate Fire & Casualty Company
225 West Washington Street, Suite 1800
Chicago, IL 60606-3484

a Stock insurance company incorporated under
the laws of Illinois, herein called the Company

PRODUCER:

Alliant Insurance Services
1301 Dove Street Suite 200
Newport Beach, CA 92660

ITEM 1. FIRST NAMED INSURED APIP Cyber and Pollution Programs, Inc.
MAILING ADDRESS 325 East Hillcrest Dr., STE 250
Thousand Oaks, CA 91360

ITEM 2. PERIOD OF INSURANCE FROM July 1, 2020 TO July 1, 2021
At 12:01 A.M at the address of the First Named Insured shown above.

ITEM 3. RETROACTIVE DATE See Endorsement

ITEM 4. PREMIUM
Policy Premium
Certified Terrorism Premium

Total Premium

ITEM 5. ENDORSEMENTS ATTACHED TO THIS POLICY AT INCEPTION
See Forms and Endorsements List attached

ITEM 6. AGGREGATE LIMITS OF LIABILITY \$ 25,000,000

ITEM 7: PURCHASED COVERAGE SECTIONS – DEDUCTIBLES AND LIMITS OF LIABILITY

Coverage is applicable only under the purchased Coverage Part(s) selected below. If there is no entry for a Coverage Part that Coverage Part has not been purchased. Deductibles and Limits of Liability are completed in this Item 7, only for purchased Coverage Part(s).

Purchasing Insuring Agreement	Each Incident Deductible	Each Incident Limit	Coverage Section Aggregate Limit
A. Own Site Clean Up Costs	\$ 150,000	\$ 2,000,000	\$ 25,000,000
B. Off site Clean-Up Costs	\$ 150,000	\$ 2,000,000	\$ 25,000,000
C. Third Party Claims for Bodily Injury or Property Damage	\$ 150,000	\$ 2,000,000	\$ 25,000,000
D. Emergency Response Costs	\$ 150,000	\$ 2,000,000	\$ 25,000,000

E. Transportation	\$ 150,000	\$ 2,000,000	\$ 25,000,000
F. Non-owned Locations	\$ 150,000	\$ 2,000,000	\$ 25,000,000
G. Covered Operations	\$ 150,000	\$ 2,000,000	\$ 25,000,000
H. Business Interruption	\$ 150,000	\$ 2,000,000	\$ 25,000,000

ITEM 8. NOTICES

1. Notices to First Named Insured

APIP Cyber and Pollution Programs, Inc.
325 East Hillcrest Dr., STE 250
Thousand Oaks, CA 91360

2. Notices to the Company of any matter or factor that may give rise to coverage under the Policy, including without limitation, occurrences, crises, emergencies, claims or pollution conditions, or imminent threats

Interstate Fire & Casualty Company
 225 West Washington Street, Suite 1800
 Chicago, IL 60606-3483

3. All other notices to the Company

Interstate Fire & Casualty Company
 225 West Washington Street, Suite 1800
 Chicago, IL 60606-3483

Surplus Lines Broker Name Katrina Seese
 Surplus Lines Broker Address Alliant Insurance Services
 1301 Dove Street Suite 200
 Newport Beach, CA 92660

This Declarations page, together with the attached Policy form, any applications, schedules and endorsements thereto, will constitute the contract between the Company and the Insured.

FORMS AND ENDORSEMENT LIST

NAMED INSURED: APIP Cyber and Pollution Programs, Inc
POLICY NUMBER: USL00885220
EFFECTIVE DATE: July 1, 2020

The following policy forms and endorsements have been attached to and made a part of the policy at inception.

End #	Endorsement Title	Form #
	ENVIRONMENT PROTECT PREMISES POLICY DECLARATIONS	AGRL-PO 1005 (07-18)
	FORMS AND ENDORSEMENT LIST	AGR-DS 1002 (11-03)
	POLICY HOLDER INFORMATION – ENVIRONMENTAL EMERGENCY RESPONSE AND CLAIMS INVESTIGATION SERVICES	AGRL-PO 8005 (11-16)
	CLAIM REPORTING OPTIONS	20054 (1-17)
	ENVIRONMENT PROTECT PREMISES POLICY	AGRL-PO 2010 (09-16)
	OFAC POLICYHOLDER NOTICE	AGR-IL 8003 (01-05)
1.	CERTIFIED ACTS OF TERRORISM COVERAGE	AGRL-PO 5041 (10-16)
2.	CRISIS MANAGEMENT RESPONSE COST AND CRISIS MANAGEMENT LOSS COVERAGE EXTENSION	AGRL-PO 4201 (01-17)
3.	SCHEDULE OF APPROVED CRISIS MANAGEMENT FIRMS	AGRL-CU 1601 (07-17)r
4.	CYBER EVENT COVERAGE ENDORSEMENT	AGRL-PO 4202 01 19
5.	MINIMUM EARNED PREMIUM, CANCELLATION AND MATERIAL CHANGE IN USE EXCLUSION ENDORSEMENT	MANUSCRIPT
6.	NAMED INSURED – SCHEDULED ENTITIES ENDORSEMENT	MANUSCRIPT
7.	ADDITIONAL INSURED ENDORSEMENT	MANUSCRIPT
8.	DEFINITION OF INSURED'S OWN SITE ENDORSEMENT	MANUSCRIPT
9.	NEW CONDITIONS ONLY COVERAGE ENDORSEMENT	MANUSCRIPT
10.	SELF INSURED RETENTION / AGGREGATE / MAINTENANCE ENDORSEMENT	MANUSCRIPT
11.	LIMITS OF LIABILITY AND DEDUCTIBLE AMENDATORY ENDORSEMENT	MANUSCRIPT
12.	PRODUCTS POLLUTION COVERAGE ENDORSEMENT	MANUSCRIPT
13.	DEFINITION OF COVERED OPERATION ENDORSEMENT	MANUSCRIPT
14.	SCHEDULE OF COVERED STORAGE TANK ENDORSEMENT	MANUSCRIPT

15.	UNDERGROUND STORAGE TANK DEDUCTIBLE AMENDATORY ENDORSEMENT	MANUSCRIPT
16.	AMENDATORY ENDORSEMENT	MANUSCRIPT
17.	MICROBIAL MATTER RETROACTIVE DATE ENDORSEMENT	MANUSCRIPT
18.	MICROBIAL MATTER DEDUCTIBLE AMENDATORY ENDORSEMENT	MANUSCRIPT
19.	LEAD EXCLUSION (POTABLE WATER) ENDORSEMENT	MANUSCRIPT
20.	MICROBIAL MATTER SUB-LIMIT ENDORSEMENT	MANUSCRIPT
21.	DISCOVERY RESTRICTED COVERAGES ENDORSEMENT	MANUSCRIPT
22.	AUTOMATIC ACQUISITION ENDORSEMENT	MANUSCRIPT
23.	KNOWN CLAIM(S) EXCLUSION ENDORSEMENT	MANUSCRIPT
24.	DEFINITION OF ENVIRONMENTAL LAW AMENDATORY ENDORSEMENT	MANUSCRIPT
25.	NON-COVERED ENTITES CONFIRMATION ENDORSEMENT	MANUSCRIPT
26.	COVERAGE D AMENDATORY ENDORSEMENT	MANUSCRIPT
27.	OTHER INSURANCE AMENDATORY (EXCESS) ENDORSEMENT	MANUSCRIPT
28.	VIRUS AND COMMUNICABLE DISEASE EXCLUSION ENDORSEMENT	AGRL PO 5302 03 20
29.	PERFLUOROALKYL AND POLYFLUOROALKYL SUBSTANCES (PFAS) AND RELATED CHEMICALS OR PRODUCTS EXCLUSION ENDORSEMENT	AGRL PO 5301 02 20

Policyholder Information Environmental Emergency Response and Claim Investigation Services

(RETAIN FOR YOUR RECORDS)

Please read the information below, the Coverage Form and all attached endorsements in their entirety. If you have any questions, please contact your broker.

FOR EMERGENCY RESPONSE TO ENVIRONMENTAL INCIDENTS

As part of our commitment to customer service Allianz Global Corporate & Specialty (Allianz) has named HETI as an approved provider of environmental emergency response and claim investigation services to our insureds.

HETI is a full-service environmental company founded in 1986. Their staff of environmental engineers, industrial hygienists, geologists, hydrogeologists and remedial experts has developed specific expertise in environmental incidents.

As an Allianz insured, you can call on **HETI** twenty-four hours a day, seven days a week for emergency response services for environmental incidents.

HETI's 24/7, toll-free, emergency response hotline number is:

(1-800-347-HETI)

HETI can also respond to your questions about regulatory reporting issues/requirements, spill containment and remediation techniques. HETI will contact you directly with additional information.

ALWAYS REPORT THE INCIDENT TO US AND YOUR AGENT OR BROKER

In the event of any incident that may be covered under this policy, whether or not the HETI has been contacted, the incident should be reported to us by phone or email as soon as practicable by phone or email.

Phone: 1-800-558-1606
Email : NewLoss@agcs.allianz.com

REFER TO THE CLAIM AND NOTICE REQUIREMENTS WITHIN THE CONDITIONS OF YOUR POLICY WITH RESPECT TO ANY POLLUTION CONDITION THAT MAY RESULT IN A CLAIM.

Claim Reporting Options

Allianz Global Corporate & Specialty policies

- Aviation (US and Canada)
- Corporate Liability
- Corporate Property
- Energy
- Engineering
- Environmental Impairment Liability
- Inland Marine
- Marine Property & Liability
- Ocean Cargo
- Transportation



Email:
NewLoss@agcs.allianz.com



In emergency, call: 1. 800. 558. 1606
(International calls use 314. 513. 1353)



Fax: 1. 888. 323. 6450
(International Faxes use 314. 513. 1345)



Mail:
Allianz Global Corporate & Specialty
Attn: FNOL Claims Unit
One Progress Point Parkway, 2nd Floor
O'Fallon, MO 63368

Fireman's Fund policies

- Auto
- Entertainment
- Farm & Ranch
- Financial Lines
- Liability
- Property /HPR
- Small Business
- Workers Compensation



Web reporting:
www.agcs.allianz.com/usclaims



Email:
CIFNOL@ffic.com



In emergency, call:
1. 888. 347. 3428



Fax:
1. 800. 511. 3720



Mail:
Allianz Global Corporate & Specialty
Attn: FFIC FNOL Claims Unit
One Progress Point Parkway, 2nd Floor
O'Fallon, MO 63368

ENVIRONMENT PROTECT PREMISES

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is or is not covered. Words and phrases that appear in **bold** type have special meaning. Refer to the section titled – **DEFINITIONS**. All of the coverages contain claims-made and reported requirements. This policy provides defense within the limits of coverage.

In consideration of the payment of premium, in reliance upon the statements of the Declarations made a part hereof, subject to all of the terms of this policy including the applicable limits of liability, the Company agrees with the **named insured** as follows:

Only those coverage sections indicated on the Declarations are applicable.

Section 1 – Insuring Agreements

A. Own Site Clean-up Costs

The Company will pay on behalf of the **insured, clean-up costs** resulting from a **pollution condition** on or under the **insured's own site** provided:

1. The discovery of the **pollution condition** is first made during the **period of insurance** and reported to the Company as soon as possible during the **period of insurance**; or
2. The **insured** is legally obligated to pay as a result of a **claim** for **clean-up costs** resulting from a **pollution condition**, and such **claim** is first made against the **insured** and reported to the Company during the **period of insurance**, or any **extended reporting period**, if applicable.

B. Off Site Clean-up Costs

The Company will pay on behalf of the **insured, clean-up costs** resulting from a **pollution condition** migrating from or through and beyond the boundaries of the **insured's own site** provided the **insured** is legally obligated to pay as a result of a **claim** for **clean-up costs** resulting from a **pollution condition**, and such **claim** is first made against the **insured** and reported to the Company during the **period of insurance**, or any **extended reporting period**, if applicable.

C. Third Party Claims for Bodily Injury or Property Damage

The Company will pay on behalf of the **insured, loss** that the **insured** becomes legally obligated to pay as a result of a **claim** for **bodily injury** or **property damage** resulting from a **pollution condition** on, under or migrating from or through and beyond the boundaries of the **insured's own site**, provided such **claim** is first made against the **insured** and reported to the Company during the **period of insurance**, or any **extended reporting period**, if applicable.

D. Emergency Response Costs

The Company will pay on behalf of the **insured**, **emergency response costs** incurred by or on behalf of the **insured** in response to a **pollution condition** on, under or migrating from or through and beyond the boundaries of an **Insured's own site** or arising from **transportation** or resulting from a **covered operation** provided the **emergency response costs** be incurred within ninety six (96) hours of the commencement of such a **pollution condition**, and reported to the Company within ten (10) days of the commencement of such a **pollution condition** and the corresponding coverage was purchased as stated in the Declarations.

E. Transportation

The Company will pay on behalf of the **insured**, **loss** that the **insured** becomes legally obligated to pay as a result of a **claim** for **bodily injury, property damage, or clean-up costs** resulting from a **pollution condition** caused by **transportation**, provided such **claim** is first made against the **insured** and reported to the Company during the **period of insurance**, or any **extended reporting period**, if applicable.

F. Non-Owned Locations

The Company will pay on behalf of the **insured**, **loss** that the **insured** becomes legally obligated to pay as a result of a **claim** for **bodily injury, property damage, or clean-up costs** resulting from a **pollution condition** on, under or migrating from any **non-owned location**, provided such **claim** is first made against the **insured** and reported to the Company during the **period of insurance**, or any **extended reporting period**, if applicable.

G. Covered Operations

The Company will pay on behalf of the **insured**, **loss** that the **insured** becomes legally obligated to pay as a result of a **claim** for **bodily injury, property damage, or clean-up costs** resulting from a **pollution condition** caused by **covered operations**, provided such **claim** is first made against the **insured** and reported to the Company during the **period of insurance**, or any **extended reporting period**, if applicable.

H. Business Interruption

The Company will pay the **insured's business interruption expense** and **extra expense** during the **interruption period**, caused directly by a **pollution condition** on or under the **insured's own site**, provided:

1. Such **pollution condition** results in **clean-up costs** covered under this Policy; and
2. The discovery of the **pollution condition** is first made during the **period of insurance** and reported to the Company during the **period of insurance**.

Section 2 – Defense

A. Defense

The Company has the right and the duty to defend the **insured** against a **claim** to which this insurance applies. The Company does not have the duty to defend the **insured** against any **claim** to which this insurance does not apply. The Company will not be obligated to defend the **insured** once the applicable Limit of Liability has been exhausted as provided in Section 3 of this Policy.

Upon the **insured's** satisfaction of any applicable deductible amount, defense costs, charges and expenses will be paid by the Company and such payments will be included as **loss** and reduce the available limits of liability. With respect to any such **claim** being defended by the Company, the Company will pay all reasonable expenses incurred by the **insured** at the Company's request to assist in the investigation or defense of the **claim**, including actual loss of earnings up to \$500 a day because of time away from work subject to an aggregate limit of \$10,000 for such expenses.

B. Consent to Settle

The Company will not settle any **claim** without the consent of the **insured** against whom the **claim** is made. However, if the **insured** refuses to consent to any settlement for **loss** above the amount of the deductible recommended by the Company, the Company's duty to defend the **insured** will then cease and the Company's liability for **loss** will not exceed the amount for which the **claim** could have been settled, less the deductible or the outstanding balance of the deductible.

If the **insured** and the Company jointly agree to use mediation as a means to resolve a **claim** made against the **insured**, and if such **claim** is resolved as a direct result of the mediation, the **insured's** deductible obligation will be reduced by 50%, up to a maximum of \$50,000. The Company will reimburse the **insured** for any such reimbursable deductible payment made prior to the mediation as soon as practicable upon reaching a final settlement.

C. Independent Counsel

In the event the **insured** is entitled by law to select independent counsel at the Company's expense, the attorney fees and all other litigation expenses the Company must pay to that counsel are limited to the rates the Company would pay to counsel the Company would have retained in the defense of similar claims in the community where the **claim** arose or is being defended. Such independent counsel must also meet minimum qualifications with respect to competency and experience in defending claims similar to the one pending against the **insured**, standards which the Company deem appropriate.

Section 3 – Limits of Liability and Deductible

Regardless of the number of **insureds**, **claims**, claimants, any **pollution condition**, or **emergency response costs**, the following limits of liability apply:

A. Policy Aggregate Limit

The policy aggregate limit as stated in the Declarations is the most the Company will pay for all **loss** under Insuring Agreements A through H, covered under this Policy.

B. Coverage Limit

Subject to the policy aggregate limit:

1. The Company's total liability for all **loss** under each Coverage in Insuring Agreements A through G, will not exceed the Coverage Section Aggregate Limit stated in the Declarations applicable to that particular coverage section; and
2. The Company's total liability for all **business interruption expense** and **extra expense** covered under Insuring Agreement H, will not exceed the Coverage Section Aggregate Limit stated in the Declarations.

C. Each Incident Limit

Subject to the policy aggregate limit, the most the Company will pay for all **loss** arising out of the same, related or continuous **pollution condition(s)** is the Each Incident Limit of coverage applicable to such coverage stated in the Declarations.

D. Multiple Coverages

If the same, related or continuous **pollution condition(s)** result in coverage under more than one coverage section, the most the Company will pay for all **loss** arising from such **pollution condition(s)** will not exceed the highest Each Incident Limit of coverage as stated in the Declarations among all the coverage sections.

E. Multiple Policies

If a **claim** for **loss** is reported to the Company during the **period of insurance**, then all **claims** that result from the same continuous or related **pollution condition(s)** reported to us during subsequent policies issued by the Company providing coverage substantially the same as that provided by the applicable coverage part of this Policy, will be deemed to have been made during this **period of insurance** and all **claims** arising from all such **loss** will be deemed to have arisen from one **pollution condition(s)** and will be subject to the Each Incident Limit applicable to this Policy.

F. Deductible

1. With respect to Coverage A through G and subject to the policy aggregate limit and coverage section aggregate limit, the Company will pay all **loss** in excess of the deductible amount stated in the Declarations for the applicable coverage, up to but not exceeding the applicable Each Incident Limit of coverage. In the event that more than one deductible amount can apply to the same **pollution condition(s)** and results in coverage under more than one coverage section, only the highest deductible amount will be applied.

The Company may advance payment of part or all of the deductible and, upon the Company's request, the **insured** will promptly reimburse the Company.

2. With respect to Coverage H and subject to the policy aggregate limit, coverage section aggregate limit and Each Incident Limit stated in the Declarations, the

Company will pay all **business interruption expense** and **extra expense** in excess of the Each Incident Deductible (days) as stated in the Declarations.

Section 4 – Definitions

A. Bodily injury means:

1. Physical injury, sickness, disease, or building-related illness sustained by any person, including death resulting therefrom, and any accompanying medical or environmental monitoring; or
2. Mental anguish, shock or emotional distress; or
3. Medical monitoring ordered by a court of competent jurisdiction.

B. Business interruption expense means:

1. Net profit loss, including **rental value**, before taxes that the **insured** would have earned or incurred during the **interruption period**; and
2. Continuing normal operating expenses incurred by the **insured** during the **interruption period**, including payroll expense for the **insured's** employees, except employees under contract, officers, executives and department managers,

due to the reasonable and necessary interruption of the **insured's** operations at the **insured's own site** during the **interruption period**.

If the **insured** would have incurred a net profit loss under paragraph 1 above, such net profit loss will reduce the operating expenses recoverable under paragraph 2 above. If the **insured** can reduce the **business interruption expense** by resuming any portion of standard business operation or by making use of any portion of **insured's own sites**, the Company will reduce **business interruption expense** accordingly.

C. Claim means a written demand seeking a remedy and alleging liability or responsibility on the part of the **insured**.

D. Clean-up costs means reasonable and necessary expenses, including legal expenses incurred with the Company's written consent, which consent shall not be unreasonably withheld or delayed, for the investigation, removal, treatment, containment, neutralization, abatement, monitoring or disposal of soil, surface water, groundwater or other contamination:

1. To the extent required by **environmental laws**;
2. In absence of any applicable **environmental laws**, to the extent recommended in writing by an **environmental professional**; or
3. That have been actually incurred by the government or any political subdivision of the United States of America or any state thereof or Canada or any province thereof, or by third parties.

Clean-up costs also include **restoration costs**.

E. Covered operation means those activities performed for a third party for a fee by or on behalf of the **insured** at a job site. A job site shall not include the real property owned, leased, operated or managed by the **Insured** or a **non-owned location**.

Covered operation does not include **transportation**.

F. Defense costs means reasonable and necessary legal fees, costs and expenses incurred in the investigation, defense, adjustment, settlement or appeal of any **claim** or legal proceeding to which this Policy applies.

G. Emergency response costs means reasonable and necessary expenses, including legal expenses, incurred in response to an imminent threat to human health or the environment and incurred within ninety six (96) hours of the commencement of the **pollution condition**, in order to investigate, remove, treat, contain, neutralize or abate soil, surface water, groundwater or other contamination.

H. Environmental law means any federal, state, provincial or local laws, including but not limited to, statutes, rules, regulations, ordinances, guidance documents, voluntary clean-up programs, and governmental, judicial or administrative orders and directives that are applicable to a **pollution condition**.

I. Environmental professional means an individual or entity approved by the Company in writing that is duly licensed and certified to provide environmental services by a state board or professional association. The Company will consult with the **insured** in the selection of the **environmental professional**.

J. Extended reporting period means the automatic additional period of time or the optional additional period of time, whichever is applicable, in which to report **claims** following termination of coverage.

K. Extra expense means necessary expenses incurred by the **insured** during the **interruption period**:

1. that would not have been incurred if there had not been an interruption of business; and
2. that avoids or minimizes an interruption of business;

but only to the extent such **extra expenses** reduce the **business interruption expense** otherwise covered under this Policy.

Extra expenses will be reduced by any salvage value of property obtained for temporary use during the **interruption period**.

L. Insured means the **named insured**, and any past or present director, officer, partner, member, manager, or employee, including any temporary or leased employee, while acting within the scope of his or her duties as such.

M. Insured contract means any contract or agreement scheduled on the Policy by endorsement. However, with respect to **Section 1 – Insuring Agreements, G. Covered Operations**, **insured contract** means any contract or agreement relating to **covered operations** under which the **insured** assumes the tort liability of another party

to pay for **bodily injury, property damage, or clean-up costs** to a third party or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

N. Insured's own site means each of the locations owned, leased, managed or operated by the **insured**, stated in the Declarations, or specifically scheduled on the Policy by endorsement.

O. Interruption period means the period of time that begins with the interruption of the **insured's** operations due to a **pollution condition** at the **insured's own site** and ends on the earliest of:

1. When the **insured's own site** is reasonably restored to operations;
2. When the **insured's own site** should have been restored to operations with reasonable speed and quality; or
3. When business activities resume at a new permanent location.

Interruption period does not include any time caused by the interference by employees or other persons with restoring the property, or with the resumption or continuation of operations, or any time caused by the delay in any action taken by a governmental authority necessary to allow the resumption of business operations.

P. Insured's products means goods, products, or pieces of equipment, including component parts thereof and including other products in which such goods, products or pieces of equipment are incorporated, which are manufactured, sold, furnished, or supplied by the **insured**, any subsidiary of the **insured**, any entity which wholly or partly owns, operates or manages the **insured** or any subsidiary of such entity, or any person under license from the **insured**. **Insured's products** does not include waste materials unless such waste materials are sold, furnished or supplied to a third party for beneficial reuse pursuant to applicable **environmental law**.

Q. Loss means:

1. Monetary judgment, award or settlement of compensatory damages for **bodily injury** or **property damage**;
2. Where allowable by law, punitive, exemplary or multiplied damages arising from **bodily injury** or **property damage**;
3. Civil fines, penalties and assessments arising from **bodily injury** or **property damage**;
4. **Clean-up costs**;
5. **Defense costs**;
6. **Emergency response costs**; and
7. **Business interruption expense** and **extra expense**.

R. Microbial matter means mold, mildew and fungi, whether or not such **microbial matter** is living.

S. Named insured means:

1. The entity listed in Item 1 of the Declarations page of this Policy; and

2. Any and all corporations, partnerships, companies or other entities as have existed at any time, or as now or may hereafter exist during the **period of insurance** and in which the first **named insured** did or does have more than 50% ownership interest or a controlling plurality ownership interest but, with respect to such corporations, partnerships, companies or other entities, solely with respect to liability arising out of the ownership, operation, maintenance or use of an **insured's own site(s)**.

The first **named insured** listed in Item 1 of the Declarations will act on behalf of all other **insureds** for the payment or return of premium, payment of any deductible, receipt and acceptance of any endorsement issued as part of this Policy, and giving and receiving notice of cancellation or nonrenewal.

T. Natural resource damage means the physical injury to or destruction of, as well as the assessment of such injury or destruction, including the resulting loss of value of land, fish, wildlife, biota, air, water, groundwater, drinking water supplies, and other such resources belonging to, managed by, held in trust by, appertaining to, or otherwise controlled by the United States (including the resources of the fishery conservation zone established by the Magnuson-Stevens Conservation and Management Act (16 U.S.C. 1801 et seq.)), any state, local or provincial government, any foreign government, any Indian tribe, or, if such resources are subject to a trust restriction on alienation, any member of an Indian tribe.

U. Non-owned location means:

1. A property that is not owned, leased, managed or operated by the **insured** and is scheduled on the Policy as a **non-owned location** by endorsement; or
2. Transfer, storage, treatment or disposal facilities which are used by the **insured**, but are not owned or operated by the **insured**, provided that:
 - a. The waste materials are generated from the **insured's own site, transportation, or covered operations** by the applicable coverage part of this Policy and such coverage is purchased as stated on the Declarations;
 - b. The transfer, storage, treatment or disposal facility is properly licensed and permitted to accept and dispose of such waste and has not filed for bankruptcy as of the date of the transfer, storage, treatment or disposal of such waste; and
 - c. The transfer, storage or disposal facility is not listed or proposed to be listed on the Federal National Priorities List, or any equivalent state or local list as of the earlier of:
 - i. The inception date of this Policy; or
 - ii. The inception date of the first Environmental Allianz USA Liability policy issued by the Company to the **insured** of which this is a continuous and uninterrupted renewal.

V. Offshore installation means:

1. Any installation in the sea or tidal waters which is intended for underwater exploitation of mineral resources or exploration with a view to such exploitation;
2. Any installation in the sea or tidal waters which is intended for storage or recovery of gas;

3. Any pipe or system of pipes in or under the sea or tidal waters;
4. Any wind energy installation in the sea or tidal waters; or
5. Any installation in the sea or tidal waters which is intended to provide accommodation for persons who work on, at, or from the locations specified above.

W. Offshore operation means the ownership or operation of any **offshore installation**.

X. Period of insurance means the period identified in the Declarations.

Y. Pollutant means any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapor, odors, soot, fumes, acids, alkalis, toxic chemicals, hazardous substances, **microbial matter**, Legionella pneumophila, methamphetamines, electromagnetic fields, low level radioactive waste, medical waste including infectious and pathological waste and waste materials, at levels in excess of those naturally occurring.

Z. Pollution condition means the discharge, dispersal, release or escape, emission, seepage, or illicit abandonment by a third party without the **insured's** consent, of any **pollutant** into or upon land, or any structure on land, the atmosphere or any watercourse or body of water, including groundwater.

Pollution condition also means the presence of **microbial matter** within a structure.

AA. Possible claim means a **pollution condition** that first commenced during the **period of insurance** that the **insured** reasonably expects to result in a **claim**.

BB. Property damage means:

1. Physical injury to or destruction of tangible property of parties other than the **insured**, including the resulting loss of use and except with respect to tangible property located on an **insured's own site**, diminished value of that property;
2. Loss of use, but not diminution of value, of tangible property of parties other than the **insured**, that has not been physically injured or destroyed; or
3. **Natural resource damage**.

Property damage does not include **clean-up costs**.

CC. Rental Value means the:

1. Total anticipated rental income from tenant occupancy of the **insured's own site** as furnished and equipped by the **insured**;
2. Amount of charges that are the legal obligation of the tenant(s) pursuant to a lease and that would otherwise be the **insured's** obligations; and

3. Fair rental value of any portion of the **insured's own site** that is occupied by the **insured** during the **restoration period**, less any rental income the **insured** could earn:
 - a. By complete or partial rental of the **insured's own site**; or
 - b. By making use of other property on the **insured's own site** or elsewhere.

DD. Responsible insured means:

1. the manager or supervisor of the **named insured** responsible for environmental affairs, control or compliance (a) at the **insured's own site**, (b) during **transportation**, or (c) during **covered operations**;
2. the manager of the **insured's own site**; or
3. any officer, director, partner, or member of the **named insured**.

EE. Restoration costs means reasonable and necessary costs incurred by the **insured** to repair, replace or restore real or personal property to substantially the same condition it was in prior to being damaged during work performed in the course of **clean-up costs**.

Restoration costs will not include any costs associated with a betterment or improvement to the damaged property, except to the extent such betterments include the use of materials which are environmentally preferable to those materials which comprised the damaged property, at a reasonable cost. Such environmentally preferable material must be certified by an applicable independent body, or, in the absence of such certification, based on the sole discretion of the Company.

FF. Restoration period means the length of time as would be required with the exercise of due diligence and dispatch to restore the **insured's own site** to a condition that allows the resumption of normal business operations, commencing with the date operation are interrupted by a **pollution condition** and not limited by the date of expiration of the **period of insurance**. The **restoration period** does not include any time caused by the interference by an **insured** with restoring the property, or with the resumption or continuation of operations.

GG. Transportation means the movement of goods, product, merchandise, supplies or waste in a conveyance by the **insured** or by a third party carrier properly licensed to conduct such movement, from the point of origin until delivery to the final destination. **Transportation** includes the loading and unloading onto or from a conveyance, provided that the loading and unloading is performed by or on behalf of the **insured**.

HH. Underground storage tank means any tank, including any piping connected to the tank, located on or under an **insured's own site** that has at least ten percent (10%) of its combined volume underground. **Underground storage tank** does not include:

1. Septic tanks, sump pumps or oil/ water separators;
2. A tank that is enclosed within a basement, cellar, shaft or tunnel, if the tank is upon or above the surface of the floor; or

3. Storm-water or wastewater collection systems.

Section 5.1. – Exclusions

This Policy does not apply to:

A. Asbestos and lead-based paint

Loss arising from asbestos or any asbestos-containing materials or lead-based paint installed or applied in, on or to any building or other structure. However, this Exclusion does not apply to:

1. **Claims** for **bodily injury** or **property damage**, or
2. **Clean-up costs** for the remediation of soil, surface water, or groundwater, or **clean-up costs** that arise out of the inadvertent disturbance of asbestos or asbestos containing materials or lead-based paint.

In no event will this Policy pay **clean-up costs** to remove or otherwise abate asbestos or asbestos containing materials or lead-based paint installed or applied in, on or to any building or other structure that were not inadvertently disturbed.

B. Contractual liability

Loss arising from the **insured's** assumption of liability in any contract, or agreement. This Exclusion does not apply to liability that the **insured** would have had in the absence of the contract or agreement, or the contract or agreement is an **insured contract**.

C. Fines, penalties, or assessments

Loss arising from any criminal fines, criminal penalties or criminal assessments.

D. Employer liability

Loss arising from **bodily injury** to:

1. An employee of an **insured** arising out of and in the course of employment by the **insured** or performing duties related to the conduct of the **insured's** business; or
2. Any person whose right to assert a **claim** against the **insured** arises by reason of any employment, blood, marital or other relationship with the employee.

This Exclusion applies whether the **insured** may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

E. Identified underground storage tanks

Loss arising from any **underground storage tank** located at the **insured's own site**, and whose existence is known by a **responsible insured**, as of the inception date on this Policy.

This Exclusion does not apply to any **underground storage tank** which:

1. Is scheduled on this Policy by an endorsement; or
2. Was removed prior to the inception date on this Policy.

F. Insured vs insured

Any **claim** by or on behalf of any **insured** against any other **insured**. However, this exclusion shall not apply to:

1. **Claims** initiated by third parties including cross-claims, counterclaims, or claims for contribution; or
2. **Claims** that arise out of indemnification provided by one **named insured** to another **named insured** in an **insured contract**.

G. Intentional noncompliance

Loss arising from an intentional or illegal act or omission of any **responsible insured**.

This Exclusion does not apply to noncompliance based upon:

1. The **insured's** good faith reliance upon the written advice of qualified outside counsel received in advance of such noncompliance; or
2. The **insured's** reasonable response to mitigate a **pollution condition** or **loss**, provided that such circumstances are reported in writing to the Company within three (3) days of commencement.

H. Internal expenses

Costs, charges or expenses incurred by the **insured** for goods supplied or services performed by the staff or salaried employees of the **insured**, or its parent, subsidiary or affiliate, unless such costs, charges or expenses are incurred with the prior written approval of the Company, in its sole discretion.

This Exclusion does not apply to internal expenses incurred:

1. in response to **emergency response costs**; or
2. pursuant to **environmental laws** that require immediate remediation of a **pollution condition**.

I. Material change in use

Loss arising from change in the material use of the **insured's own site** during the **period of insurance** and which materially increases a risk covered under this Policy.

J. Nuclear fuel, assemblies and components

Loss arising from:

1. Ionizing radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel; or
2. The radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

K. Offshore

Loss arising from **offshore operations**.

L. Prior knowledge/ non-disclosure

Loss arising from a **pollution condition** existing prior to the inception date and known by a **responsible insured** and not disclosed in the application process, including supporting materials, for this Policy or any previous policy for which this is a renewal thereof.

M. Products

Any **claim** or **loss** arising from the **insured's products**, including any container, any failure to warn, or any reliance upon a representation or warranty made at any time, after possession of such **insured's products** have been relinquished to others by the **insured** or others trading or operating under its name.

This Exclusion does not apply to **loss** arising from **transportation** or while such **products** are being stored or transported by others on behalf of the **named Insured** as part of a **covered operation**.

N. Property damage to conveyances

Loss resulting in **property damage** to any conveyance used by or on behalf of the **insured** during **transportation**.

This Exclusion does not apply to **loss** or **claims** arising from the **insured's** negligence.

O. War

Loss arising out of any consequence, whether direct or indirect, of war, invasion, act of foreign enemy, hostilities, whether war be declared or not, civil war, rebellion, revolution, insurrection or military or usurped power, strike, riot or civil commotion.

P. Workers Compensation

Any **claim** or **loss** based upon or arising out of any obligation for which an **insured** or any party may be held liable under any unemployment, Workers' Compensation, disability benefits, or other similar laws.

Section 5.2. – Exclusions

With respect to **Section 1 – Insuring Agreements, G. Covered Operations**, this Policy does not apply to:

A. Property Damage

Claims or loss arising for **property damage** to the **insured's products** or for **property damage** to that particular part of real property on which the **insured**, or any persons or entities acting on the **insured's** behalf, are performing **covered operations**, including any **property damage** caused by materials, parts or equipment furnished in connection with such **covered operations**.

B. Professional Services or Advice

Claims or loss arising from the performance of or failure to perform professional services or providing or failing to provide professional advice. This exclusion does not apply to improper or inadequate supervision of any entity for which the **insured** is legally liable when performing **covered operations** at a job site.

Section 6 – Conditions

A. Action against company

No action will be brought against the Company unless, as a condition precedent thereto:

1. The **insured** has fully complied with all of the terms of this Policy; and
2. The amount of the **insured's** obligation to pay has been finally determined either by judgment against the **insured** after actual trial or by written agreement of the **insured**, the claimant and the Company.

Any person or organization or the legal representative thereof who has secured such judgment or written agreement will thereafter be entitled to recover under this Policy to the extent of the insurance afforded by this Policy. No person or organization will have any right under this Policy to join the Company as a party to any action against the **insured** to determine the **insured's** liability, nor shall the Company be impleaded by the **insured** or its legal representative.

B. Assignment

This Policy and any rights contained within it may not be assigned without the Company's prior written consent. Such consent will not be unreasonably withheld or delayed.

C. Bankruptcy

Bankruptcy or insolvency of the **insured** or of the **insured's** estate will not relieve the Company of its obligations under this Policy.

D. Cancellation

This Policy may be cancelled by the **named insured** by mailing to the Company written notice stating when thereafter the cancellation will be effective.

The Policy may be cancelled by the Company by mailing to the **named insured** at its address set forth in the Declarations, a notice stating when not less than ninety (90)

days, or ten (10) days for nonpayment of premium thereafter such cancellation will be effective. The Company may cancel this Policy only for the reasons stated below:

1. Fraud or misrepresentation by the **insured**; or
2. The **insured's** failure to comply with the material terms, conditions or contractual obligations under this Policy, including the failure to pay any premium or Deductible when due. However the **insured** shall have the ability, within the first thirty (30) days of the ninety day notice period stated above, to cure such failure to comply with material terms, conditions, or contractual obligations. The Company has sole discretion in determining whether the **insured** has cured any such failure. However, in the event of failure to pay any additional premium due for the addition of an **insured's own site** during the **period of insurance**, cancellation shall only apply to coverage provided for that particular **insured's own site** for which additional premium is due but not paid.

If the **named insured** cancels, earned premium will be computed in accordance with the customary short rate table and procedure. If the Company cancels, earned premium will be computed pro rata.

Premium adjustment will be either at the time cancellation is effected or as soon as practicable after cancellation becomes effective. Payment or tender of unearned premium is not a condition of cancellation.

E. Changes

Notice to any agent or knowledge possessed by any agent or by any other person will not effect a waiver or a change in any part of this Policy or estop the Company from asserting any right under the terms of this Policy. The terms, definitions, conditions, exclusions and limitations of this Policy will not be waived or changed, and no assignment of any interest in this Policy will bind the Company, except as provided by endorsement and attached to this Policy.

F. Economic Sanctions

Any payment under this Policy will only be made in full compliance with all United States of America economic and trade sanction laws or regulations, including but not limited to, sanctions administered and enforced by the United States Treasury Department's Office of Foreign Assets Control. Whenever coverage provided by this Policy would be in violation of any U.S. economic or trade sanctions such as, but not limited to, those sanctions administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), such coverage shall be null and void.

G. Cooperation

The **insured** will cooperate with the Company and offer all reasonable assistance in the investigation and defense of **claims** or settlement of any **claim** or the clean-up and mitigation of a **pollution condition**. The Company may require the **insured** to submit to examination under oath or attending or testifying at hearings, depositions and trials. The Company may also require written statements or the **insured's** attendance at meetings with the Company, in the course of investigation. The **insured** must assist the Company in effecting settlement and obtaining the attendance of witnesses.

H. Inspection

The Company will be permitted but not obligated to inspect, sample or monitor on a continuing basis the **insured's own site** or operations, at any time. No such inspection will constitute an undertaking, on behalf of the **insured** or others, to determine or warrant such property or operation as compliance with any law, rule or regulation.

I. Other insurance

If other valid and collectible insurance is available to any **insured** covering a **loss, claim, or pollution condition**, also covered by this Policy, other than a policy that is specifically written to apply in excess of this Policy, the Company's obligations are limited as follows:

1. Except with respect to **loss** or **claims** arising in whole or in part to **microbial matter** or Legionella pneumophilia, this insurance is primary, and the Company's obligations are not affected unless any of the other insurance is also primary. In such a case, the Company will share with all such other insurance by the method described in paragraph 2 and 3 below.
2. If the other insurance permits contribution by equal shares, the Company will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the **loss** remains, whichever comes first. If any of the other insurance does not permit contribution by equal shares, the Company will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.
3. With respect to **loss** arising in whole or in part to **microbial matter** or Legionella pneumophilia, the insurance afforded by this Policy will apply in excess of any valid and collectible insurance and will not contribute with other insurance.

J. Representations

By accepting this Policy, the **named insured** agrees that the statements in the Declarations, schedules and endorsements to, and Application are accurate and complete, and this Policy is issued in reliance upon the truth of such representations.

K. Separation of insureds

Except with respect to the Limits of Liability, **Section 5**, Paragraph **F**, and any rights and duties assigned in this Policy to the **named insured**, this insurance applies as if each **insured** were the only **insured** and separately to each **insured** against whom a **claim** is made.

Any misrepresentation, act or omission that is in violation of a term, duty or condition or breach of any exclusion under this Policy by one **insured** will not by itself effect coverage for another **insured** under this Policy. However, this Condition will not apply to any entity or person who is a parent, subsidiary, affiliate, director, officer, partner,

member or employee of the **named insured** that misrepresented, concealed or breached a term or condition, or violated a duty under this Policy.

L. Subrogation

In the event of any payment under this Policy, the Company will be subrogated to all the **insured's** rights of recovery therefor against any person or organization and the **insured** will execute and deliver instruments and papers and do whatever else is necessary to secure such rights including but not limited to, assignment of the **insured's** rights against any person or organization who caused a **pollution condition** on account of which the Company made any payment under this Policy. The **insured** will do nothing to prejudice the Company's rights under this paragraph. Any recovery as a result of subrogation proceedings arising out of the payment of **loss** or **business interruption expense** covered under this Policy will accrue first to the **insured** to the extent of any payments in excess of the limit of coverage; then to the Company to the extent of the Company's payment under the Policy; and then to the **insured** to the extent of the Deductible. Expenses incurred in such subrogation proceedings will be apportioned among the interested parties in the recovery in the proportion that each interested party's share in the recovery bears to the total recovery. The Company expressly waives any rights of subrogation against a person or organization where the **insured** is obligated to provide such waiver in a written contract entered into prior to the date of **loss** or **claim**.

M. Territory

The coverage afforded pursuant to this Policy will only apply to any **pollution condition** located, and **claims** made within the United States of America, its territories or possessions or Canada.

N. Voluntary payments

No **insured** will voluntarily enter into any settlement, or make any payment or assume any obligation, without the Company's consent which will not be unreasonably withheld, except at the **insured's** own cost. This Condition will not apply if such payment or obligation is an **emergency response cost** or is pursuant to **environmental laws** that require immediate remediation of a **pollution condition**.

Section 7 – Claims and Notice Requirements

A. As a condition precedent to the Company's obligations under this Policy, the **insured** will give written notice to the Company as soon as practicable of any **pollution condition** which may result in a **claim**. Notice under all coverages will include:

1. The names and addresses of any injured persons and witnesses;
2. All known and reasonably obtainable information regarding the time, place, cause, nature of and other circumstances of any **pollution condition**; and
3. Any other relevant information in the **insured's** possession concerning any actual or potential pollution.

- B. If **emergency response costs** have been incurred, the **insured** will forward to the Company within ten (10) days of the first commencement of any **pollution condition** for which the **emergency response costs** have been incurred, all information stated in paragraph A above.
- C. The **insured** will give notice to the Company of all **claims** as soon as practicable during the **period of insurance**, or during the **extended reporting period**, if applicable. The **insured** will submit all information requested by the Company, including but not limited to:
1. Any demands, notices, summonses, or legal papers received in connection with the **claim**;
 2. Authorize the Company to obtain records and other information;
 3. Assist the Company in the enforcement of any right against any person or organization which may be liable to the **insured**.
- D. If during the **period of insurance**, the **insured** first becomes aware of a **possible claim**, the **insured** may provide written notice to the Company during the **period of insurance**; then any **possible claim** which subsequently becomes a **claim** made against the **insured** and reported to the Company within five (5) years after the end of the **period of insurance** of this Policy or any continuous, uninterrupted renewal thereof, will be deemed to have been first made and reported during the **period of insurance** of this Policy. Such **claim** will be subject to the terms, conditions and limits of coverage under this Policy.

Section 8 – Rights and Duties

- A. The Company will have the right but not the duty to clean up or mitigate a **pollution condition**, and to participate in decisions regarding **clean-up costs** and to assume direct control over all aspects of the clean-up, upon receiving notice as stated in this Policy. In the event the Company exercises this right, the **insured** will reimburse the Company for any portion of **loss** falling within the Deductible.
- B. The **named insured** will have the duty to mitigate a **pollution condition** to the extent required by **environmental law**, by retaining competent professionals or contractors mutually acceptable to the Company and **named insured**. The Company reserves the right to require such professionals or contractors have minimum qualifications with respect to experience with a similar **pollution condition**, clean-up or method. The **named insured** will notify the Company of actions taken pursuant to this paragraph.

Section 9 – Extended Reporting Period

- A. The Company will provide the **insured** an automatic **extended reporting period** of ninety (90) days from the end of the **period of insurance** in which to provide written notice to the Company of **claims** first made against the **insured** during the **period of insurance**, provided the **insured** has cancelled or not renewed this Policy or purchased

any other insurance to replace this insurance. Furthermore, the **insured** has not purchased the optional **extended reporting period** available under paragraph B below.

A **claim** first made against the **insured** and reported to the Company within the automatic **extended reporting period** will be deemed to have been made and reported on the last day of the **period of insurance**, provided that the **claim** arises from a **pollution condition** that commenced before the end of the **period of insurance**.

The automatic **extended reporting period** will not reinstate or increase any of the limits of liability afforded under this Policy.

- B. The **insured** will be entitled to purchase an optional **extended reporting period** for four (4) years, except in the event the Policy is cancelled for fraud or nonpayment of premium, provided:
1. The **insured** makes a written request for such **extended reporting period**, within thirty (30) days of termination of coverage;
 2. The **insured** pays the additional premium for such **extended reporting period**, at a rate not to exceed 200% of the premium stated in the Declarations, when due.

The Company will issue an endorsement providing this optional **extended reporting period**.

The optional **extended reporting period** will not reinstate or increase any of the limits of liability afforded under this Policy.

POLICYHOLDER NOTICE – OFAC

U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL ("OFAC") ADVISORY NOTICE TO POLICYHOLDERS

No coverage is provided by this Policyholder Notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided.

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by OFAC. **Please read this Notice carefully.**

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous:

- o Foreign agents;
- o Front organizations;
- o Terrorists;
- o Terrorist organizations; and
- o Narcotics traffickers;

as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's web site – <http://www.treas.gov/ofac>.

In accordance with OFAC regulations, if it is determined that you or any other **insured**, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.

Policy Number: USL00885220
Effective Date: July 1, 2020

Endorsement No. 1

CERTIFIED ACTS OF TERRORISM (TRIA) COVERAGE ENDORSEMENT

This Endorsement modifies insurance provided under the following:

ENVIRONMENT PROTECT PREMISES

This policy is amended as follows:

1. The following exclusion is added:

TERRORISM

This insurance does not apply to "any injury or damage" arising, directly or indirectly, out of "terrorism"; however, this exclusion does not apply to a "certified act of terrorism".

2. The following definitions are added:

- a. For the purposes of this endorsement, "any injury or damage" means any injury or damage covered under this policy or any underlying insurance to which this endorsement is applicable, and includes but is not limited to "bodily injury", "property damage", "injury", "clean-up costs" or "environmental damage" as may be defined in any applicable Coverage Part.

- b. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act as amended. The Act sets forth the following criteria for a "certified act of terrorism":

- (1) The act resulted in aggregate losses in excess of \$5 million; and

- (2) The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

3. "Terrorism" means a violent act or an act that is dangerous to human life, property or infrastructure that is committed by an individual or individuals and that appears to be part of an effort to coerce a civilian population or to influence the policy or affect the conduct of any government by coercion, that is not a "certified act of terrorism". Multiple incidents of "terrorism" which occur within a seventy-two hour period and appear to be carried out in concert or to have a related purpose or common leadership shall be considered to be one incident.

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

All other terms, conditions and exclusions will remain the same.

SPECIMEN

Policy Number: USL00885220
Effective Date: July 1, 2020

Endorsement No. 2

**CRISIS MANAGEMENT RESPONSE COST AND CRISIS MANAGEMENT LOSS
COVERAGE EXTENSION ENDORSEMENT**

This endorsement modifies insurance provided under the following:

ENVIRONMENT PROTECT PREMISES

This Policy is amended as follows:

The following is added to **Section 1 – Insuring Agreements**:

Crisis Management Response Costs and Crisis Management Loss Coverage Extension

SCHEDULE A – Crisis Management Limits of Insurance

Coverage A – Crisis Management Response Costs Limit of Insurance	\$ 250,000 Each Crisis Management Event \$ 500,000 Aggregate
Coverage B – Crisis Management Loss Limit of Insurance	\$ 50,000 Each Crisis Management Event \$ 50,000 Aggregate

SCHEDULE B – Approved Crisis Management Firms

Refer to AGRL-CU 1601 Schedule of Approved Crisis Management Firms	Or contact: Allianz Global Risk Insurance Company Liability Claims Department 225 West Washington Street, Suite 1800 Chicago IL 60605 Phone number: 1.800.211.6647 Or fill out the on-line claims reporting form available at: www.agcs.allianz.com/global-offices/united-states/
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SCHEDULE C – Additional Key Executives

None unless listed below:

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**1. INSURING AGREEMENT – CRISIS MANAGEMENT RESPONSE COSTS AND CRISIS
MANAGEMENT LOSS**

A. Crisis Management Response Costs

The Company will pay **crisis management response costs** on behalf of the **named insured**, regardless of fault, arising from a **crisis management event** which first commences during the **period of insurance**, up to the amount of the **crisis management response costs limit of insurance**.

B. Crisis Management Loss

The Company will pay **crisis management loss** on behalf of the **named insured** arising from a **crisis management event** which first commences during the **period of insurance**, up to the amount of the **crisis management loss limit of insurance**.

- C. A **crisis management event** will be deemed to commence at the time when a **key executive** first becomes aware of a **crisis management event** and will end when the Company determines that a crisis no longer exists or when the **crisis management response costs limit of insurance** has been exhausted, whichever comes first.
- D. There will be no retained limit or deductible applicable to **crisis management response costs** or **crisis management loss**.
- E. Any payment of **crisis management response costs** or **crisis management loss** that the Company makes under the coverage provided by this endorsement will not be an acknowledgement of coverage under any other part of this Policy, nor does it create any duty to defend any suit under any other part of this Policy.

2. LIMITS OF INSURANCE

- 1. The **crisis management response costs limit of insurance** is the most the Company will pay for all **crisis management response costs** under this Policy, regardless of the number of **crisis management events** first commencing during the **period of insurance**. This **crisis management response costs limit of insurance** will be in addition to the applicable limits of insurance shown in the Declarations of this Policy.
- 2. The **crisis management loss limit of insurance** is the most the Company will pay for all **crisis management loss** under this Policy, regardless of the number of **crisis management events** first commencing during the **period of insurance**. This **crisis management loss limits of insurance** will be in addition to the applicable limits of insurance shown in the Declarations of this Policy.
- 3. The Company will have no obligation to pay **crisis management response costs** when it determines that a **crisis management event** has ended or when the **crisis management response costs limit of insurance** has been exhausted, whichever occurs first.
- 4. The **crisis management limits of insurance** in Schedule A of this endorsement apply separately to each consecutive annual period and to any remaining period of less than twelve (12) months, beginning with the inception date shown in the Declarations. If the **period of insurance** is extended after issuance of an additional

period of less than 12 months the additional period will be deemed to part of the last preceding period for purposes of determining the crisis management limits of insurance of this endorsement.

3. DEFINITIONS

For the purpose of this endorsement only, **Section 4 – Definitions** is amended to include the following definitions:

- A. **Crisis management event** means an occurrence that triggers significant adverse regional or national media coverage that in the good faith opinion of a **key executive** of the **Named insured** has or may result in damages covered by this Policy.

Crisis management event includes man-made disasters such as explosions, major crashes, multiple deaths, burns, dismemberment, traumatic brain injury, permanent paralysis, or contamination of the environment, provided that they result from an occurrence.

- B. **Crisis management firm** means any firm approved by the Company and shown in Schedule B, Approved Crisis Management Firms, of this endorsement, which is hired by you to perform **crisis management services** in connection with a **crisis management event**.

- C. **Crisis management loss** means the following amounts incurred during a **crisis management event**:

1. Amounts for the reasonable and necessary fees and expenses incurred by a **crisis management firm** in the performance of **crisis management services** for the **named insured** solely arising from a covered **crisis management event**; and
2. Amounts for reasonable and necessary printing, advertising or mailing of materials, or travel by directors, officers, employees or agents of the **named insured** or a **crisis management firm** incurred at the direction of a **crisis management firm**, solely arising from a covered **crisis management event**.

- D. **Crisis management services** means those services performed by a **crisis management firm** in assisting the **named insured** in minimizing the potential harm to the **named insured** from a covered **crisis management event** by maintaining and restoring public confidence in the **named insured**.

- E. **Crisis management response costs** mean the following reasonable and necessary expenses incurred during a **crisis management event** directly caused by a **crisis management event**, provided that such expenses have been pre-approved by the Company and are associated with damages that would be covered by this Policy:

- a. Medical expenses;
- b. Funeral expenses;
- c. Psychological counseling;

- d. Travel expenses;
- e. Temporary living expenses;
- f. Expenses to secure the scene of a **crisis management event**; and
- g. Any other expenses pre-approved by the Company.

Crisis management response costs does not include defense costs or **crisis management loss**.

- F. **Crisis management response costs sub-limits of insurance** means the Crisis Management Response Costs Limit of Insurance shown in Schedule A of this endorsement.
- G. **Crisis management loss limit of insurance** means the Crisis Management Loss Limit of Insurance shown in Schedule A of this endorsement.
- H. **Key executive** means the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, President, General Counsel or general partner (if the **named insured** is a partnership) of the **named insured** or sole proprietor (if the **named insured** is a sole proprietorship). A **key executive** also means any other person holding a title designated by you and approved by the Company, which title is shown in Schedule C – Additional Key Executives of this endorsement.

All other terms and conditions of the Policy remain unchanged.

Policy Number: USL00885220
 Effective Date: July 1, 2020

Endorsement No. 3

SCHEDULE OF APPROVED CRISIS MANAGEMENT FIRMS

THIS SCHEDULE FORMS A PART OF ENDORSEMENT AGRL-CU 2002 CRISIS MANAGEMENT RESPONSE COST AND CRISIS MANAGEMENT LOSS COVERAGE EXTENSION ENDORSEMENT ATTACHED TO THIS POLICY.

**Approved Crisis Management Firm(s):
 HILL & KNOWLTON STRATEGIES
 24 Hour North America Crisis Help Line – 1 (212) 885 0306**

<p>US LEAD ** Kevin Elliott, SVP 60 Green Street San Francisco, CA 94111 Direct: 415.281.7150 Mobile: 415.307.1252 Kevin.Elliott@hkstrategies.com</p>	<p>WESTERN US Larry Krutchik, SVP 6300 Wilshire Boulevard, 10th Floor Los Angeles, CA 90048 Direct: 310.633.9428 Mobile: 818.406.6068 Larry.Krutchik@hkstrategies.com</p>
<p>EASTERN US Nancy Fitzsimmons, SVP 466 Lexington Avenue, 4th Floor New York, New York 10017 Direct: 212.885.0356 Mobile: 908.433.6161 Nancy.Fitzsimmons@hkstrategies.com</p>	<p>CENTRAL US Michelle McKenna, VP 500 W. 5th Street, Suite 1000 Austin, Texas 78701 Direct: 202.427.6042 Mobile: 202.427.6042 Michelle.McKenna@hkstrategies.com</p>
<p>CANADA LEAD ** Jane Shapiro, SVP 160 Bloor Street East, Suite 800 Toronto, Ontario M4W 3P7, Canada Direct: 416.413.4770 Mobile: 416.457.1429 Jane.Shapiro@hkstrategies.com</p>	<p>CANADA Sarah Andrewes, VP 160 Bloor Street East, Suite 800 Toronto, Ontario M4W 3P7, Canada Direct: 416.413.4605 Mobile: 416.209.1507 Sarah.Andrewes@hkstrategies.com</p>
<p>CANADA Jason MacDonald, VP 55 Metcalfe Street, Suite 1100 Ottawa, Ontario K1P 6L5, Canada Direct: 613.786.9943 Mobile: 613.786.9943 Jason.MacDonald@hkstrategies.com</p>	<p>CANADA Joy Jennisson, Chief Client Officer (CCO) 1350-355 Burrard Street Vancouver, British Columbia V6C 2G8, Canada Direct: 604.692.4224 Mobile: 604.787.4144 Joy.Jennisson@hkstrategies.com</p>

**** Kevin R. Elliott and Jane Shapiro should be the first contact in the United States and Canada, respectively.**

Approved Crisis Management Firm(s) shall also include a firm other than one shown above, provided you notify us of your intent to hire such firm and we approve. Approval shall be deemed granted if we do not notify you of our disapproval within 3 business days of receiving the notice of your intent.

All other terms, conditions and exclusions will remain the same.

Policy Number: USL00885220
Effective Date: July 1, 2020

Endorsement No. 4

CYBER EVENT COVERAGE ENDORSEMENT

This Endorsement modifies insurance provided under the following:

ENVIRONMENT PROTECT PREMISES

This policy is amended as follows:

1. **Section 1 – Insuring Agreements** is amended to include the following additional insuring agreement:

I. Cyber Event

The Company will pay on behalf of the **insured**, **loss** that the **insured** becomes legally obligated to pay as a result of a **claim** for **bodily injury, property damage or clean-up costs** resulting from a **pollution condition** arising from a **cyber event**, provided such **claim** is first made against the **insured** and reported to the Company during the **period of insurance**, or any **extended reporting period**, if applicable.

2. **ITEM 7. PURCHASED COVERAGE SECTIONS – DEDUCTIBLE AND LIMITS OF LIABILITY** on the Declarations is amended to include the following additional Purchasing Insuring Agreement:

Purchasing Insuring Agreement	Each Incident Deductible	Each Incident Limit	Coverage Section Aggregate Limit
I. Cyber Event	\$ 150,000	\$ 2,000,000	\$ 25,000,000

3. Solely with respect to coverage provided by Insuring Agreement I. **Cyber Event** under **Section 1 – Insuring Agreements**, the following applies:
 - a. The reference in paragraph **A. Policy Aggregate Limit** of **Section 3 – Limits of Liability and Deductible** that reads “Insuring Agreements A through H” shall be amended to read “Insuring Agreements A through I”.
 - b. The reference in subparagraph 1. of paragraph **B. Coverage Limit** of **Section 3 – Limits of Liability and Deductible** that reads “Insuring Agreements A through G” shall be amended to read “Insuring Agreements A through G and Insuring Agreement I”.
 - c. The reference in subparagraph 1. of paragraph **F. Deductible** of **Section 3 – Limits of Liability and Deductible** that reads “Coverage A through G” shall be amended to read “Coverage A through G and Coverage I”.
4. **Section 4 – Definitions** is amended to include the following additional definitions:

Cyber event means:

1. Any unauthorised **processing** of **data** by the **insured**;
2. Any breach of laws and infringement of regulations pertaining to the maintenance, or protection of **data**; and
3. Any **network security failure** in the **insured's sphere**.

Damage to data means any **loss**, destruction or corruption of **data**. Any **damage to data** of a third party by the **insured** is not a **cyber event** if there is not any **network security failure** involved.

Data includes, but is not limited to **personal data**, facts, concepts and information, software or other coded instructions in a formalized manner usable for communications, interpretation or processing.

Insured's sphere means any system or device leased, owned, operated, or lost by or which is made available or accessible to the **insured** for the purpose of **processing data**.

Network security failure means any non-physical and technological failure of computer system security or other technological security measures leading to unauthorized access and/or theft of **data**, loss of operational control of **data**, transmission of virus or malicious code and/or denial of service.

Personal data means any information relating to an identified or identifiable natural person. An identifiable natural person is one who can be identified, directly or indirectly, in particular by reference to an identifier such as a name, an identification number, location data, an online identifier or to one or more factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of that natural person.

Processing means any operation or set of operations which is performed on data or on sets of data, whether or not by automated means, such as collection, recording, organization, structuring, storage, adaptation or alteration, retrieval, consultation, use, disclosure by transmission, dissemination or otherwise making available, alignment or combination, restriction, erasure or destruction.

5. **Section 4 – Definitions**, paragraph **K**. is amended to include the following additional provision:

Extra expense shall not include data restoration costs, data re-creation costs, system restoration costs, **personal data** compromise costs, network security expense costs, or network security settlement costs.

6. **Section 5.1. – Exclusions and Section 5.2. – Exclusions** are amended to include the following additional exclusion:

This Policy does not apply to:

Cyber Event

Any **loss** arising out of a **cyber event**, except with respect to a **loss** covered under Insuring Agreement I. **Cyber Event** under **Section 1 – Insuring Agreements**.

7. **Section 6 – Conditions** is amended to include the following additional condition:

Reasonable Precautions

With respect to a **cyber event**, the **insured** shall:

1. Take all reasonable precautions to prevent or cease any activity which may result in a claim; and
2. Take all reasonable steps to observe and comply with all statutory or local authority laws obligations and requirements.

All other terms, conditions, and exclusions will remain the same.

Policy Number: USL00885220
Effective Date: July 1, 2020

Endorsement No. 5

MINIMUM EARNED PREMIUM, CANCELLATION AND MATERIAL CHANGE IN USE EXCLUSION ENDORSEMENT

This Endorsement modifies insurance provided under the following:

ENVIRONMENT PROTECT PREMISES

This policy is amended as follows:

1. The following minimum earned premium will apply:

Policy Inception: Minimum Premium Earned 25%

2. **Section 6 – Conditions**, paragraph **D. Cancellation** is deleted in its entirety and replaced with the following:

D. Cancellation

This Policy may be cancelled by the **named insured** by mailing to the Company written notice stating when thereafter the cancellation will be effective.

The Policy may be cancelled by the Company by mailing to the **named insured** at its address set forth in the Declarations, a notice stating when not less than ninety (90) days, or ten (10) days for nonpayment of premium thereafter such cancellation will be effective. The Company may cancel this Policy only for the reasons stated below:

1. Fraud or misrepresentation by the **insured**; or
2. The **insured's** failure to comply with the material terms, conditions or contractual obligations under this Policy, including the failure to pay any premium or Deductible when due. However the **insured** shall have the ability, within the first thirty (30) days of the ninety day notice period stated above, to cure such failure to comply with material terms, conditions, or contractual obligations. The Company has sole discretion in determining whether the **insured** has cured any such failure. However, in the event of failure to pay any additional premium due for the addition of an **insured's own site** during the **period of insurance**, cancellation shall only apply to coverage provided for that particular **insured's own site** for which additional premium is due but not paid.
3. In the event of a **claim** or **loss** the minimum earned premium will be deemed 100% upon such event.

If the **named insured** cancels, earned premium will be computed in accordance with the customary short rate table and procedure after applying the minimum premium earned based on the schedule above. If the Company cancels, earned premium will be computed pro rata. Premium adjustment will be either at the time of cancellation is effected or as soon

as practicable after cancellation becomes effective. Payment or tender of unearned premium is not a condition of cancellation.

4. **Section 5.1 – Exclusions**, paragraph I. **Material change in use** is deleted in its entirety and replaced with the following:

Change in Intended Use or Operation:

Loss arising from a material change in use or operations of the **insured's own site**. For purposes of determining whether a change in use is material, any change in use that results in more stringent remediation standards than those imposed on the **insured's own site** at the effective date of the **period of insurance** shall be considered material. This exclusion does not apply to covered operations that are performed with respect to uses and operations that are within the capacity of a public entity.

All other terms, conditions and exclusions will remain the same.

SPECIMEN

Policy Number: USL00885220
Effective Date: July 1, 2020

Endorsement No. 6

NAMED INSURED – SCHEDULED ENTITIES ENDORSEMENT

This Endorsement modifies insurance provided under the following:

ENVIRONMENTAL PROTECT PREMISES

This policy is amended as follows:

Section 4 – Definitions, S. Named insured is amended to include the following and with respect to the **named insured** scheduled on this endorsement, it is hereby agreed that **ITEM 3. RETROACTIVE DATE** of the Declarations is deleted in its entirety and replaced with the following:

Named insured also means the Scheduled Entities listed below:

Scheduled Entities:

Schedule of Named Insureds	Retroactive date
Alaska Municipal League / Joint Insurance Association - City of Fairbanks	7/1/2011
Allen County Board of Commissioners	7/8/2013
Aquarium of the Pacific	7/1/2011
Babson College	7/1/2011
Bay Area Air Quality Management District	7/1/2012
Boston Water & Sewer Commission (BWSC)	7/1/2011
California State University Risk Management Authority - Campuses	7/1/2011
California Western School of Law	7/1/2011
Capitol Area Development Authority	7/1/2011
Carson City Consolidated Municipality	7/1/2013
Central Utah Water Conservancy District	7/1/2015
City and Borough of Juneau	7/1/2011
City of Anaheim	7/1/2011
City of Bell	7/1/2011
City of Belmont	7/1/2011
City of Carlsbad	7/1/2011
City of Cathedral City	7/1/2011
City of Corona	7/1/2011
City of El Cajon	7/1/2011

City of Eugene	7/1/2014
City of Fontana	7/1/2011
City of Garden Grove	7/1/2011
City of Glendale, Arizona	7/1/2011
City of Hanford	9/1/2014
City of Hoover, Alabama	11/10/2012
City of LaGrange	1/1/2015
City of Lancaster	7/1/2011
City of Long Beach	7/1/2011
City of Lynnwood	4/23/2015
City of Medford	7/1/2011
City of Merced	7/1/2011
City of Monterey	7/1/2011
City of Montebello	7/1/2011
City of Mountain View	7/1/2011
City of New Britain	7/1/2011
City of Newport Beach	7/1/2011
City of North Las Vegas	7/1/2014
City of Ontario	7/1/2011
City of Oxnard	7/1/2011
City of Palo Alto	7/1/2011
City of Pomona	7/1/2011
City of Reno / Reno Development Agency	6/15/2013
City of Riverside	7/1/2011
City of Riverside - Power Plants	7/1/2011
City of Sacramento	7/1/2011
City of Salem	7/1/2013
City of San Buenaventura	7/1/2011
City of San Mateo	7/1/2012
City of Santa Barbara	7/1/2011
City of Santa Clara	7/1/2011
City of Santa Clara - Power Plants	7/1/2011
City of Santa Cruz	7/1/2011
City of Santa Monica	7/1/2011
City of Siloam Springs	10/8/2012
City of Simi Valley	7/1/2011
City of South Bend and any Subsidiary	7/1/2011
City of Sparks	7/1/2013
City of Tacoma	7/1/2011
City of Thousand Oaks	7/1/2011

City of Torrance	7/1/2011
City of Tucson	7/1/2011
City of Victorville	7/1/2011
City of Waterbury Water and Sewer	7/1/2012
Christ for the Nations, Inc.	08/31/2017
Des Moines Independent Community School District	7/1/2011
District of Columbia Water & Sewer Authority	7/1/2011
Douglas County	7/1/2011
Douglas County Nebraska	7/1/2011
Elkhart County Board of Commissioners	5/1/2013
Endicott College and its Trustees	7/1/2012
Enduris - HPR Properties	7/1/2011
Enduris Non - HPR Properties	7/1/2011
Freeport Regional Water Authority	7/1/2011
Harristown Development Corporation	7/1/2011
Harford County Maryland	7/1/2011
John Brown University	7/1/2013
Kitsap County	7/1/2011
Lawton Board of Education ISD #8	7/1/2014
Lenoir County	11/1/2012
Linfield College	7/1/2014
Little Rock Advertising and Promotion Commission, Etal.	12/3/2013
Los Angeles County Office of Education	7/1/2011
Macon - Bibb County Government	1/1/2014
Madison County Commission	7/1/2013
Marion County	7/1/2013
Metro	7/1/2014
Minnesota Association of Townships Insurance Trust	7/1/2011
Missouri Valley College	7/1/2011
Modesto Irrigation District	7/1/2011
Monterey Bay Unified Air Pollution Control District	7/1/2011
Monterey Salinas Transit District	7/1/2011
North County Transit District	7/1/2011
Northfield Mount Hermon School	7/1/2011
City of Asheville	09/01/2017
Ouachita Baptist University	7/1/2011

Phillips Exeter Academy	7/1/2011
Polk County	7/1/2011
Portland Community College District	7/1/2011
Reno Sparks Convention & Visitors Authority	7/1/2014
Rhode Island Interlocal Risk Management Trust	7/1/2015
Rosemont College of the Holy Child Jesus	12/1/2014
Sacramento Public Library	7/1/2011
Sampson County	7/1/2015
San Bernardino Valley Municipal Water District	7/1/2011
San Diego Unified School District	7/1/2011
Santa Barbara County Air Pollution Control District	7/1/2011
School District No. 1J, Multnomah County, Oregon, aka Portland Public Schools	7/1/2011
Sedgwick County	1/1/2013
South Coast Air Quality Management District	7/1/2011
The Community College of Baltimore County	7/1/2011
The Exploratorium	7/1/2012
Torrance Unified School District	7/1/2011
Town of Groton	7/1/2011
City of Beverly Hills	7/01/2018
Transportation Corridor Agencies of Orange County	7/1/2011
University of Bridgeport	7/1/2012
City of Marysville	1/01/2019
Washoe County	7/1/2013
Washoe County School District	7/1/2014
Western Placer Waste Management Authority	7/1/2011
Bentonville School District	7/1/2013
Board of County Commissioners of the County of St. Joseph	7/1/2011
City of Corvallis	7/1/2018
Science History Institute	7/31/2015

City of Clarksville and Clarksville Gas and Water Department	1/1/2016
Linn Benton Community College	7/1/2016
City of Renton	1/1/2016
City of Little Rock	11/01/2018
Sumner County	7/1/2016
Town and County of Nantucket etal	7/1/2016
Friends School of Baltimore, Inc.	09/01/2017
California Joint Powers Risk Management Authority	7/1/2017
Casper Community College	7/1/2011
City of Anderson	1/1/2017
City of Bellingham	7/1/2017
City of Carson	7/1/2017
City of Galesburg	12/31/16
City of Hillsboro	7/1/2017
City of Naperville	7/1/2011
City of Peoria	10/4/2011
City of Redlands, CA	7/1/2016
City of Salinas	7/1/2016
City of West Covina	7/1/2016
County of Will	12/1/2013
LeTourneau University	5/01/2018
Douglas County, CO	10/1/2016
DPML, Inc., City of Cedar Rapids c/o Park Cedar Rapids	8/4/2016
Faulkner University	7/1/2016
Greater Peoria Sanitary and Sewage Disposal	3/1/2014
Howard Payne University	3/20/2017
Lakehaven Water & Sewer	9/1/2013
Lewis & Clark Community College	5/1/2014
Montana Schools Group Insurance Authority – School Leaders Property and Liability Self Insurance Pool	7/1/2011
Northern Wyoming Community College District DBA Sheridan College	7/1/2017
Rock River Water Reclamation District	5/1/2014
Saint Mary's School	6/30/2017
School District of Kansas City, Missouri	7/1/2017
Southwestern Assemblies of God University	9/1/2016
State of Michigan	10/1/2016

State of Wyoming	07/1/2011
The School District for the City of Independence, MO	12/31/2016
Village of Alsip	5/1/2017
Water & Sewer Authority of Cabarrus County	9/1/2016
Northwest College	11/01/2018
The Missouri Botanical Garden	6/30/2018
University of Dallas	6/20/2018
Council for Christian Colleges & Universities	2/1/2019
City of West Haven	4/2/2019
Alameda-Contra Costa Transit District	4/26/2019
Wyoming Association of Risk Management Property Insurance Joint Powers Board (WARM)	7/01/2011
Schedule of Named Insureds classified as a Pool of Joint Power Authority	
Plan JPA	7/01/2018
Alaska Municipal League / Joint Insurance Association	07/1/2011
Bay Cities Joint Powers Insurance Authority (BCJPIA)	7/1/2011
California Association for Park and Recreation Indemnity	7/1/2011
California Fair Services Authority	7/1/2011
California Risk Management Authority (CRMA)	7/1/2011
California Sanitation Risk Management Authority (CSRMA)	7/1/2011
California State University Risk Management Authority - AORMA	7/1/2011
Central San Joaquin Valley Risk Management Authority	7/1/2011
City/County Capital Improvements & Financial Agency, a JPA	7/1/2011
Delaware Valley Insurance Trust	7/1/2011
Exclusive Risk Management Authority of California (ERMAC)	7/1/2011
Maine School Management Association (MSMA)	7/1/2011
Miami Valley Risk Management Association (MVRMA)	7/1/2011

Monterey Bay Area Self Insurance Authority	7/1/2011
Municipal Pooling Authority	7/1/2011
New Mexico Public Schools Insurance Authority	7/1/2011
Northern California Cities Self-Insurance Fund	7/1/2011
Oklahoma Schools Insurance Group	7/1/2014
Public Agency Risk Sharing Authority of California (PARSAC)	7/1/2011
Public Entity Risk Management Authority	7/1/2014
San Mateo County Schools Insurance Group	7/1/2011
Small Cities Organized Risk Effort	7/1/2011
South Bay Area Schools Insurance Authority	7/1/2011
South Carolina Counties Property & Liability Trust	7/1/2011
Special District Risk Management Authority (SDRMA)	7/1/2011
Vector Control Joint Powers Agency (VCJPA)	7/1/2011
Water & Sewer Risk Management Pool	7/1/2011
Utah Local Government Trust	5/1/2016
City of Fremont	7/1/2019
City of Marysville	7/1/2019
Clark County	7/1/2019
Edmond Public Schools	7/1/2019
Fayetteville School District	7/1/2019
Rutherford County Government & Board of Education	7/1/2019
Council for Christian Colleges & Universities	7/1/2019
Alameda-Contra Costa Transit District	7/1/2019
City of Gardena	7/1/2019
Towamencin Municipal Authority	01/01/2020
Penridge Water Treatment Authority	12/31/2019
City of North Pole	01/01/2020
Granger Hunter Improvement District	01/23/2020
Jefferson UHSD Facility & Staff Housing Project	02/12/2020
Stillman College	03/01/2020

TCHA and Westwood Mesa	02/26/2020
Colorado Christian University	04/01/2020
Upper Gwynedd Township	05/01/2020
Uplift Education	05/31/2020
Hardin Simmons	06/01/2020
Sperry ISD #8	06/01/2020
Boulder County	01/01/2020
City of Hollister	07/31/2019
Oklahoma Christian University	10/01/2019
Members of PennPrime Trust	01/01/2020
Utah Transit Authority	09/01/2019

And;

any person or entity specifically endorsed onto this Policy as a **named insured**. Such **named insured** shall maintain the same rights pursuant to this Policy as the first **named insured** except for those rights specifically reserved to the “first **named insured**”. Furthermore, any member of a pool or Joint Powers Authority that is specifically endorsed onto this Policy shall be considered a **named insured**, but any such coverage shall be subject to the specific aggregate sub-limits of Liability applicable to such pool or Joint Powers Authority by endorsement to this Policy.

All other terms, conditions and exclusions will remain the same.

Policy Number: USL00885220
Effective Date: July 1, 2020

Endorsement No. 7

ADDITIONAL INSURED ENDORSEMENT

This Endorsement modifies insurance provided under the following:

ENVIRONMENT PROTECT PREMISES

This policy is amended as follows:

It is hereby agreed that the following scheduled entities will be an additional insured and that the coverage afforded by such additional insured status is as follows:

- a. Solely to the additional insured's liability arising out of the **named insured's** ownership, operation, maintenance or use of the **insured's own site**; and
- b. Only if the additional insured is named in a suit as a co-defendant with the **named insured**, alleging the additional insured is liable on the basis described in paragraph a. above.

Schedule

1. All corporations, limited partnerships, limited liability partnerships, limited liability companies or other business entities or associations, other than joint ventures and general partnerships, as now or may hereinafter exist during the policy period, in which a **named insured** maintains an ownership interest;
2. All joint ventures or general partnerships, as now or may hereinafter exist during the policy period, to which a **named insured** is a party, but only to the extent of the **named insured's** legal responsibility for the vicarious liability of such joint venture or general partnership; and
3. All counterparties of a **named insured** where such status as an additional insured is required by a written contract that has been executed between the **named insured** and such counterparty prior to the relevant claim or first party claim to which this insurance applies.
4. If any **named insured** pursuant to this Policy is a Public Entity, the following entities are additional insureds:
 - a. A governmental agency or subdivision, department, municipal body, commission or board, or a not-for profit corporation which is owned or controlled by any **named insured**;
 - b. An individual while acting in the capacity as a director of, officer of, trustee of, employee of, temporary or leased worker of, or staff member of, any **named insured**;
 - c. A volunteer, but solely while acting within the scope of such duties and at the direction of any **named insured**;

- d. A paramedic or emergency technician, but solely while acting within the course and scope of employment or while acting as a volunteer pursuant to the direction of any **named insured**;
 - e. An elective or appointive officer or a member of any such commission, board or agency of any **named insured** but solely while acting within the scope of duties as such; or
 - f. A joint venture or partnership, including a mutual assistance pact, joint powers agreement or similar association, but only with respect to the conduct of the business of any **named insured** on behalf of that entity or association and only to the extent of such **named insured's** participation or interest in that entity or association.
5. If the **named insured** is an Educational Entity, the following persons or entities are additional insureds, individually and collectively, when acting solely within the scope of their duties, office, or employment for, and pursuant to the supervision of, any **named insured**:
- a. Members of the School Board;
 - b. Officers;
 - c. Employees;
 - d. Temporary or Leased Workers;
 - e. Authorized individual volunteers; or
 - f. Student Body Organizations pursuant to the jurisdiction of the governing board, but only while pursuant to the supervision required by the governing board.

All other terms, conditions and exclusions will remain the same.

Policy Number: USL00885220
Effective Date: July 1, 2020

Endorsement No. 8

DEFINITION OF INSURED'S OWN SITE ENDORSEMENT

This Endorsement modifies insurance provided under the following:

ENVIRONMENT PROTECT PREMISES

This policy is amended as follows:

1. **Section 4 – Definitions, N. Insured's own site**, is deleted in its entirety and replaced with the following:

N. Insured's own site means :

Real property owned, managed, leased, maintained, or operated by the **insured** as of the first date of the **period of insurance** including but not limited to waste water treatment plants, water treatment plants, potable water wells, municipal airports, lift or pump stations, parks, civic or community centers, schools, donated land, easements for utility lines, roadways or bridges, maintenance garages, libraries, police and fire stations or other government buildings, including any power generation facilities at any of the aforementioned locations;

And;

Any subsurface potable water, wastewater or storm water pipes that are located within a one thousand (1,000) foot radius of such **insured's own site** as of the first date of the **period of insurance**.

All other terms, conditions and exclusions will remain the same.

Policy Number: USL00885220
Effective Date: July 1, 2020

Endorsement No. 9

NEW CONDITIONS ONLY COVERAGE ENDORSEMENT

This Endorsement modifies insurance provided under the following:

ENVIRONMENT PROTECT PREMISES

This policy is amended as follows:

Section 1 – Insuring Agreements, A. Own site Clean-up Costs, B. Off site Clean-up Costs, C. Third Party Claims for Bodily Injury or Property Damage, E. Transportation, F. Non-owned locations, G. Covered Operations and H. Business Interruption are deleted in their entirety and replaced with the following:

A. Own site Clean-up Costs

The Company will pay on behalf of the **insured, clean-up costs** resulting from a **pollution condition** on or under the **insured's own site** that first commenced on or after the retroactive date stated in Item 3. of the Declarations page, provided:

1. The discovery of the **pollution condition** is first made during the **period of insurance** and reported to the Company as soon as possible during the **period of insurance**; or
2. The **insured** is legally obligated to pay as a result of a **claim for clean-up costs** resulting from a **pollution condition**, and such **claim** is first made against the **insured** and reported to the Company during the **period of insurance**, or any **extended reporting period**, if applicable.

B. Off site Clean-up Costs

The Company will pay on behalf of the **insured, clean-up costs** resulting from a **pollution condition** migrating from or through and beyond the boundaries of the **insured's own site** that first commenced on or after the retroactive date stated in Item 3. of the Declarations page, provided the **insured** is legally obligated to pay as a result of a **claim for clean-up costs** resulting from a **pollution condition**, and such **claim** is first made against the **insured** and reported to the Company during the **period of insurance**, or any **extended reporting period**, if applicable.

C. Third Party Claims for Bodily Injury or Property Damage

The Company will pay on behalf of the **insured, loss** that the **insured** becomes legally obligated to pay as a result of a **claim for bodily injury or property damage** resulting from a **pollution condition** on, under or migrating from or through the **insured's own site** that first commenced on or after the retroactive date stated in Item 3. of the Declarations page, provided such **claim** is first made against the **insured** and reported to the Company during the **period of insurance**, or any **extended reporting period**, if applicable.

E. Transportation

The Company will pay on behalf of the **insured, loss** that the **insured** becomes legally obligated to pay as a result of a **claim** for **bodily injury, property damage, or clean-up costs** resulting from a **pollution condition** caused by **transportation** that first commenced on or after the retroactive date stated in the **named insured's** scheduled entities endorsement, provided such **claim** is first made against the **insured** and reported to the Company during the **period of insurance**, or any **extended reporting period**, if applicable.

F. Non-Owned Locations

The Company will pay on behalf of the **insured, loss** that the **insured** becomes legally obligated to pay as a result of a **claim** for **bodily injury, property damage, or clean-up costs** resulting from a **pollution condition** on, under or migrating from any **non-owned location** that first commenced on or after the retroactive date stated in the **named insured's** scheduled entities endorsement, provided such **claim** is first made against the **insured** and reported to the Company during the **period of insurance**, or any **extended reporting period**, if applicable.

G. Covered Operations

The Company will pay on behalf of the **insured, loss** that the **insured** becomes legally obligated to pay as a result of a **claim** for **bodily injury, property damage, or clean-up costs** resulting from a **pollution condition** caused by **covered operations** on or after the retroactive date stated in the **named insured's** scheduled entities endorsement, provided such **claim** is first made against the **insured** and reported to the Company during the **period of insurance**, or any **extended reporting period**, if applicable.

H. Business Interruption

The Company will pay the **insured's business interruption expense** and **extra expense** during the **interruption period**, caused directly by a **pollution condition** on or under the **insured's own site**, on or after the retroactive date stated in Item 3. of the Declarations page, provided:

1. Such **pollution condition** results in **clean-up costs** covered under this Policy; and
2. The discovery of the **pollution condition** is first made during the **period of insurance** and reported to the Company during the **period of insurance**.

All other terms, conditions, and exclusions will remain the same.

Policy Number: USL00885220
Effective Date: July 1, 2020

Endorsement No. 10

SELF INSURED RETENTION / AGGREGATE / MAINTENANCE ENDORSEMENT

This Endorsement modifies insurance provided under the following:

ENVIRONMENT PROTECT PREMISES

This policy is amended as follows:

1. All references to “deductible” are deleted and replaced with “self-insured retention”.
2. Except with respect to **loss** or **claims** arising from an **underground storage tank, sewage back-up or microbial matter**, all references to deductible in **Item 7. PURCHASED COVERAGE SECTIONS – DEDUCTIBLES AND LIMITS OF LIABILITY** are deleted in their entirety and replaced with the following:

Each Incident **Self-Insured Retention**:

\$ 150,000	EACH INCIDENT
\$ 450,000	AGGREGATE
\$ 50,000	EACH/EVERY INCIDENT (MAINTENANCE)

3. **Section 3 – Limits of Liability and Deductible**, paragraph **F. Deductible** is deleted in its entirety and replaced with the following:

F. Self-Insured Retention

1. Except with respect to coverage for **underground storage tanks, microbial matter, and sewage backup** Coverages A through G and subject to the policy aggregate limit and coverage section aggregate limit, the Company will pay all **loss** in excess of the self-insured retention amount stated in the Declarations for the applicable coverage, up to but not exceeding the applicable Each Incident limit of coverage. Once the **insured** pays self-insured retention amounts which in the aggregate equal or exceed the amount shown above as the aggregate, the each/every incident (maintenance) self-insured retention amount shown above shall apply thereafter to each incident. The self-insured retention amount applies to all **loss**, including legal expenses, and will be borne by the **insured** and remain uninsured. However, the Self-Insured Retention amount may be eroded by retention payments made to or recoveries received from Scheduled Underlying Insurance scheduled to this policy for **loss** arising from Each incident.

The insurance provided by this policy shall be excess over the applicable self-insured retention amount on the Declarations, whether such retention is collectible by reason of the refusal or inability of the **insured** to pay the retention amount due to insolvency, bankruptcy or any other reason. In no event shall the Company be responsible to make payment under this policy before the **insured** has paid the self-

insured retention, and the risk of uncollectibility (in whole or in part) of such self-insured retention is expressly retained by the **insured** and is not in any way or under any circumstances insured or assumed by the Company.

In the event that more than one self-insured retention amount can apply to the same **pollution condition(s)** and results in coverage under more than one coverage section, only the highest self-insured retention amount will be applied.

The **insured** shall promptly reimburse the Company for advancing any element of **loss** falling with the self-insured retention.

Scheduled underlying insurance:

Alliant property Insurance Program policy number 017471589/07

Any stand alone primary insurance purchased by a **named insured**.

2. With respect to Coverage H and subject to the policy aggregate limit, coverage section aggregate limit and Each Incident Limit stated in the Declarations, the Company will pay all **business interruption expense** and **extra expense** in excess of the Each Deductible (days) stated in the Declarations.

THE PROVISIONS OF THIS ENDORSEMENT APPLY NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS POLICY AND SUPERSEDE ANY OTHER TERMS, CONDITIONS AND PROVISIONS CONTAINED IN THIS POLICY OR ITS ENDORSEMENTS.

All other terms, conditions and exclusions will remain the same.

Policy Number: USL00885220
Effective Date: July 1, 2020

Endorsement No. 11

LIMITS OF LIABILITY AND DEDUCTIBLE AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

ENVIRONMENT PROTECT PREMISES

This Policy is amended as follows:

1. The **DECLARATIONS** is amended to include the following additional provision:

DEDICATED LIMITS OF LIABILITY – EACH MEMBER

EACH MEMBER EACH INCIDENT LIMIT \$ 2,000,000

EACH MEMBER AGGREGATE LIMIT \$ 2,000,000

2. **Section 3 – Limits of Liability and Deductible, C. Each Incident Limit** is amended to include the following additional provision:

However, in the event that a **pollution condition(s)** results in coverage under the Products Pollution Coverage as well as under Insuring Agreements A, B or C, and the products pollution Each Incident Limit of coverage has been exhausted, then subject to the policy aggregate limit, the most the company will pay for all **loss** arising from such **pollution condition(s)** at the **insured's own site** is \$2,000,000.

3. **Section 3 – Limits of Liability and Deductible** is amended to include the following additional provisions:

Dedicated Limits of Liability – Each Member

Subject to the Each Member Aggregate Limit stated in the Declarations, the most the Company will pay for all **loss** arising out of the same, related or continuous **pollution condition(s)** on behalf of each member scheduled as a **named insured** on a “Named Insured – Scheduled Entities Endorsement” attached to this Policy is the Each Member Each Incident Limit stated in the Declarations. The Each Member Each Incident Limit is part of, and not in addition to the policy aggregate limit stated in the Declarations.

The most the Company will pay for all **loss** on behalf of each member scheduled as a **named insured** on a “Named Insured – Scheduled Entities Endorsement” attached to this Policy is the Each Member Aggregate Limit stated in the Declarations. The Each Member Aggregate Limit is part of, and not in addition to the policy aggregate limit stated in the Declarations.

Defense Costs – Each Member

1. We will pay up to \$100,000 on behalf of each member scheduled as a **named insured** on a “Named Insured – Scheduled Entities Endorsement” attached to this Policy for **defense costs**. Such payment will not erode the Each Member Each Incident Limit or the Each Member Aggregate Limit shown on the Declarations. Such payment will erode the policy aggregate limit stated in the Declarations.
2. Solely with respect to such **defense costs** paid by the Company under this provision, **Section 4 – Definitions**, paragraph **Q.** is amended to include the following additional provision:
[**Q. Loss** means:]

However, paragraph 5 above does not include **defense costs** paid by the Company under the Defense Costs – Each Member provision.

All other terms, conditions and exclusions will remain the same.

Policy Number: USL00885220
Effective Date: July 1, 2020

Endorsement No. 12

PRODUCTS POLLUTION COVERAGE ENDORSEMENT

This Endorsement modifies insurance provided under the following:

ENVIRONMENT PROTECT PREMISES

This policy is amended as follows:

1. The following is added to **Section 1 – Insuring Agreements**:

Products Pollution

The Company will pay on behalf of the **insured**, **loss** that the insured becomes legally obligated to pay as a result of a **claim** for **clean-up costs**, **bodily injury** or **property damage** resulting from **products pollution** for potable, reclaimed, and recycled water processed at any covered location that is also a potable water or wastewater treatment plant beyond the boundaries of any location owned, rented, operated, leased or controlled by the **insured**, arising from the **insured's products** that were manufactured, sold, handled or distributed on or after the **products pollution** Retroactive Date shown below, provided such **claim** is first made against the **insured** and reported to the Company during the **period of insurance**, or any **extended reporting period**, if applicable. The **clean-up costs**, **bodily injury** or **property damage** must be unexpected and unintended from the standpoint of the **insured**.

2. All references in **Section 3 - Limits of Liability and Deductible** to Insuring Agreements A through G shall include the Products Pollution Insuring Agreement on this endorsement.
3. The following is added to **Section 4 – Definitions**:

Products pollution means a **pollution condition** arising out of the end-use of the **insured's products**, other than the **insured's products** which are waste, but only if such end-use occurs:

- i. after possession of such **insured's products** has been relinquished to others by the **insured** or any entity under license from the **insured**, and
 - ii. away from any location owned, rented, operated, leased or controlled by the **insured** or any **non-owned location**.
4. **Section 5.1- Exclusions**, paragraph **M. Products** is deleted in its entirety.
 5. Solely with respect **loss** due to or associated with **products pollution**, **Section 6 – Conditions, I. Other insurance** is deleted in its entirety and replaced with the following:

I. Other insurance

If other valid and collectible insurance is available to any **insured** covering a **loss** also covered by this Policy, other than a policy that is specifically written to apply in excess of this Policy, the insurance afforded by this Policy will apply in excess of and will not contribute with such other insurance.

6. The following is added to **ITEM 7 PURCHASED SECTIONS – DEDUCTIBLES AND LIMITS OF LIABILITY** of the Declarations:

Purchased Insuring Agreement	Each Incident Deductible	Each Incident Limit	Coverage Section Aggregate Limit
Products Pollution	\$ 150,000	\$ 2,000,000	\$ 2,000,000

7. Products Pollution Retroactive Date: 07/01/2011

All other terms, conditions and exclusions will remain the same.

Policy Number: USL00885220
Effective Date: July 1, 2020

Endorsement No. 13

DEFINITION OF COVERED OPERATION ENDORSEMENT

This Endorsement modifies insurance provided under the following:

ENVIRONMENT PROTECT PREMISES

This policy is amended as follows:

Section 4 – Definitions, E. Covered Operation is deleted in its entirety and replaced with the following:

Covered operation means any operations within the capacity of a public entity which are performed by or on behalf of a named insured outside the physical boundaries of a covered location. **Covered operation** does not include **transportation**.

All other terms, conditions and exclusions will remain the same.

Policy Number: USL00885220
Effective Date: July 1, 2020

Endorsement No. 14

SCHEDULE OF COVERED STORAGE TANK ENDORSEMENT

This Endorsement modifies insurance provided under the following:

ENVIRONMENT PROTECT PREMISES

This policy is amended as follows:

1. The following **underground storage tank(s)** are scheduled to this Policy:

Schedule of Covered Storage Tanks

Blanket coverage for **underground storage tanks**.

2. Solely with respect to **underground storage tanks** scheduled to this endorsement, the following is added to **Section 6 – Conditions**, paragraph **I. Other Insurance**:

This insurance shall apply as excess insurance over any **tank fund**, provided that in the event of the receivership, insolvency, or inability to pay of any state fund or program, this insurance shall act as primary insurance. Where this insurance is excess, the Company will pay only its share of the amount of **loss** or **clean-up costs**, if any, that exceeds the total amount available through the **tank fund**.

3. Solely with respect to **underground storage tanks** scheduled to this endorsement **Section 3-Limits of Liability and Deductible** is deleted in its entirety and replaced with the following:

F. Self-Insured Retention

1. With respect to Coverage C above and subject to the policy aggregate limit and coverage section aggregate limit, the Company will pay all **loss** in excess of the Self-Insured Retention amount stated on this endorsement for the applicable coverage, up to but not exceeding the applicable Each Incident Limit of coverage. The Self-Insured Retention amount applies to all **loss**, including legal expenses, and will be borne by the **insured** and remain uninsured. The insurance provided by this policy shall be excess over the applicable Self-insured Retention stated on this endorsement, whether such retention is collectible by reason of the refusal or inability of the **insured** to pay the retention amount due to insolvency, bankruptcy or any other reason. In no event shall the Company be responsible to make payment under this policy before the **insured** has paid the Self-insured Retention, and the risk of uncollectibility (in whole or in part) of such Self-insured Retention is expressly retained by the **insured** and is not in any way or under any circumstances insured or assumed by the Company. The Self-Insured Retention amount on this endorsement

may be eroded by retention payments made to or recoveries received from other insurance scheduled to this endorsement for **loss** arising from Each Incident.

The **insured** shall promptly reimburse the Company for advancing any element of **loss** falling with the Self-insured retention.

Scheduled Underlying Insurance

Any **tank fund** as defined below.

4. The following is added to **Section 4 – Definitions**:

Tank fund means any state storage tank trust fund, state administered insurance program, or restoration funding for any **underground storage tank(s)** whose owners qualify for reimbursement, or any self-insurance fund established for the purpose of funding **clean-up costs** for **pollution conditions** from any **underground storage tank(s)**.

All other terms, conditions and exclusions will remain the same.

Policy Number: USL00885220
Effective Date: July 1, 2020

Endorsement No. 15

UNDERGROUND STORAGE TANK DEDUCTIBLE AMENDATORY ENDORSEMENT

This Endorsement modifies insurance provided under the following:

ENVIRONMENT PROTECT PREMISES

This policy is amended as follows:

The following is added to **Section 3 – Limits of Liability and Deductible, F. Deductible:**

Underground Storage Tank Deductible

Solely with respect to **loss** arising from an **underground storage tank(s)**, all references to deductible in Item 7. PURCHASED COVERAGE SECTIONS – DEDUCTIBLES AND LIMITS OF LIABILITY are deleted in their entirety and replaced with the following:

Underground Storage Tank Deductible: \$ 750,000 Each Incident Deductible

All other terms, conditions and exclusions will remain the same.

Policy Number: USL00885220
Effective Date: July 1, 2020

Endorsement No. 16

AMENDATORY ENDORSEMENT

This Endorsement modifies insurance provided under the following:

ENVIRONMENT PROTECT PREMISES

This policy is amended as follows:

1. The following is added to **Section 4 - Definitions**:

Sewage back up:

Sewage Back Up means the reverse flow of sewage via subsurface sewer lines, to or from an **insured's own site** into or onto locations that are not **insured's own sites**, including but not limited to, third party residences, businesses, or any other structures on land or into any soil, groundwater, surface water or air associated with such third party residences, businesses, or any other structures.

Port:

Port means an **insured's own site** on the coast or any other body of water where ships or watercraft can dock and transfer cargo to or from land and engages in the business of importing/exporting of goods.

Airport:

Airport means an **insured's own site** where enplanement occurs and/or cargo is moved for a fee and the following operations are conducted: storage, transportation and dispensing of fuel and/or de-icing solutions.

2. The following is added to **Section 5.1 - Exclusions**:

Landfills, recycling facilities, ports, airports or oil and/or gas producing or refining facilities

Loss arising out of or related to **pollution conditions** on, at or migrating from any landfills, recycling facilities, **ports, airports** or oil and/or gas producing or refining facilities, that are now or have been at any time leased, owned or operated by an **insured**.

Professional Liability

Loss arising out of or related to the rendering of or failure to render professional services, including, but not limited to, recommendations, opinions, and strategies rendered for architectural, consulting, design and engineering work, such as drawings,

designs, maps, reports, surveys, change orders, plan specifications, assessment work, remedy selection, site maintenance, equipment selection, and related construction management, supervisory, inspection or engineering services.

Regulatory Compliance

Loss arising out of or related to an insured's failure to comply with applicable Federal, state, or local regulations governing compliance with respect to any a covered "**underground storage tank**".

This exclusion shall not apply to any such non-compliance that occurs subsequent to release from a covered **underground storage tank**.

Sewage Backup

Loss arising out of or related to pollution conditions resulting from, in whole or in part to a **sewage backup**. This exclusion does not apply to **insured's own site**.

Work Product

Loss arising out of or related to work or operations performed by you or on your behalf, unless such work or operations are **covered operations**.

All other terms, conditions and exclusions will remain the same.

Policy Number: USL00885220
Effective Date: July 1, 2020

Endorsement No. 17

MICROBIAL MATTER RETROACTIVE DATE ENDORSEMENT

This Endorsement modifies insurance provided under the following:

ENVIRONMENT PROTECT PREMISES

This policy is amended as follows:

Section 4 – Definitions, paragraph **Z. Pollution condition** is deleted in its entirety and replaced with the following:

- Z. Pollution condition** means the discharge, dispersal, release or escape, emission, seepage, or illicit abandonment by a third party without the **insured's** consent, of any **pollutant** into or upon land, or any structure on land, the atmosphere or any watercourse or body of water, including groundwater.

ITEM 3 RETROACTIVE DATE: Any **pollution condition** arising from the presence of **microbial matter** or arising from legionella pneumophila, must first commence on or after each **named insured's** specific retroactive date or the date an **insured's own site** was first purchased, leased or occupied by a **named insured**, whichever is later.

All other terms, conditions and exclusions will remain the same.

Policy Number: USL00885220
Effective Date: July 1, 2020

Endorsement No. 18

MICROBIAL MATTER DEDUCTIBLE AMENDATORY ENDORSEMENT

This Endorsement modifies insurance provided under the following:

ENVIRONMENT PROTECT PREMISES

This policy is amended as follows:

Section 3 – Limits of Liability and Deductible is amended to include the following:

Solely with respect to Coverage A through D and **loss** arising from or associated with **microbial matter**, at an **insureds own site** that is an K-12 school district. All references to deductible in Item 7. PURCHASED COVERAGE SECTIONS – DEDUCTIBLES AND LIMITS OF LIABILITY are deleted in their entirety and replaced with the following:

Coverage A through D Microbial Matter:

\$250,000 Each Incident Deductible

All other terms, conditions or exclusions will remain the same.

Policy Number: USL00885220
Effective Date: July 1, 2020

Endorsement No. 19

LEAD EXCLUSION (POTABLE WATER) ENDORSEMENT

This Endorsement modifies insurance provided under the following:

ENVIRONMENT PROTECT PREMISES

This policy is amended as follows:

The following is added to **Section 5.1 - Exclusions**:

This Policy does not apply to **Loss**:

LEAD CONTAMINATED WATER

Loss arising out of or related to any **pollution condition** or any **loss** involving in whole or in part due to lead within potable water regardless of whether any such **loss** have otherwise been affirmatively disclosed to the insurer in an application for coverage pursuant to this policy.

All other terms, conditions and exclusions will remain the same.

Policy Number: USL00885220
Effective Date: July 1, 2020

Endorsement No. 20

MICROBIAL MATTER SUB-LIMIT ENDORSEMENT

This Endorsement modifies insurance provided under the following:

ENVIRONMENT PROTECT PREMISES

This policy is amended as follows:

Section 3 – Limits of Liability and Deductible is amended to include the following:

Indoor Air Quality Sub-Limit

Subject to Section 3., paragraphs A through F and solely with respect to **loss** or **claims** arising from **microbial matter** at an **insured's own site** that is a K-12 school district, the most the Company will pay for **loss** under Insuring Agreements A through F, covered under this Policy is \$500,000 Each Incident Limit of Liability and \$500,000 Policy Aggregate Limit of Liability for each member scheduled as a **named insured** that is a K-12 school district.

All other terms, conditions and exclusions will remain the same.

Policy Number: USL00885220
Effective Date: July 1, 2020

Endorsement No. 21

DISCOVERY RESTRICTED COVERAGES ENDORSEMENT

This Endorsement modifies insurance provided under the following:

ENVIRONMENT PROTECT PREMISES

Solely with respect the **insured's own sites** scheduled below, this policy is amended as follows:

1. **Section 1 – Insuring Agreements, A. Own Site Clean-up Costs, B. Off Site Clean-up Costs, and C. Third Party Claims for Bodily Injury or Property Damage** are deleted in their entirety and replaced with the following:

A. Own Site Clean-up Costs

The Company will pay on behalf of the **insured, clean-up costs** resulting from a **pollution condition** on or under the **insured's own**, provided:

1. The **insured** discovers the **pollution condition** during the **period of insurance** and no later than seven (7) days after its commencement;
2. The insured reports the **pollution condition** to the Company in writing no later than twenty one (21) days following discovery by an **insured** as described in paragraph 1. above, and in any event during the **period of insurance** in accordance with **Section 7 – Claims and Notice Requirements**. Discovery of a **pollution condition** happens when a **responsible insured** becomes aware of such **pollution condition**; and,
3. Where required, such **pollution condition** has been reported to the appropriate governmental agency in substantial compliance with the applicable **environmental laws** in effect as of discovery.

The Company will pay on behalf of the **insured, clean-up costs** that the **insured** is legally obligated to pay as a result of a **claim for clean-up costs** resulting from a **pollution condition** on or under the **insured's own site**; provided:

1. Such **claim** is first made against the **insured** and reported to the Company during the **period of insurance**, or any **extended reporting period**, if applicable;
2. The **insured** discovers the **pollution condition** no later than seven (7) days after its commencement;
3. The **insured** reports the **pollution condition** to the Company in writing no later than twenty one (21) days following discovery by an **insured** as described in paragraph 1. above, and in any event during the **period of insurance** in accordance with **Section**

7 – Claims and Notice Requirements. Discovery of a **pollution condition** happens when a **responsible insured** becomes aware of such **pollution condition**; and,

4. Notice to the Company of a **pollution condition** does not constitute the reporting of a **claim**.

B. Off Site Clean-up Costs

The Company will pay on behalf of the **insured**, **loss** the **insured** is legally obligated to pay as a result of a **claim** for **clean-up costs** resulting from a **pollution condition** migrating from or through and beyond the boundaries of the **insured's own site** that first commenced on or after the retroactive date on the Declarations page or endorsed to this policy, provided:

1. Such **claim** is first made against the **insured** and reported to the Company during the **period of insurance**, or any **extended reporting period**, if applicable;
2. The **insured** discovers the **pollution condition** no later than seven (7) days after its commencement;
3. The **insured** reports the **pollution condition** to the Company in writing no later than twenty one (21) days following discovery by an **insured** as described in paragraph 1. above, and in any event during the **period of insurance** in accordance with **Section 7 – Claims and Notice Requirements**. Discovery of a **pollution condition** happens when a **responsible insured** becomes aware of such **pollution condition**; and,
4. Notice to the Company of a **pollution condition** does not constitute the reporting of a **claim**.

C. Third Party Claims for Bodily Injury or Property Damage

The Company will pay on behalf of the **insured**, **loss** that the **insured** becomes legally obligated to pay as a result of a **claim** for **bodily injury** or **property damage** resulting from a **pollution condition** on, under or migrating from or through the **insured's own site**; provided:

1. Such **claim** is first made against the **insured** and reported to the Company during the **period of insurance**, or any **extended reporting period**, if applicable;
2. The **insured** discovers the **pollution condition** no later than seven (7) days after its commencement;
3. The **insured** reports the **pollution condition** to the Company in writing no later than twenty one (21) days following discovery by an **insured** as described in paragraph 1. above, and in any event during the **period of insurance** in accordance with **Section 7 – Claims and Notice Requirements**. Discovery of a **pollution condition**

happens when a **responsible insured** becomes aware of such **pollution condition**;
and,

4. Notice to the Company of a **pollution condition** does not constitute the reporting of a **claim**.
2. Solely with respect to **Section 1 – Insuring Agreements, A. Own Site Clean-up Costs, B. Off Site Clean-up Costs, and C. Third Party Claims for Bodily Injury or Property Damage**, it is hereby agreed that:

- A. **Section 7 – Claims and Notice Requirements**, paragraph D. is deleted in its entirety.
- B. **Section 9 – Extended Reporting Period** is deleted in its entirety and replaced with the following:

The Company will provide the **insured** an automatic **extended reporting period** of ninety (90) days from the end of the **period of insurance** in which to provide written notice to the Company of **claims** first made against the **insured** during the **period of insurance**, provided the **insured** has cancelled or not renewed this Policy or purchased any other insurance to replace this insurance.

A **claim** first made against the **insured** and reported to the Company within the automatic **extended reporting period** will be deemed to have been made and reported on the last day of the **period of insurance**, provided that: (1) the **claim** arises from a **pollution condition** that commenced before the end of the **period of insurance** and (2) the **pollution condition** is discovered no later than seven (7) days after its commencement, reported to the Company no later than twenty one (21) days after discovery, and are otherwise covered by this policy.

The automatic **extended reporting period** will not reinstate or increase any of the limits of liability afforded under this Policy.

Schedule insured's own sites:

1. MAPLE (SOUTH) - 519 ENTRANCE OFF POMONA CORONA CA 92880
2. 1018 COTTONWOOD CORONA CA 92879
3. 1200 TENTH ST. (WEST) CORONA CA 92882
4. 102 LINCOLN (NORTH) CORONA CA 92882
5. 1052 QUARRY CORONA CA 92879
6. 34 CRESTRIDGE CORONA CA 92880
7. 219 GRAND (WEST) CORONA CA 92882
8. 25225 MAITRI RD. CORONA CA 92883
9. 24650 GLEN IVY RD. CORONA CA 92883
10. 405 SIERRA VISTA AVE. CORONA CA 92882
11. 315 MERILL ST (SOUTH) CORONA CA 92882
12. 310 VICENTIA (SOUTH) CORONA CA 92882
13. 710 CORPORATION YARD WAY CORONA CA 92880
14. 2581 MANGULAR CORONA CA 92882
15. 202 BUENA VISTA AVE. (NORTH) CORONA CA 92882

16. 240 BUENA VISTA AVE. CORONA CA 92882
17. 211 BUENA VISTA AVE. (SOUTH) CORONA CA 92882
18. 9865 GLEN IVY RD. CORONA CA 92883
19. 917 CIRCLE CITY DR. CORONA CA 92879
20. 219 JOY (SOUTH) CORONA CA 92879
21. 505 VICENTIA (SOUTH) CORONA CA 92882
22. 1865 POMONA RD CORONA CA 92880

All other terms, conditions and exclusions will remain the same.

SPECIMEN

Policy Number: USL00885220
Effective Date: July 1, 2020

Endorsement No. 22

AUTOMATIC ACQUISITION ENDORSEMENT

This Endorsement modifies insurance provided under the following:

ENVIRONMENT PROTECT PREMISES

This policy is amended as follows:

It is hereby agreed that **Section 6 – Conditions** is amended by the addition of the following:

Automatic Acquisition

It is understood and agreed that for any additional location that is purchased, leased or otherwise acquired by the **insured** during the **period of insurance** the additional premium for such location will be computed as follows:

*If the total insured value is less than \$25,000,000 = \$0

*If the total insured value is greater than \$25,000,000 = \$TBD rate per \$100 in total insured value.

*if the total insured value is greater than \$100,000,000 reporting will be required and coverage will not apply automatically

*pro-rata based on the date that the acquisition or lease is acquired

Any location purchased, leased or otherwise acquired by the **insured** during the **period of insurance** that has a use that is consistent with the **insured's** operations as of the effective date of this Policy will be covered by the Policy with respect to **pollution conditions** that commence after the closing or lease effective date, provided that:

1. The Company must receive written notice within one hundred eighty (180) days of the closing or lease effective date.
2. If the location has any **underground storage tanks**, solely with respect to coverage under this Policy for such **underground storage tanks**, the **insured** must determine that all operational **underground storage tanks** are in material compliance with all applicable **environmental laws** and regulations and obtain the most recent tank tightness testing or leak detection data conducted within sixty (60) days prior to the effective date that the **insured** acquires or leases the subject site.

Solely with respect to **pollution conditions** that commence prior to the closing or lease effective date at any locations purchased, leased or otherwise acquired by the **insured** during the **period of insurance**, all of the following shall apply:

1. The Company must receive written notice within one hundred eighty (180) days of the closing or lease effective date; and

2. The **insured** commissions and receives a Phase I Environmental Site Assessment report on the location that is performed by a qualified environmental consultant in accordance with ASTM Standard E 1527-05 (as subsequently revised); or
3. The **insured** receives a Phase I Environmental Site Assessment report on the location that has been conducted by a qualified environmental consultant for a third-party, provided that the assessment and related report are prepared in accordance with ASTM Standard E 1527-05 (or subsequent revisions), and that the consultant responsible for the assessment has provided the **insured** with written confirmation that the **insured**, as applicable, is entitled to rely on the conclusions of that report as if the assessment had been performed on its behalf.

If items 1 through 3 above are adhered to and the Phase I Environmental Site Assessment does not identify any Recognized Environmental Conditions, as defined by ASTM Standard E 1527-05 (as subsequently revised), the location will automatically be covered by the Policy effective as of the closing or lease effective date.

If the Phase I Environmental Site Assessment identifies any Recognized Environmental Conditions other than a Recognized Environmental Condition that is solely the presence of an operational **underground storage tank**, the **insured** must complete a Phase II Environmental Site Assessment. Thereafter, the Company will have thirty (30) days to review and approve the Phase II Environmental Site Assessment report. Said approval will not be unreasonably withheld, but the Company reserves the right to limit coverage with respect to any Recognized Environmental Conditions identified at the location. Upon such approval, the Company will provide a written endorsement to you confirming the effective date that the location is covered by the Policy, and describing the extent of the coverage being afforded with respect to the Recognized Environmental Conditions identified at the location. Upon written confirmation of receipt from the Company of such Phase II, if the Company does not issue confirmation of coverage by endorsement within sixty (60) days of receipt of such information, such location that is the subject of such Phase II will be deemed a covered location under this Policy, and if a Recognized Environmental Condition that is solely the presence of an operational **underground storage tank** is identified, it will be covered under this Policy.

All other terms, conditions and exclusions will remain the same.

Policy Number: USL00885220
Effective Date: July 1, 2020

Endorsement No. 23

KNOWN CLAIM(S) EXCLUSION ENDORSEMENT

This Endorsement modifies insurance provided under the following:

ENVIRONMENT PROTECT PREMISES

This policy is amended as follows:

The following is added to **Section 5.1 - Exclusions:**

This Policy does not apply to **Loss:**

Known Claim(s):

Arising from a known **claim** or legal action existing prior to July 1, 2019 and known by a **responsible insured** as disclosed in the application or submission materials including, but not limited to:

Open claims provided within the submission as of July 1, 2019.

All other terms, conditions and exclusions will remain the same.

Policy Number: USL00885220
Effective Date: July 1, 2020

Endorsement No. 24

DEFINITION OF ENVIRONMENTAL LAW AMENDATORY ENDORSEMENT

This Endorsement modifies insurance provided under the following:

ENVIRONMENT PROTECT PREMISES

This policy is amended as follows:

Section 4 – Definitions, H. Environmental Law is deleted in its entirety and replaced with the following:

H. Environmental law means any federal, state, provincial or local laws, including but not limited to, statutes, rules, regulations, ordinances, guidance documents, voluntary clean-up programs and governmental, judicial or administrative orders and directives that are applicable to a **pollution condition**. However, **environmental law** shall not include any of the foregoing promulgated, adopted, or implemented by an **insured** during the **period of insurance** that are applicable to **pollution conditions** at an **insured's own site**.

All other terms, conditions and exclusions will remain the same.

Policy Number: USL00885220
Effective Date: July 1, 2020

Endorsement No. 25

NON-COVERED ENTITIES CONFIRMATION ENDORSEMENT

This Endorsement modifies insurance provided under the following:

ENVIRONMENT PROTECT PREMISES

This policy is amended as follows:

1. The following is added to the policy:

The **named insured** and the Insurer hereby agree to the following changes to this Policy:

Notwithstanding anything identified in any schedule of **insured's own sites** attached to this Policy, or definitional language contained in this Policy, or any endorsement thereto, the **named insureds** and the Insurer hereby agree that any entities or associations within the greater Alliant Property Insurance Program (APIP), which are not specifically identified on the Named Insured Scheduled Entities Endorsement attached to this Policy, are not **named insureds** within the meaning of, or provided any insurance pursuant to, this Policy.

All other terms, conditions and exclusions will remain the same.

Policy Number: USL00885220
Effective Date: July 1, 2020

Endorsement No. 26

COVERAGE D AMENDATORY ENDORSEMENT

This Endorsement modifies insurance provided under the following:

ENVIRONMENT PROTECT PREMISES

This policy is amended as follows:

1. **Section 1 – Insuring Agreements, D. Emergency Response Costs** is deleted in its entirety and replaced with the following:

D. Emergency Response Costs

The Company will pay on behalf of the **insured, emergency response costs** incurred by or on behalf of the **insured** in response to a **pollution condition** on, under or migrating from or through and beyond the boundaries of an **insured's own site** or arising from **transportation** or resulting from a **covered operation** provided the **emergency response costs** be incurred within one hundred sixty eight (168) hours of the commencement of such a **pollution condition**, and reported to the Company within fourteen (14) days of the commencement of such a **pollution condition** and the corresponding coverage was purchased as stated in the Declarations.

2. **Section 4 – Definitions, G. Emergency response costs** is deleted in its entirety and replaced with the following:

G. Emergency response costs means reasonable and necessary expenses, including legal expenses, incurred in response to an imminent threat to human health or the environment and incurred within one hundred sixty eight (168) hours of the commencement of the **pollution condition**, in order to investigate, remove, treat, contain, neutralize or abate soil, surface water, groundwater or other contamination.

3. **Section 7 – Claims and Notice Requirements**, paragraph B. is deleted in its entirety and replaced with the following:

B. If **emergency response costs** have been incurred, the **insured** will forward to the Company within twenty-one (21) days of the first commencement of any **pollution condition** for which the **emergency response costs** have been incurred, all information stated in paragraph A above.

All other terms, conditions and exclusions will remain the same.

Policy Number: USL00885220
Effective Date: July 1, 2020

Endorsement No. 27

OTHER INSURANCE AMENDATORY (EXCESS) ENDORSEMENT

This Endorsement modifies insurance provided under the following:

ENVIRONMENT PROTECT PREMISES

This policy is amended as follows:

1. **Section 6 – Conditions**, paragraph **I. Other insurance** is deleted in its entirety and replaced with the following:

I. Other insurance

If other valid and collectible insurance is available to any **insured** covering a **loss, claim, or pollution condition**, also covered by this Policy, other than a policy that is specifically written to apply in excess of this Policy, the Company's obligations are limited as follows:

1. Except with respect paragraphs 3 through 5. below, this insurance is primary, and the Company's obligations are not affected unless any of the other insurance is also primary. In such a case, the Company will share with all such other insurance by the method described in paragraph 2 below.
2. If the other insurance permits contribution by equal shares, the Company will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the **loss** remains, whichever comes first. If any of the other insurance does not permit contribution by equal shares, the Company will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.
3. With respect to **loss** arising in whole or in part to **microbial matter** or Legionella pneumophilia, the insurance afforded by this Policy will apply in excess of any valid and collectible insurance and will not contribute with other insurance.
4. This insurance is excess of the Scheduled Underlying Insurance listed below and any renewals or replacements thereof, provided, however that this insurance shall be primary as described in paragraphs 1. and 2. above where any such Scheduled Underlying Insurance does not provide primary coverage to the **insured** for **loss** covered under the terms and conditions of this Policy. This excess insurance shall in no way be increased or expanded or drop-down as a result of receivership, insolvency, or inability or refusal to pay of any insurer with respect to both, the duty to defend or the duty to indemnify.

5. Where this insurance is excess insurance, the Company will pay only its share of the amount of **loss** if any, that exceeds the total amount of all such Scheduled Underlying Insurance, including any applicable deductible and self-insured amount.

Scheduled Underlying Insurance

Alliant Property Insurance Program - policy number 017471589/07

Any stand-alone primary insurance purchased by a **named insured**.

1. The following is added to **Section 6 – Conditions**:

Maintenance of Underlying Insurance

It is a condition precedent to coverage under this Policy for **loss** arising from any **pollution condition** that the **insured** shall maintain the insurance policy(ies) that are listed in the Schedule of Underlying Insurance and referenced in **Section 6 – Conditions**, paragraph **I. Other Insurance**, as amended on this endorsement, or any renewal or replacement thereof providing equivalent coverage to such policy(ies). The **insured** understands and acknowledges that this Policy is issued in reliance upon this agreement.

All other terms, conditions and exclusions will remain the same.

Policy Number: USL00885220
Effective Date: July 1, 2020

Endorsement No. 28

VIRUS AND COMMUNICABLE DISEASE EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

ENVIRONMENT PROTECT PREMISES

This Policy is amended as follows:

Section 5.1. – Exclusions is amended to include the following additional exclusion:

This Policy does not apply to:

Virus and Communicable Disease

Any **claim** or **loss** arising from any virus or communicable disease.

THE PROVISIONS OF THIS ENDORSEMENT APPLY NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS POLICY AND SUPERSEDE ANY OTHER TERMS, CONDITIONS AND PROVISIONS CONTAINED IN THIS POLICY OR ITS ENDORSEMENTS.

All other terms, conditions and exclusions will remain the same.

Policy Number: USL00885220
Effective Date: July 1, 2020

Endorsement No. 29

PERFLUOROALKYL AND POLYFLUOROALKYL SUBSTANCES (PFAS) AND RELATED CHEMICALS OR PRODUCTS EXCLUSION ENDORSEMENT

This Endorsement modifies insurance provided under the following:

ENVIRONMENT PROTECT PREMISES

This policy is amended as follows:

Section 5.1 – Exclusions is amended to include the following additional exclusion:

This Policy does not apply to:

Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS) and Related Chemicals or Products

Any **claim** or **loss** arising out of or in any way involving:

1. Perfluoroalkyl or polyfluoroalkyl substances (PFAS), also known as perfluorinated chemicals (PFCs), including but not limited to related chemicals or products;
2. Any precursor of any substance or chemical listed in paragraph 1 above;
3. Any additive to any substance or chemical listed in paragraph 1 above; or
4. Any daughter compound or degradation by-product of any substance or chemical listed in paragraph 1 above.

All other terms, conditions and exclusions will remain the same.

**ALLIANT INSURANCE SERVICES, INC.
ALLIANT PROPERTY INSURANCE PROGRAM (APIP)**

**CYBER INSURANCE EVIDENCE ATTACHMENT
CORE COVERAGE**

TYPE OF COVERAGE: Information Security & Privacy Insurance with Electronic Media Liability Coverage

PROGRAM: Alliant Property Insurance Program (APIP) inclusive of Public Entity Property Insurance Program (PEPIP), and Hospital All Risk Property Program (HARPP)

NAMED INSURED: Any member(s), entity(ies), agency(ies), organization(s), enterprise(s) and/or individual(s), attaching to each Declaration insured under the ALLIANT PROPERTY INSURANCE PROGRAM (APIP), inclusive of PUBLIC ENTITY PROPERTY INSURANCE PROGRAM (PEPIP) and HOSPITAL ALL RISK PROPERTY PROGRAM (HARPP) as their respective rights and interests may appear which now exist or which hereafter may be created or acquired and which are owned, financially controlled or actively managed by the herein named interest, all jointly, severally or in any combination of their interests, for account of whom it may concern (all hereinafter referred to as Member(s) / Entity(ies)).

DECLARATION: Various Declarations as on file with Insurer

POLICY PERIOD: July 1, 2020 to July 1, 2021

POLICY #: PH2033938

TERRITORY: WORLD-WIDE

RETROACTIVE DATE: APIP/PEPIP
For new members – the retro active date will be the date of addition
July 1, 2019 For existing members included on the July 1, 2019/20 policy
July 1, 2018 For existing members included on the July 1, 2018/19 policy
July 1, 2017 For existing members included on the July 1, 2017/18 policy
July 1, 2016 For existing members included on the July 1, 2016/17 policy
July 1, 2015 For existing members included on the July 1, 2015/16 policy
July 1, 2014 For existing members included on the July 1, 2014/15 policy
July 1, 2013 For existing members included on the July 1, 2013/14 policy
July 1, 2012 For existing members included on the July 1, 2012/13 policy
July 1, 2011 For existing members included on the July 1, 2011/12 policy
July 1, 2010 For existing members included on the July 1, 2010/11 policy

CSU

July 1, 2008 California State University and CSU Auxiliary Organizations

INSURER: Lloyd's of London - Beazley Syndicate:
Syndicates 2623 - 623 - 100%

COVERAGES & LIMITS:	Ai.	\$	25,000,000	Annual Policy and Program Aggregate Limit of Liability (subject to policy exclusions) for all Insureds/Members combined (Aggregate for all coverage's combined, including Claims Expenses), subject to the following limits and sub-limits as noted.
	Aii.	\$	2,000,000	Insured/Member Annual Aggregate Limit of Liability (subject to policy exclusions) for each Insured/Member, within the Annual Policy and Program Aggregate Limit of Liability (Aggregate for all coverages combined, including Claim Expenses) subject to the following limits and sub-limits as noted.

BREACH RESPONSE

Breach Response Costs:	\$	500,000	Aggregate Limit of Liability for each Insured/Member (Limit is increased to \$1,000,000 if Beazley Nominated Services Providers are used)
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FIRST PARTY LOSS

Business Interruption Loss Resulting from Security Breach:	\$	2,000,000	Aggregate Limit of Liability for each Insured/Member
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Business Interruption Loss Resulting from System Failure:	\$	500,000	Aggregate Limit of Liability for each Insured/Member
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Dependent Business Loss Resulting from Security Breach:	\$	750,000	Aggregate Limit of Liability for each Insured/Member
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Dependent Business Loss Resulting from System Failure:	\$	100,000	Aggregate Limit of Liability for each Insured/Member
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Cyber Extortion Loss:	\$	2,000,000	Aggregate Limit of Liability for each Insured/Member
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Data Recovery Costs:	\$	2,000,000	Aggregate Limit of Liability for each Insured/Member
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LIABILITY

Data & Network Liability:	\$	2,000,000	Aggregate Limit of Liability for each Insured/Member for all Damages and Claims Expenses
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Regulatory Defense & Penalties:	\$	2,000,000	Aggregate Limit of Liability for each Insured/Member
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Payment Card Liabilities & Costs:	\$	2,000,000	Aggregate Limit of Liability for each Insured/Member
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Media Liability:	\$	2,000,000	Aggregate Limit of Liability for each Insured/Member for all Damages and Claims Expenses
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eCRIME

Fraudulent Instruction:	\$	75,000	Aggregate Limit of Liability for each Insured/Member
Funds Transfer Fraud:	\$	75,000	Aggregate Limit of Liability for each Insured/Member
Telephone Fraud:	\$	75,000	Aggregate Limit of Liability for each Insured/Member

CRIMINAL REWARD

Criminal Reward:	\$	25,000	Aggregate Limit of Liability for each Insured/Member
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**COVERAGE
ENDORSEMENT(S)**

Reputation Loss:	\$	50,000	Aggregate Limit of Liability for each Insured/Member
Claims Preparation Costs for Reputation Loss Claims Only:	\$	50,000	Aggregate Limit of Liability for each Insured/Member
Computer Hardware Replacement Costs:	\$	75,000	Aggregate Limit of Liability for each Insured/Member
Invoice Manipulation:	\$	100,000	Aggregate Limit of Liability for each Insured/Member
Cryptojacking:	\$	25,000	Aggregate Limit of Liability for each Insured/Member

RETENTION:	\$	25,000	CSU Auxiliary Organizations only
	\$	50,000	Per Claim or Incident for each Insured/Member with TIV up to \$500,000,000 at the time of policy inception
		8	Hour waiting period for Dependent/Business Interruption Loss
	\$	100,000	Per Claim or Incident for each Insured/Member with TIV greater than \$500,000,000 at the time of policy inception
		8	Hour waiting period for Dependent/Business Interruption Loss

**Each Insured/Member with TIVs below \$262,500,000 will have the option to buy-down the retention from \$50,000 to \$5,000 with an additional premium of \$2,500 per Insured/Member. JPAs/ Pools and members with larger TIVs may request a quote for a retention buy down option, quotes will be provided on a case by case basis.*

NOTICES:

Policy coverage of this policy provides coverage on a claims made and reported basis; except as otherwise provided, coverage under noted coverage schedule applies only to claims first made against the Insured/Member and reported to underwriters during the policy period. Claims expenses shall reduce the applicable limit of liability and are subject to the applicable retention.

This is a shared limit policy among the Named Insureds. The per Insured/Member policy limits are on a per claim or incident for each Insured/Member basis, sub-limits listed are aggregated per Insured/Member and are within the total Insured/Member aggregate limit. In the event of a claim/incident with multiple Insureds/Members exhausting the program aggregate limit provided by the Insurer to Insureds/Members, payment to all Insureds/Members for the claim/incident will be determined by the Insurer. Where coverages are aggregated, sub-limit and limits apply to all Insureds/Members for the entire Policy Period unless specifically stated otherwise. The policy aggregate limit is not a per Insured/Member maximum limit.

EXTENDED REPORTING PERIOD:

For Named Insured - To be determined at the time of election (additional premium will apply)

SPECIFIC COVERAGE PROVISIONS:

- A. Breach Response** indemnifies the Insured/Member for Breach Response Costs incurred by the Insured/Member because of an actual or reasonably suspected Data Breach or Security Breach that the Insured first discovers during the Policy Period.
- B. First Party Loss**

Business Interruption Loss indemnifies the Insured/Member for a Business Interruption Loss sustained as a result of a Security Breach or System Failure that the Insured first discovers during the Policy Period.

Dependent Business Interruption Loss indemnifies the Insured/Member for a Dependent Business Interruption Loss sustained as a result of a Security Breach or a System Failure that the Insured first discover during the Policy Period.

Cyber Extortion Loss indemnifies the Insured/Member for a Cyber Extortion Loss incurred as a result of an Extortion Threat first made against the Insured/Member during the Policy Period.

Data Recovery Costs indemnifies the Insured/Member for Data Recovery Costs incurred as a direct result of a Security Breach or System Failure that the Insured first discovers during the Policy Period.

SPECIFIC COVERAGE C. PROVISIONS(contd):

Liability

Data & Network Liability pays Damages and Claims Expenses, which the Insured is legally obligated to pay because of any Claim first made against any Insured during the Policy Period for a Data Breach, a Security Breach, the Insured's failure to disclose a Data Breach or Security Breach, or failure of the Insured to comply with the part of a Privacy Policy that specifically is related to disclosure, access or procedures related to Personally Identifiable Information.

Regulatory Defense & Penalties pays Penalties and Claims Expenses, which the Insured is legally obligated to pay because of a Regulatory Proceeding first made against any Insured during the Policy Period for a Data Breach or a Security Breach.

Payment Card Liabilities & Costs indemnifies the Insured/Member for PCI Fines, Expenses and Costs which it is legally obligated to pay because of a Claim first made against any Insured during the Policy Period.

Media Liability pays Damages and Claims Expenses, which the Insured is legally obligated to pay because of any Claim first made against any Insured during the Policy Period for electronic Media Liability.

D. eCrime indemnifies the Insured/Member for any direct financial loss sustained resulting from:

- *Fraudulent Instruction*
- *Funds Transfer Fraud*
- *Telephone Fraud*

That the Insured first discovers during the Policy Period.

E. Criminal Reward indemnifies the Insured/Member for Criminal Reward Funds.

Coverage Endorsement(s)

Reputational Loss indemnifies the Insured Organization for Reputation Loss that the Insured Organization sustains solely as a result of an Adverse Media Event that occurs during the Policy Period, concerning: a Data Breach, Security Breach, or Extortion Threat that the Insured first discovers during the Policy Period

Computer Hardware Replacement Costs is part of the Extra Expense coverage, which includes reasonable and necessary expenses incurred by the Insured Organization to replace computers or any associated devices or equipment operated by, and either owned by or leased to, the Insured Organization that are unable to function as intended due to corruption or destruction of software or firmware directly resulting from a Security Breach.

Invoice Manipulation indemnifies the Insured Organization for Direct Net Loss resulting directly from the Insured Organization's inability to collect Payment for any goods, products or services after such goods, products or services have been transferred to a third party, as a result of Invoice Manipulation that the Insured first discovers during the Policy Period. Invoice Manipulation means the release or distribution of any fraudulent invoice or fraudulent payment instruction to a third party as a direct result of a Security Breach or a Data Breach.

Cryptojacking indemnifies the Insured Organization for any direct financial loss sustained resulting from Cryptojacking that the Insured first discovers during the Policy Period. Cryptojacking means the Unauthorized Access or Use of Computer Systems to mine for Digital Currency that directly results in additional costs incurred by the Insured Organization for electricity, natural gas, oil, or internet.

EXCLUSIONS:
(Including but not limited to)

Coverage does not apply to any claim or loss from:

- Bodily Injury or Property Damage
- Trade Practices and Antitrust
- Gathering or Distribution of Information
- Prior Known Acts & Prior Noticed Claims
- Racketeering, Benefit Plans, Employment Liability & Discrimination
- Sale or Ownership of Securities & Violation of Securities Laws
- Criminal, Intentional or Fraudulent Acts
- Patent, Software Copyright, Misappropriation of Information
- Governmental Actions
- Other Insureds & Related Enterprises
- Trading Losses, Loss of Money & Discounts
- Media-Related Exposures – Contractual liability or obligation
- Nuclear Incident
- Radioactive Contamination
- First Party Loss – with respects: 1. seizure, nationalization, confiscation, or destruction of property or data by order of any governmental or public authority; 2. costs or expenses incurred by the Insured to identify or remediate software program errors or vulnerabilities or update, replace, restore, assemble, reproduce, recollect or enhance data or Computer Systems to a level beyond that which existed prior to a Security Breach, System Failure, Dependent Security Breach, Dependent System Failure or Extortion Threat; 3. failure or malfunction of satellites or of power, utility, mechanical or telecommunications (including internet) infrastructure or services that are not under the Insured Organization’s direct operational control; or 4. fire, flood, earthquake, volcanic eruption, explosion, lightning, wind, hail, tidal wave, landslide, act of God or other physical event.

NOTICE OF CLAIM:

- **IMMEDIATE NOTICE** must be made to Beazley NY of all potential claims and circumstances (assistance, and cooperation clause applies)
- Claim notification under this policy is to:
Beazley Group
Attn: TMB Claims Group
1270 Avenue of the Americas
New York, NY 10020
tmbclaims@beazley.com

NOTICE OF CANCELLATION:

10 days for non-payment of premium

CYBER COST:

Cost is included in Total Property Premium
Premium is pro-rata as of July 1, 2020

OTHER SERVICES

Unlimited Access to Beazley Breach Solutions website

BROKER:

ALLIANT INSURANCE SERVICES, INC.

License No. 0C36861

NOTES:

- **Coverage outlined in this Evidence Attachment is subject to the terms and conditions set forth in the policy.**
- **Please refer to Policy for specific terms, conditions and exclusions.**
- **Change in Total Insurable Values will result in adjustment in premium.**

SUMMARY OF CYBER INSURANCE CHANGES

THE FOLLOWING ITEMS ARE BOUND CHANGES FOR THE 2020-2021 POLICY PERIOD

Coverage	2019-2020	2020-2021 Bound Changes
Claims Preparation Costs for Reputation Loss Claims Only	N/A	\$50,000
Cryptojacking	N/A	\$25,000
Reinstatement Option	125% of Total Annual Program Premium	Not offered
Reputation Loss	Consequential reputational loss coverage for Data Breach and Security Breach	Expanded to include additional perils, replaced consequential reputational loss coverage

Market Reform Contract

UMR / Policy No.

B0180PH2033938

**180
RKH**

Insured:

APIP Cyber and Pollution Programs, Inc

Period:

From: 01 July 2020

To: 01 July 2021

Contract Order	100.000% of 100.000%
No. Of Contract Documents:	1
Hereto Written:	100.000%
Total Written:	100.000%
Signing Percentage:	100.000%

RISK DETAILS

UNIQUE MARKET REFERENCE:

B0180PH2033938

TYPE:

Information Security & Privacy Insurance with Electronic Media Liability Coverage, as more fully defined in the Policy Wording.

INSURED:

Any member(s), entity(ies), agency(ies), organisation(s), enterprise(s) and/or individual(s), attaching to each Declaration insured under the **ALLIANT PROPERTY INSURANCE PROGRAM (APIP)**, inclusive of PUBLIC ENTITY PROPERTY INSURANCE PROGRAM (PEPIP) and HOSPITAL ALL RISK PROPERTY PROGRAM (HARPP) as their respective rights and interests may appear which now exist or which hereafter may be created or acquired and which are owned, financially controlled or actively managed by the herein named interest, all jointly, severally or in any combination of their interests, for account of whom it may concern (all hereinafter referred to as Member(s) / Entity(ies)). (as per Named Insured List attached).

ADDRESS:

c/o Alliant Insurance Services, Inc.- 100 Pine Street, 11th Floor, San Francisco, CA 94111

PERIOD:

From 01 July 2020 to 01 July 2021 both days at 12.01 a.m. Standard Time at the address of the insured.

INTEREST:

Arising out of the Named Insured's Operations.

LIMIT OF LIABILITY:

COVERAGE SCHEDULE (Currency in USD)

	Limit	Retention
Policy Aggregate Limit of Liability:	\$25,000,000; but sublimited to a \$2,000,000 maximum sublimit per Member/Insured (the Member/Insured Limit of Liability):	\$25,000 per Claim or incident as respects the XXXXXXXXX \$50,000 per Claim or incident for each Member/Insured with total insurable value up to \$500,000,000 at the time of Inception \$100,000 per Claim or incident for each Member/Insured with total insurable value greater than \$500,000,000 at the time of Inception

Breach Response

Breach Response Costs \$500,000

The limit increases by 100% if the **Insured Organization** agrees to utilize services entirely from **Beazley Nominated Service Providers**

LIMIT OF LIABILITY CONTINUED:**RISK DETAILS**

	Limit	Retention
First Party Loss		
Business Interruption Loss:		
<i>Resulting from Security Breach:</i>	\$2,000,000 per Member/Insured	
<i>Resulting from System Failure:</i>	\$500,000 per Member/Insured	
Dependent Business Loss:		
<i>Resulting from Dependent Security Breach:</i>	\$750,000 per Member/Insured	
<i>Resulting from Dependent System Failure:</i>	\$100,000 per Member/Insured	
Cyber Extortion Loss:	\$2,000,000 per Member/Insured	
Data Recovery Costs:	\$2,000,000 per Member/Insured	
Liability		
Data & Network Liability:	\$2,000,000 per Member/Insured	
Regulatory Defense & Penalties:	\$2,000,000 per Member/Insured	
Payment Card Liabilities & Costs:	\$2,000,000 per Member/Insured	
Media Liability:	\$2,000,000 per Member/Insured	
eCrime		
Fraudulent Instruction:	\$75,000 per Member/Insured	
Funds Transfer Fraud:	\$75,000 per Member/Insured	
Telephone Fraud:	\$75,000 per Member/Insured	
Criminal Reward		
Criminal Reward:	\$25,000 per Member/Insured	

SITUATION: World-wide (as per form).**RETROACTIVE DATES:**

APIP:

12.01 a.m. 1st July 2020 Local Standard Time for new members included as part of the July 1, 2020/2021 policy renewal.

12.01 a.m. 1st July 2019 Local Standard Time for new members included as part of the July 1, 2019/2020 policy renewal.

12.01 a.m. 1st July 2018 Local Standard Time for new members included as part of the July 1, 2018/2019 policy renewal.

12.01 a.m. 1st July 2017 Local Standard Time for new members included as part of the July 1, 2017/2018 policy renewal.

12.01 a.m. 1st July 2016 Local Standard Time for new members included as part of the July 1, 2016/2017 policy renewal.

**RETROACTIVE
DATES**

RISK DETAILS

CONTINUED: 12.01 a.m. 1st July 2015 Local Standard Time for new members included as part of the July 1, 2015/2016 policy renewal.

12.01 a.m. 1st July 2014 Local Standard Time for new members included as part of the July 1, 2014/2015 policy renewal.

12.01 a.m. 1st July 2013 Local Standard Time for new members included as part of the July 1, 2013/2014 policy renewal.

12.01 a.m. 1st July 2012 Local Standard Time for new members included as part of the July 1, 2012/2013 policy renewal.

12.01 a.m. 1st July 2011 Local Standard Time for existing members included as part of the July 1, 2011/2012 policy renewal.

12.01 a.m. 1st July 2010 Local Standard Time for existing members included as part of the July 1, 2010/2011 policy renewal.

HARPP:

For new members post renewal, the retroactive date will be the date of addition.

12.01 a.m. 1st July 2009 Local Standard Time for members endorsed onto the July 1, 2009/10 policy at a \$500,000 limit except for those members who did not provide a "No Known Losses Letter" then the retro date is the date that the member was added

12.01 a.m. 1st July 2010 Local Standard Time (For \$1,500,000 excess \$500,000)

Wording: Beazley InfoSec APIP 2020, as attached.

CONDITIONS:

1. 623AFB00082 (amended) Premium Payment Warranty 92 days
2. Named Insured List Endorsement
3. Nuclear Incident Exclusion Clause
4. Radioactive Contamination Exclusion Clause
5. Tribal Exclusion Endorsement
6. Mergers and Acquisition Clause Amendment Endorsement
7. New Member Rating Endorsement - Rate 0.000495015%
8. Other Insurance Amendment Endorsement
9. Member or Entity Cancellation Endorsement
10. Bordereaux Reporting Endorsement
11. E10933122017 Website Media Liability Endorsement
12. E13039062019 Reputation Loss Endorsement- USD 50,000 per Insured/member
13. Retroactive Date Endorsement
14. Amendatory Endorsement for
15. Amendatory Endorsement for
16. Buy Down Retention Options Endorsement
17. Increased Breach Response Costs Endorsement
18. GDPR Endorsement
19. LMA9104 Policyholder Disclosure Notice of Terrorism Insurance Coverage
20. E11784072018 Computer Hardware Replacement Costs Endorsement- USD 75,000 sublimit per member
21. E11848072018 Invoice Manipulation Endorsement- USD 100,000 sublimit
22. E11411042018 Amend Data Recovery Costs Endorsement
23. E11413042018 Voluntary Shutdown Endorsement
24. APIP Amendatory Endorsement

RISK DETAILS

CONDITIONS CONTINUED: 25. NMA 1998 Service of Suite Clause USA
26. E1137022019 State Consumer Privacy Statues Endorsement
27. E12970052019 Cryptojacking Endorsement- USD 25,000 sublimit per member
28. Mid Term Transactions Bordereaux
29. Members with no TIV
30. E02804032011 Sanctions Endorsement
31. Employee Device Endorsement

NOTIFICATION OF CLAIMS TO: Beazley Group
E-mail: tmbclaims@beazley.com

NOTICES: LSW 1147D California Disclosure Notice.

EXPRESS WARRANTIES: None, other than may exist within the attached clauses and/or policy wording.

SUBJECTIVITIES: None.

CHOICE OF LAW & JURISDICTION: Choice of Law: California, United States of America
Jurisdiction: Suit Clause (as per Wording) naming: Foley & Lardner LLP
555 California Street, Suite 1700 San Francisco, CA 94104-1520, United States of America.

PREMIUM: 92 Day Premium Payment Warranty – 623AFB00082 (amended).

PAYMENT TERMS: None applicable.

TAXES PAYABLE BY THE INSURED AND ADMINISTERED BY INSURER(S): Where RKH Specialty maintains risk and claim data/information/documents RKH Specialty may hold data/information/documents electronically.

RECORDING, TRANSMITTING & STORING INFORMATION:

RISK DETAILS

INSURER(S) CONTRACT DOCUMENTATION:

Evidence of Cover to be issued by means of a scanned image of this Contract. No further contractual documentation to be produced.

LMA3333 (RE)INSURERS LIABILITY CLAUSE appearing in INSURER'S LIABILITY section of the Contract is not to appear in final policy documentation.

This contract is subject to US state surplus lines requirements. It is the responsibility of the surplus lines broker to affix a surplus lines notice to the contract document before it is provided to the Insured. In the event that the surplus lines notice is not affixed to the contract document the Insured should contact the surplus lines broker.

The above statement shall not appear in the policy documentation.

FORM:

LMA 3044A or IUA IS3 or Companies equivalent, as applicable.

INFORMATION

INFORMATION: The following Information was provided to insurer(s) to support the assessment of the risk at the time of underwriting:

Premium based on rate of 0.000495015%

SECURITY DETAILS

**INSURER(S)
LIABILITY
CLAUSE:**

LMA3333 (Amended)

Insurer(s) liability several not joint

The liability of an Insurer under this contract is several and not joint with other Insurers party to this contract. An Insurer is liable only for the proportion of liability it has underwritten. A Insurer is not jointly liable for the proportion of liability underwritten by any other Insurer. Nor is an Insurer otherwise responsible for any liability of any other insurer that may underwrite this contract.

The proportion of liability under this contract underwritten by an Insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp. This is subject always to the provision concerning "signing" below.

In the case of a Lloyd's syndicate, each member of the syndicate (rather than the syndicate itself) is a insurer. Each member has underwritten a proportion of the total shown for the syndicate (that total itself being the total of the proportions underwritten by all the members of the syndicate taken together). The liability of each member of the syndicate is several and not joint with other members. A member is liable only for that member's proportion. A member is not jointly liable for any other member's proportion. Nor is any member otherwise responsible for any liability of any other insurer that may underwrite this contract. The business address of each member is Lloyd's, One Lime Street, London EC3M 7HA. The identity of each member of a Lloyd's syndicate and their respective proportion may be obtained by writing to Market Services, Lloyd's, at the above address.

Proportion of liability

Unless there is "signing" (see below), the proportion of liability under this contract underwritten by each insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp and is referred to as its "written line".

Where this contract permits, written lines, or certain written lines, may be adjusted ("signed"). In that case a schedule is to be appended to this contract to show the definitive proportion of liability under this contract underwritten by each insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together). A definitive proportion (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of a Lloyd's syndicate taken together) is referred to as a "signed line". The signed lines shown in the schedule will prevail over the written lines unless a proven error in calculation has occurred.

Although reference is made at various points in this clause to "this contract" in the singular, where the circumstances so require this should be read as a reference to contracts in the plural.

SECURITY DETAILS

**ORDER
HEREON:** 100.000% of 100.000%.

**BASIS OF
WRITTEN
LINES:** Percentage of Whole.

**SIGNING
PROVISIONS:** In the event that the written lines hereon exceed 100% of the order, any lines written "to stand" will be allocated in full and all other lines will be signed down in equal proportions so that the aggregate signed lines are equal to 100% of the order without further agreement of any of the Insurer(s).

- a) in the event that the placement of the order is not completed by the commencement date of the period of insurance then all lines written by that date will be signed in full;
- b) the signed lines resulting from the application of the above provisions can be varied, before or after the commencement date of the period of insurance, by the documented agreement of the insured and all Insurer(s) whose lines are to be varied. The variation to the contracts will take effect only when all such Insurer(s) have agreed, with the resulting variation in signed lines commencing from the date set out in that agreement.

**WRITTEN
LINES:** In a co-insurance placement, following Insurers may, but are not obligated to, follow the premium charged by the Lead Insurer.

Insurers may not seek to guarantee for themselves as favourable terms as those which others subsequently achieve during the placement.

**LINE
CONDITIONS:** None.

FISCAL & REGULATORY

TAX PAYABLE BY INSURER(S): None applicable.

COUNTRY OF ORIGIN: United States of America

OVERSEAS BROKER: Alliant Insurance Services, Inc.,
100 Pine Street
11th Floor
San Francisco, CA 94111
United States of America.

SURPLUS LINES BROKER: Alliant Insurance Services, Inc.,
701 B Street,
6th Floor,
San Diego, CA 92101
United States of America.

HOME STATE: California

LICENSE INFORMATION: OC36861

U.S. CLASSIFICATION: US Surplus Lines.

ALLOCATION OF PREMIUM TO CODING: 100% CY.

REGULATORY CLIENT CLASSIFICATION: Large Risk.

NOTICE:

1. THE INSURANCE POLICY THAT YOU HAVE PURCHASED IS BEING ISSUED BY AN INSURER THAT IS NOT LICENSED BY THE STATE OF CALIFORNIA. THESE COMPANIES ARE CALLED "NONADMITTED" OR "SURPLUS LINE" INSURERS.
2. THE INSURER IS NOT SUBJECT TO THE FINANCIAL SOLVENCY REGULATION AND ENFORCEMENT THAT APPLY TO CALIFORNIA LICENSED INSURERS.
3. THE INSURER DOES NOT PARTICIPATE IN ANY OF THE INSURANCE GUARANTEE FUNDS CREATED BY CALIFORNIA LAW. THEREFORE, THESE FUNDS WILL NOT PAY YOUR CLAIMS OR PROTECT YOUR ASSETS IF THE INSURER BECOMES INSOLVENT AND IS UNABLE TO MAKE PAYMENTS AS PROMISED.
4. THE INSURER SHOULD BE LICENSED EITHER AS A FOREIGN INSURER IN ANOTHER STATE IN THE UNITED STATES OR AS A NON-UNITED STATES (ALIEN) INSURER. YOU SHOULD ASK QUESTIONS OF YOUR INSURANCE AGENT, BROKER, OR "SURPLUS LINE" BROKER OR CONTACT THE CALIFORNIA DEPARTMENT OF INSURANCE AT THE FOLLOWING TOLL-FREE TELEPHONE NUMBER 1-800-927-4357. ASK WHETHER OR NOT THE INSURER IS LICENSED AS A FOREIGN OR NON-UNITED STATES (ALIEN) INSURER AND FOR ADDITIONAL INFORMATION ABOUT THE INSURER. YOU MAY ALSO CONTACT THE NAIC'S INTERNET WEB SITE AT WWW.NAIC.ORG.
5. FOREIGN INSURERS SHOULD BE LICENSED BY A STATE IN THE UNITED STATES AND YOU MAY CONTACT THAT STATE'S DEPARTMENT OF INSURANCE TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.
6. FOR NON-UNITED STATES (ALIEN) INSURERS, THE INSURER SHOULD BE LICENSED BY A COUNTRY OUTSIDE OF THE UNITED STATES AND SHOULD BE ON THE NAIC'S INTERNATIONAL INSURERS DEPARTMENT (IID) LISTING OF APPROVED NONADMITTED NON-UNITED STATES INSURERS. ASK YOUR AGENT, BROKER, OR "SURPLUS LINE" BROKER TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.
7. CALIFORNIA MAINTAINS A LIST OF APPROVED SURPLUS LINE INSURERS. ASK YOUR AGENT OR BROKER IF THE INSURER IS ON THAT LIST, OR VIEW THAT LIST AT THE INTERNET WEB SITE OF THE CALIFORNIA DEPARTMENT OF INSURANCE: WWW.INSURANCE.CA.GOV.
8. IF YOU, AS THE APPLICANT, REQUIRED THAT THE INSURANCE POLICY YOU HAVE PURCHASED BE BOUND IMMEDIATELY, EITHER BECAUSE EXISTING COVERAGE WAS GOING TO LAPSE WITHIN TWO BUSINESS DAYS OR BECAUSE YOU WERE REQUIRED TO HAVE COVERAGE WITHIN TWO BUSINESS DAYS, AND YOU DID NOT RECEIVE THIS DISCLOSURE FORM AND A REQUEST FOR YOUR SIGNATURE UNTIL AFTER COVERAGE BECAME EFFECTIVE, YOU HAVE THE RIGHT TO CANCEL THIS POLICY WITHIN FIVE DAYS OF RECEIVING THIS DISCLOSURE. IF YOU CANCEL COVERAGE, THE PREMIUM WILL BE PRORATED AND ANY BROKER'S FEE CHARGED FOR THIS INSURANCE WILL BE RETURNED TO YOU

07/11
LSW1147D

THIS POLICY'S LIABILITY INSURING AGREEMENTS PROVIDE COVERAGE ON A CLAIMS MADE AND REPORTED BASIS AND APPLY ONLY TO CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD OR THE OPTIONAL EXTENSION PERIOD (IF APPLICABLE) AND REPORTED TO THE UNDERWRITERS IN ACCORDANCE WITH THE TERMS OF THIS POLICY. AMOUNTS INCURRED AS CLAIMS EXPENSES UNDER THIS POLICY WILL REDUCE AND MAY EXHAUST THE LIMIT OF LIABILITY AND ARE SUBJECT TO RETENTIONS.

These Declarations along with the statements contained in the information and materials provided to the Underwriters in connection with the underwriting and issuance of this Policy, and the Policy with endorsements shall constitute the contract between the **Insureds** and the Underwriters.

GENERAL INFORMATION

Underwriters:	Beazley Syndicate AFB 2623 / 623 - 100%
Named Insured:	Any member(s), entity(ies), agency(ies), organisation(s), enterprise(s) and/or individual(s), attaching to each Declaration insured under the ALLIANT PROPERTY INSURANCE PROGRAM (APIP) , inclusive of PUBLIC ENTITY PROPERTY INSURANCE PROGRAM (PEPIP) and HOSPITAL ALL RISK PROPERTY PROGRAM (HARPP) as their respective rights and interests may appear which now exist or which hereafter may be created or acquired and which are owned, financially controlled or actively managed by the herein named interest, all jointly, severally or in any combination of their interests, for account of whom it may concern (all hereinafter referred to as Member(s) / Entity(ies)). (as per Named Insured List attached).
Named Insured Address:	c/o Alliant Insurance Services, Inc.- 100 Pine Street, 11th Floor, San Francisco, CA 94111
Notice of Claim, Loss or Circumstance:	Beazley Group Email: tmbclaims@beazley.com

POLICY INFORMATION

Policy Period:	From: 01 July 2020 To: 01 July 2021 Both at 12:01 a.m. Local Time at the Named Insured Address
Premium:	
	Plus Taxes & Surcharges (if applicable)
Policy Form:	Beazley InfoSec APIP 2020, as attached
Optional Extension Period:	To be determined at the time of election
Optional Extension Premium:	To be determined at the time of election

Waiting Period:

8 Hours

Continuity Date:

Continuity Date: 12.01 a.m. 1st July 2010 Local Standard Time except; H.A.R.P.P. 12.01 a.m. 1st July 2009 Local Standard Time.

Retroactive Date:

APIP:

12.01 a.m. 1st July 2020 Local Standard Time for new members included as part of the July 1, 2020/2021 policy renewal.

12.01 a.m. 1st July 2019 Local Standard Time for new members included as part of the July 1, 2019/2020 policy renewal.

12.01 a.m. 1st July 2018 Local Standard Time for new members included as part of the July 1, 2018/2019 policy renewal.

12.01 a.m. 1st July 2017 Local Standard Time for new members included as part of the July 1, 2017/2018 policy renewal.

12.01 a.m. 1st July 2016 Local Standard Time for new members included as part of the July 1, 2016/2017 policy renewal.

12.01 a.m. 1st July 2015 Local Standard Time for new members included as part of the July 1, 2015/2016 policy renewal.

12.01 a.m. 1st July 2014 Local Standard Time for new members included as part of the July 1, 2014/2015 policy renewal.

12.01 a.m. 1st July 2013 Local Standard Time for new members included as part of the July 1, 2013/2014 policy renewal.

12.01 a.m. 1st July 2012 Local Standard Time for new members included as part of the July 1, 2012/2013 policy renewal.

12.01 a.m. 1st July 2011 Local Standard Time for existing members included as part of the July 1, 2011/2012 policy renewal.

12.01 a.m. 1st July 2010 Local Standard Time for existing members included as part of the July 1, 2010/2011 policy renewal.

HARPP:

For new members post renewal, the retroactive date will be the date of addition

12.01 a.m. 1st July 2009 Local Standard Time for members endorsed onto the July 1, 2009/10 policy at a \$500,000 limit except for those members who did not provide a "No Known Losses Letter" then the retro date is the date that the member was added

12.01 a.m. 1st July 2010 Local Standard Time (For \$1,500,000 excess \$500,000)

COVERAGE SCHEDULE (Currency in USD)

	Limit	Retention
Policy Aggregate Limit of Liability:	\$25,000,000; but sublimited to a \$2,000,000 maximum sublimit per Member/Insured (the Member/Insured Limit of Liability):	\$25,000 per Claim or incident as respects XXXXXX \$50,000 per Claim or incident for each Member/Insured with total insurable value up to \$500,000,000 at the time of Inception \$100,000 per Claim or incident for each Member/Insured with total insurable value greater than \$500,000,000 at the time of Inception
Breach Response		
Breach Response Costs	\$500,000	
	The limit increases by 100% if the Insured Organization agrees to utilize services entirely from Beazley Nominated Service Providers	
First Party Loss		
Business Interruption Loss:		
<i>Resulting from Security Breach:</i>	\$2,000,000 per Member/Insured	
<i>Resulting from System Failure:</i>	\$500,000 per Member/Insured	
Dependent Business Loss:		
<i>Resulting from Dependent Security Breach:</i>	\$750,000 per Member/Insured	
<i>Resulting from Dependent System Failure:</i>	\$100,000 per Member/Insured	
Cyber Extortion Loss:	\$2,000,000 per Member/Insured	
Data Recovery Costs:	\$2,000,000 per Member/Insured	
Liability		
Data & Network Liability:	\$2,000,000 per Member/Insured	
Regulatory Defense & Penalties:	\$2,000,000 per Member/Insured	
Payment Card Liabilities & Costs:	\$2,000,000 per Member/Insured	
Media Liability:	\$2,000,000 per Member/Insured	
eCrime		
Fraudulent Instruction:	\$75,000 per Member/Insured	
Funds Transfer Fraud:	\$75,000 per Member/Insured	
Telephone Fraud:	\$75,000 per Member/Insured	
Criminal Reward		
Criminal Reward:	\$25,000 per Member/Insured	

ENDORSEMENTS EFFECTIVE AT INCEPTION

1. 623AFB00082 (amended) Premium Payment Warranty 92 days
2. Named Insured List Endorsement
3. Nuclear Incident Exclusion Clause
4. Radioactive Contamination Exclusion Clause
5. Tribal Exclusion Endorsement
6. Mergers and Acquisition Clause Amendment Endorsement
7. New Member Rating Endorsement - Rate 0.000495015%
8. Other Insurance Amendment Endorsement
9. Member or Entity Cancellation Endorsement
10. Bordereaux Reporting Endorsement
11. E10933122017 Website Media Liability Endorsement
12. E13039062019 Reputation Loss Endorsement- USD 50,000 per Insured/member
13. Retroactive Date Endorsement
14. Amendatory Endorsement for
15. Amendatory Endorsement for
16. Buy Down Retention Options Endorsement
17. Increased Breach Response Costs Endorsement
18. GDPR Endorsement
19. LMA9104 Policyholder Disclosure Notice of Terrorism Insurance Coverage
20. E11784072018 Computer Hardware Replacement Costs Endorsement- USD 75,000 sublimit per member
21. E11848072018 Invoice Manipulation Endorsement- USD 100,000 sublimit
22. E11411042018 Amend Data Recovery Costs Endorsement
23. E11413042018 Voluntary Shutdown Endorsement
24. APIP Amendatory Endorsement
25. NMA 1998 Service of Suite Clause USA
26. E1137022019 State Consumer Privacy Statues Endorsement
27. E12970052019 Cryptojacking Endorsement- USD 25,000 sublimit per member
28. Mid Term Transactions Bordereaux
29. Members with no TIV
30. E02804032011 Sanctions Endorsement.
31. Employee Device Endorsement.

Beazley InfoSec APIP 2020

THIS POLICY'S LIABILITY INSURING AGREEMENTS PROVIDE COVERAGE ON A CLAIMS MADE AND REPORTED BASIS AND APPLY ONLY TO CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD OR THE OPTIONAL EXTENSION PERIOD (IF APPLICABLE) AND REPORTED TO THE UNDERWRITERS IN ACCORDANCE WITH THE TERMS OF THIS POLICY. AMOUNTS INCURRED AS CLAIMS EXPENSES UNDER THIS POLICY WILL REDUCE AND MAY EXHAUST THE LIMIT OF LIABILITY AND ARE SUBJECT TO RETENTIONS.

Please refer to the Declarations, which show the insuring agreements that the **Named Insured** purchased. If an insuring agreement has not been purchased, coverage under that insuring agreement of this Policy will not apply.

The Underwriters agree with the **Named Insured**, in consideration of the payment of the premium and reliance upon the statements contained in the information and materials provided to the Underwriters in connection with the underwriting and issuance of this Insurance Policy (hereinafter referred to as the "Policy") and subject to all the provisions, terms and conditions of this Policy:

INSURING AGREEMENTS

Breach Response

To indemnify the **Insured Organization** for **Breach Response Costs** incurred by the **Insured Organization** because of an actual or reasonably suspected **Data Breach** or **Security Breach** that the **Insured** first discovers during the **Policy Period**.

First Party Loss

To indemnify the **Insured Organization** for:

Business Interruption Loss

Business Interruption Loss that the **Insured Organization** sustains as a result of a **Security Breach** or **System Failure** that the **Insured** first discovers during the **Policy Period**.

Dependent Business Interruption Loss

Dependent Business Loss that the **Insured Organization** sustains as a result of a **Dependent Security Breach** or a **Dependent System Failure** that the **Insured** first discovers during the **Policy Period**.

Cyber Extortion Loss

Cyber Extortion Loss that the **Insured Organization** incurs as a result of an **Extortion Threat** first made against the **Insured Organization** during the **Policy Period**.

Data Recovery Costs

Data Recovery Costs that the **Insured Organization** incurs as a direct result of a **Security Breach** that the **Insured** first discovers during the **Policy Period**.

Liability

Data & Network Liability

To pay **Damages** and **Claims Expenses**, which the **Insured** is legally obligated to pay because of any **Claim** first made against any **Insured** during the **Policy Period** for:

1. a **Data Breach**;

2. a **Security Breach**;
3. the **Insured Organization's** failure to timely disclose a **Data Breach** or **Security Breach**;
4. failure by the **Insured** to comply with that part of a **Privacy Policy** that specifically:
 - (a) prohibits or restricts the **Insured Organization's** disclosure, sharing or selling of **Personally Identifiable Information**;
 - (b) requires the **Insured Organization** to provide an individual access to **Personally Identifiable Information** or to correct incomplete or inaccurate **Personally Identifiable Information** after a request is made; or
 - (c) mandates procedures and requirements to prevent the loss of **Personally Identifiable Information**;

provided the **Insured Organization** has in force, at the time of such failure, a **Privacy Policy** that addresses those subsections above that are relevant to such **Claim**.

Regulatory Defense & Penalties

To pay **Penalties** and **Claims Expenses**, which the **Insured** is legally obligated to pay because of a **Regulatory Proceeding** first made against any **Insured** during the **Policy Period** for a **Data Breach** or a **Security Breach**.

Payment Card Liabilities & Costs

To indemnify the **Insured Organization** for **PCI Fines, Expenses and Costs** which it is legally obligated to pay because of a **Claim** first made against any **Insured** during the **Policy Period**.

Media Liability

To pay **Damages** and **Claims Expenses**, which the **Insured** is legally obligated to pay because of any **Claim** first made against any **Insured** during the **Policy Period** for **Media Liability**.

eCrime

To indemnify the **Insured Organization** for any direct financial loss sustained resulting from:

1. **Fraudulent Instruction**;
2. **Funds Transfer Fraud**; or
3. **Telephone Fraud**;

that the **Insured** first discovers during the **Policy Period**.

Criminal Reward

To indemnify the **Insured Organization** for **Criminal Reward Funds**.

DEFINITIONS

Additional Insured means any person or entity that the **Insured Organization** has agreed in writing to add as an **Additional Insured** under this Policy prior to the commission of any act for which such person or entity would be provided coverage under this Policy, but only to the extent the **Insured Organization** would have been liable and coverage would have been afforded under the terms and conditions of this Policy had such **Claim** been made against the **Insured Organization**.

Beazley Nominated Service Provider means a vendor or service provider recommended by the Underwriters after an incident (or reasonably suspected incident) described in the

Breach Response insuring agreement.

Breach Notice Law means any statute or regulation that requires notice to persons whose personal information was accessed or reasonably may have been accessed by an unauthorized person. **Breach Notice Law** also includes any statute or regulation requiring notice of a **Data Breach** to be provided to governmental or regulatory authorities.

Breach Response Costs means the following fees and costs incurred by the **Insured Organization** with the Underwriters' prior written consent in response to an actual or reasonably suspected **Data Breach** or **Security Breach**:

1. for an attorney to provide necessary legal advice to the **Insured Organization** to evaluate its obligations pursuant to **Breach Notice Laws** or a **Merchant Services Agreement**;
2. for a computer security expert to determine the existence, cause and scope of an actual or reasonably suspected **Data Breach**, and if such **Data Breach** is actively in progress on the **Insured Organization's Computer Systems**, to assist in containing it;
3. for a PCI Forensic Investigator to investigate the existence and extent of an actual or reasonably suspected **Data Breach** involving payment card data and for a Qualified Security Assessor to certify and assist in attesting to the **Insured Organization's** PCI compliance, as required by a **Merchant Services Agreement**;
4. to notify those individuals whose **Personally Identifiable Information** was potentially impacted by a **Data Breach**;
5. to provide a call center to respond to inquiries about a **Data Breach**;
6. to provide a credit monitoring, identity monitoring or other personal fraud or loss prevention solution, to be approved by the Underwriters, to individuals whose **Personally Identifiable Information** was potentially impacted by a **Data Breach**; and
7. public relations and crisis management costs directly related to mitigating harm to the **Insured Organization** which are approved in advance by the Underwriters in their discretion.

Breach Response Costs will not include any internal salary or overhead expenses of the **Insured Organization**.

Business Interruption Loss means:

1. **Income Loss**;
2. **Forensic Expenses**; and
3. **Extra Expense**;

actually sustained during the **Period of Restoration** as a result of the actual interruption of the **Insured Organization's** business operations caused by a **Security Breach** or **System Failure**. Coverage for **Business Interruption Loss** will apply only after the **Waiting Period** has elapsed.

Business Interruption Loss will not include (i) loss arising out of any liability to any third party; (ii) legal costs or legal expenses; (iii) loss incurred as a result of unfavorable business conditions; (iv) loss of market or any other consequential loss; (v) **Dependent Business Loss**; or (vi) **Data Recovery Costs**.

Claim means:

1. a written demand received by any **Insured** for money or services;
2. with respect to coverage provided under the Regulatory Defense & Penalties insuring agreement only, institution of a **Regulatory Proceeding** against any **Insured**; and

3. with respect to coverage provided under part 1. of the Data & Network Liability insuring agreement only, a demand received by any **Insured** to fulfill the **Insured Organization's** contractual obligation to provide notice of a **Data Breach** pursuant to a **Breach Notice Law**;

Multiple **Claims** arising from the same or a series of related, repeated or continuing acts, errors, omissions or events will be considered a single **Claim** for the purposes of this Policy. All such **Claims** will be deemed to have been made at the time of the first such **Claim**.

Claims Expenses means:

1. all reasonable and necessary legal costs and expenses resulting from the investigation, defense and appeal of a **Claim**, if incurred by the Underwriters, or by the **Insured** with the prior written consent of the Underwriters; and
2. the premium cost for appeal bonds for covered judgments or bonds to release property used to secure a legal obligation, if required in any **Claim** against an **Insured**; provided the Underwriters will have no obligation to appeal or to obtain bonds.

Claims Expenses will not include any salary, overhead, or other charges by the **Insured** for any time spent in cooperating in the defense and investigation of any **Claim** or circumstance that might lead to a **Claim** notified under this Policy, or costs to comply with any regulatory orders, settlements or judgments.

Computer Systems means computers, any software residing on such computers and any associated devices or equipment:

1. operated by and either owned by or leased to the **Insured Organization**; or
2. with respect to coverage under the Breach Response and Liability insuring agreements, operated by a third party pursuant to written contract with the **Insured Organization** and used for the purpose of providing hosted computer application services to the **Insured Organization** or for processing, maintaining, hosting or storing the **Insured Organization's** electronic data.

Continuity Date means:

1. the Continuity Date listed in the Declarations; and
2. with respect to any **Subsidiaries** acquired after the Continuity Date listed in the Declarations, the date the **Named Insured** acquired such **Subsidiary**.

Control Group means any principal, partner, corporate officer, director, general counsel (or most senior legal counsel) or risk manager of the **Insured Organization** and any individual in a substantially similar position.

Criminal Reward Funds means any amount offered and paid by the **Insured Organization** with the Underwriters' prior written consent for information that leads to the arrest and conviction of any individual(s) committing or trying to commit any illegal act related to any coverage under this Policy; but will not include any amount based upon information provided by the **Insured**, the **Insured's** auditors or any individual hired or retained to investigate the illegal acts. All **Criminal Reward Funds** offered pursuant to this Policy must expire no later than 6 months following the end of the **Policy Period**.

Cyber Extortion Loss means:

1. any **Extortion Payment** that has been made by or on behalf of the **Insured Organization** with the Underwriters' prior written consent to prevent or terminate an **Extortion Threat**; and
2. reasonable and necessary expenses incurred by the **Insured Organization** with the Underwriters' prior written consent to prevent or respond to an **Extortion Threat**.

Damages means a monetary judgment, award or settlement, including any award of prejudgment or post-judgment interest; but **Damages** will not include:

1. future profits, restitution, disgorgement of unjust enrichment or profits by an **Insured**, or the costs of complying with orders granting injunctive or equitable relief

2. return or offset of fees, charges or commissions charged by or owed to an **Insured** for goods or services already provided or contracted to be provided;
3. taxes or loss of tax benefits;
4. fines, sanctions or penalties;
5. punitive or exemplary damages or any damages which are a multiple of compensatory damages, unless insurable by law in any applicable venue that most favors coverage for such punitive, exemplary or multiple damages;
6. discounts, coupons, prizes, awards or other incentives offered to the **Insured's** customers or clients;
7. liquidated damages, but only to the extent that such damages exceed the amount for which the **Insured** would have been liable in the absence of such liquidated damages agreement;
8. fines, costs or other amounts an **Insured** is responsible to pay under a **Merchant Services Agreement**; or
9. any amounts for which the **Insured** is not liable, or for which there is no legal recourse against the **Insured**.

Data means any software or electronic data that exists in **Computer Systems** and that is subject to regular back-up procedures.

Data Breach means the theft, loss, or **Unauthorized Disclosure** of **Personally Identifiable Information** or **Third Party Information** that is in the care, custody or control of the **Insured Organization** or a third party for whose theft, loss or **Unauthorized Disclosure** of **Personally Identifiable Information** or **Third Party Information** the **Insured Organization** is liable.

Data Recovery Costs means the reasonable and necessary costs incurred by the **Insured Organization** to regain access to, replace, or restore **Data**, or if **Data** cannot reasonably be accessed, replaced, or restored, then the reasonable and necessary costs incurred by the **Insured Organization** to reach this determination.

Data Recovery Costs will not include: (i) the monetary value of profits, royalties, or lost market share related to **Data**, including but not limited to trade secrets or other proprietary information or any other amount pertaining to the value of **Data**; (ii) legal costs or legal expenses; (iii) loss arising out of any liability to any third party; or (iv) **Cyber Extortion Loss**.

Dependent Business means any entity that is not a part of the **Insured Organization** but which provides necessary products or services to the **Insured Organization** pursuant to a written contract.

Dependent Business Loss means:

1. **Income Loss**; and
2. **Extra Expense**;

actually sustained during the **Period of Restoration** as a result of an actual interruption of the **Insured Organization's** business operations caused by a **Dependent Security Breach** or **Dependent System Failure**. Coverage for **Dependent Business Loss** will apply only after the **Waiting Period** has elapsed.

Dependent Business Loss will not include (i) loss arising out of any liability to any third party; (ii) legal costs or legal expenses; (iii) loss incurred as a result of unfavorable business conditions; (iv) loss of market or any other consequential loss; (v) **Business Interruption Loss**; or (vi) **Data Recovery Costs**.

Dependent Security Breach means a failure of computer security to prevent a breach of computer systems operated by a **Dependent Business**.

Dependent System Failure means an unintentional and unplanned interruption of computer systems operated by a **Dependent Business**.

Dependent System Failure will not include any interruption of computer systems resulting from (i) a **Dependent Security Breach**, or (ii) the interruption of computer systems that are not operated by a **Dependent Business**.

Digital Currency means a type of digital currency that:

1. requires cryptographic techniques to regulate the generation of units of currency and verify the transfer thereof;
2. is both stored and transferred electronically; and
3. operates independently of a central bank or other central authority.

Extortion Payment means **Money**, **Digital Currency**, marketable goods or services demanded to prevent or terminate an **Extortion Threat**.

Extortion Threat means a threat to:

1. alter, destroy, damage, delete or corrupt **Data**;
2. perpetrate the **Unauthorized Access or Use of Computer Systems**;
3. prevent access to **Computer Systems** or **Data**;
4. steal, misuse or publicly disclose **Data**, **Personally Identifiable Information** or **Third Party Information**;
5. introduce malicious code into **Computer Systems** or to third party computer systems from **Computer Systems**; or
6. interrupt or suspend **Computer Systems**;

unless an **Extortion Payment** is received from or on behalf of the **Insured Organization**.

Extra Expense means reasonable and necessary expenses incurred by the **Insured Organization** during the **Period of Restoration** to minimize, reduce or avoid **Income Loss**, over and above those expenses the **Insured Organization** would have incurred had no **Security Breach**, **System Failure**, **Dependent Security Breach** or **Dependent System Failure** occurred.

Financial Institution means a bank, credit union, saving and loan association, trust company or other licensed financial service, securities broker-dealer, mutual fund, or liquid assets fund or similar investment company where the **Insured Organization** maintains a bank account.

Forensic Expenses means reasonable and necessary expenses incurred by the **Insured Organization** to investigate the source or cause of a **Business Interruption Loss**.

Fraudulent Instruction means the transfer, payment or delivery of **Money** or **Securities** by an **Insured** as a result of fraudulent written, electronic, telegraphic, cable, teletype or telephone instructions provided by a third party, that is intended to mislead an **Insured** through the misrepresentation of a material fact which is relied upon in good faith by such **Insured**.

Fraudulent Instruction will not include loss arising out of:

1. any actual or alleged use of credit, debit, charge, access, convenience, customer identification or other cards;
2. any transfer involving a third party who is not a natural person **Insured**, but had authorized access to the **Insured's** authentication mechanism;

3. the processing of, or the failure to process, credit, check, debit, personal identification number debit, electronic benefit transfers or mobile payments for merchant accounts;
4. accounting or arithmetical errors or omissions, or the failure, malfunction, inadequacy or illegitimacy of any product or service;
5. any liability to any third party, or any indirect or consequential loss of any kind;
6. any legal costs or legal expenses; or
7. proving or establishing the existence of **Fraudulent Instruction**.

Funds Transfer Fraud means the loss of **Money** or **Securities** contained in a **Transfer Account** at a **Financial Institution** resulting from fraudulent written, electronic, telegraphic, cable, teletype or telephone instructions by a third party issued to a **Financial Institution** directing such institution to transfer, pay or deliver **Money** or **Securities** from any account maintained by the **Insured Organization** at such institution, without the **Insured Organization's** knowledge or consent.

Funds Transfer Fraud will not include any loss arising out of:

1. the type or kind covered by the **Insured Organization's** financial institution bond or commercial crime policy;
2. any actual or alleged fraudulent, dishonest or criminal act or omission by, or involving, any natural person **Insured**;
3. any indirect or consequential loss of any kind;
4. punitive, exemplary or multiplied damages of any kind or any fines, penalties or loss of any tax benefit;
5. any liability to any third party, except for direct compensatory damages arising directly from **Funds Transfer Fraud**;
6. any legal costs or legal expenses; or proving or establishing the existence of **Funds Transfer Fraud**;
7. the theft, disappearance, destruction of, unauthorized access to, or unauthorized use of confidential information, including a PIN or security code;
8. any forged, altered or fraudulent negotiable instruments, securities, documents or instructions; or
9. any actual or alleged use of credit, debit, charge, access, convenience or other cards or the information contained on such cards.

Income Loss means an amount equal to:

1. net profit or loss before interest and tax that the **Insured Organization** would have earned or incurred; and
2. continuing normal operating expenses incurred by the **Insured Organization** (including payroll), but only to the extent that such operating expenses must necessarily continue during the **Period of Restoration**.

Individual Contractor means any natural person who performs labor or service for the **Insured Organization** pursuant to a written contract or agreement with the **Insured Organization**. The status of an individual as an **Individual Contractor** will be determined as of the date of an alleged act, error or omission by any such **Individual Contractor**.

Insured means:

1. the **Insured Organization**;

2. any director or officer of the **Insured Organization**, but only with respect to the performance of his or her duties as such on behalf of the **Insured Organization**;
3. an employee (including a part time, temporary, leased or seasonal employee or volunteer) or **Individual Contractor** of the **Insured Organization**, but only for work done while acting within the scope of his or her employment and related to the conduct of the **Insured Organization's** business;
4. a principal if the **Named Insured** is a sole proprietorship, or a partner if the **Named Insured** is a partnership, but only with respect to the performance of his or her duties as such on behalf of the **Insured Organization**;
5. any person who previously qualified as an **Insured** under parts 2. - 4., but only with respect to the performance of his or her duties as such on behalf of the **Insured Organization**;
6. an **Additional Insured**, but only as respects **Claims** against such person or entity for acts, errors or omissions of the **Insured Organization**;
7. the estate, heirs, executors, administrators, assigns and legal representatives of any **Insured** in the event of such **Insured's** death, incapacity, insolvency or bankruptcy, but only to the extent that such **Insured** would otherwise be provided coverage under this Policy; and
8. the lawful spouse, including any natural person qualifying as a domestic partner of any **Insured**, but solely by reason of any act, error or omission of an **Insured** other than such spouse or domestic partner.

Insured Organization means the **Named Insured** and any **Subsidiaries**.

Loss means **Breach Response Costs, Business Interruption Loss, Claims Expenses, Criminal Reward Funds, Cyber Extortion Loss, Damages, Data Recovery Costs, Dependent Business Loss, PCI Fines, Expenses and Costs, Penalties**, loss covered under the eCrime insuring agreement and any other amounts covered under this Policy.

Multiple **Losses** arising from the same or a series of related, repeated or continuing acts, errors, omissions or events will be considered a single **Loss** for the purposes of this Policy.

With respect to the Breach Response and First Party Loss insuring agreements, all acts, errors, omissions or events (or series of related, repeated or continuing acts, errors, omissions or events) giving rise to a **Loss** or multiple **Losses** in connection with such insuring agreements will be deemed to have been discovered at the time the first such act, error, omission or event is discovered.

Media Liability means one or more of the following acts committed by, or on behalf of, the **Insured Organization** in the course of creating, displaying, broadcasting, disseminating or releasing **Media Material** to the public:

1. defamation, libel, slander, product disparagement, trade libel, infliction of emotional distress, outrage, outrageous conduct, or other tort related to disparagement or harm to the reputation or character of any person or organization;
2. a violation of the rights of privacy of an individual, including false light, intrusion upon seclusion and public disclosure of private facts;
3. invasion or interference with an individual's right of publicity, including commercial appropriation of name, persona, voice or likeness;
4. plagiarism, piracy, or misappropriation of ideas under implied contract;
5. infringement of copyright;
6. infringement of domain name, trademark, trade name, trade dress, logo, title, metatag, or slogan, service mark or service name;
7. improper deep-linking or framing;

8. false arrest, detention or imprisonment;
9. invasion of or interference with any right to private occupancy, including trespass, wrongful entry or eviction; or
10. unfair competition, if alleged in conjunction with any of the acts listed in parts 5. or 6. above.

Media Material means any information, including words, sounds, numbers, images or graphics, but will not include computer software or the actual goods, products or services described, illustrated or displayed in such **Media Material**.

Merchant Services Agreement means any agreement between an **Insured** and a financial institution, credit/debit card company, credit/debit card processor or independent service operator enabling an **Insured** to accept credit card, debit card, prepaid card or other payment cards for payments or donations.

Money means a medium of exchange in current use authorized or adopted by a domestic or foreign government as a part of its currency.

Named Insured means the Named Insured listed in the Declarations.

PCI Fines, Expenses and Costs means the monetary amount owed by the **Insured Organization** under the terms of a **Merchant Services Agreement** as a direct result of a suspected **Data Breach**. With the prior consent of the Underwriters, **PCI Fines, Expenses and Costs** includes reasonable and necessary legal costs and expenses incurred by the **Insured Organization** to appeal or negotiate an assessment of such monetary amount. **PCI Fines, Expenses and Costs** will not include any charge backs, interchange fees, discount fees or other fees unrelated to a **Data Breach**.

Penalties means:

1. any monetary civil fine or penalty payable to a governmental entity that was imposed in a **Regulatory Proceeding**; and
2. amounts which the **Insured** 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** (including such amounts required to be paid into a "Consumer Redress Fund");

but will not include: (a) costs to remediate or improve **Computer Systems**; (b) costs to establish, implement, maintain, improve or remediate security or privacy practices, procedures, programs or policies; (c) audit, assessment, compliance or reporting costs; or (d) costs to protect the confidentiality, integrity and/or security of **Personally Identifiable Information** or other information.

The insurability of **Penalties** will be in accordance with the law in the applicable venue that most favors coverage for such **Penalties**.

Period of Restoration means the 180-day period of time that begins upon the actual and necessary interruption of the **Insured Organization's** business operations.

Personally Identifiable Information means:

1. any information concerning an individual that is defined as personal information under any **Breach Notice Law**; and
2. an individual's drivers license or state identification number, social security number, unpublished telephone number, and credit, debit or other financial account numbers in combination with associated security codes, access codes, passwords or PINs; if such information allows an individual to be uniquely and reliably identified or contacted or allows access to the individual's financial account or medical record information.

but will not include information that is lawfully made available to the general public.

Policy Period means the period of time between the inception date listed in the Declarations and the effective date of termination, expiration or cancellation of this Policy and specifically excludes any Optional Extension Period or any prior policy period or renewal period.

Privacy Policy means the **Insured Organization's** public declaration of its policy for collection, use, disclosure, sharing, dissemination and correction or supplementation of, and access to **Personally Identifiable Information**.

Regulatory Proceeding means a request for information, civil investigative demand, or civil proceeding brought by or on behalf of any federal, state, local or foreign governmental entity in such entity's regulatory or official capacity.

Securities means negotiable and non-negotiable instruments or contracts representing either **Money** or tangible property that has intrinsic value.

Security Breach means a failure of computer security to prevent:

1. **Unauthorized Access or Use of Computer Systems**, including **Unauthorized Access or Use** resulting from the theft of a password from a **Computer System** or from any **Insured**;
2. a denial of service attack affecting **Computer Systems**;
3. with respect to coverage under the Liability insuring agreements, a denial of service attack affecting computer systems that are not owned, operated or controlled by an **Insured**; or
4. infection of **Computer Systems** by malicious code or transmission of malicious code from **Computer Systems**.

Subsidiary means any entity:

1. which, on or prior to the inception date of this Policy, the **Named Insured** owns, directly or indirectly, more than 50% of the outstanding voting securities ("Management Control"); and
2. which the **Named Insured** acquires Management Control after the inception date of this Policy; provided that:
 - (i) the revenues of such entity do not exceed 15% of the **Named Insured's** annual revenues; or
 - (ii) if the revenues of such entity exceed 15% of the **Named Insured's** annual revenues, then coverage under this Policy will be afforded for a period of 60 days, but only for any **Claim** that arises out of any act, error, omission, incident or event first occurring after the entity becomes so owned. Coverage beyond such 60 day period will only be available if the **Named Insured** gives the Underwriters written notice of the acquisition, obtains the written consent of Underwriters to extend coverage to the entity beyond such 60 day period and agrees to pay any additional premium required by Underwriters.

This Policy provides coverage only for acts, errors, omissions, incidents or events that occur while the **Named Insured** has Management Control over an entity.

System Failure means an unintentional and unplanned interruption of **Computer Systems**.

System Failure will not include any interruption of computer systems resulting from (i) a **Security Breach**, or (ii) the interruption of any third party computer system.

Telephone Fraud means the act of a third party gaining access to and using the **Insured Organization's** telephone system in an unauthorized manner.

Third Party Information means any trade secret, data, design, interpretation, forecast, formula, method, practice, credit or debit card magnetic strip information, process, record, report or other item of information of a third party not insured under this Policy which is not available to the general public.

Transfer Account means an account maintained by the **Insured Organization** at a **Financial Institution** from which the **Insured Organization** can initiate the transfer, payment or delivery of **Money** or **Securities**.

Unauthorized Access or Use means the gaining of access to or use of **Computer Systems** by an unauthorized person(s) or the use of **Computer Systems** in an unauthorized manner.

Unauthorized Disclosure means the disclosure of (including disclosure resulting from phishing) or access to information in a manner that is not authorized by the **Insured Organization** and is without knowledge of, consent or acquiescence of any member of the **Control Group**.

Waiting Period means the period of time that begins upon the actual interruption of the **Insured Organization's** business operations caused by a **Security Breach, System Failure, Dependent Security Breach** or **Dependent System Failure**, and ends after the elapse of the number of hours listed as the **Waiting Period** in the Declarations.

EXCLUSIONS

The coverage under this Policy will not apply to any **Loss** arising out of:

Bodily Injury or Property Damage

1. physical injury, sickness, disease or death of any person, including any mental anguish or emotional distress resulting from such physical injury, sickness, disease or death; or
2. physical injury to or destruction of any tangible property, including the loss of use thereof; but electronic data will not be considered tangible property;

Trade Practices and Antitrust

any actual or alleged false, deceptive or unfair trade practices, antitrust violation, restraint of trade, unfair competition (except as provided in the Media Liability insuring agreement), or false or deceptive or misleading advertising or violation of the Sherman Antitrust Act, the Clayton Act, or the Robinson-Patman Act; but this exclusion will not apply to:

1. the Breach Response insuring agreement; or
2. coverage for a **Data Breach** or **Security Breach**, provided no member of the **Control Group** participated or colluded in such **Data Breach** or **Security Breach**;

Gathering or Distribution of Information

1. the unlawful collection or retention of **Personally Identifiable Information** or other personal information by or on behalf of the **Insured Organization**; but this exclusion will not apply to **Claims Expenses** incurred in defending the **Insured** against allegations of unlawful collection of **Personally Identifiable Information**; or
2. the distribution of unsolicited email, text messages, direct mail, facsimiles or other communications, wire tapping, audio or video recording, or telemarketing, if such distribution, wire tapping, recording or telemarketing is done by or on behalf of the **Insured Organization**; but this exclusion will not apply to **Claims Expenses** incurred in defending the **Insured** against allegations of unlawful audio or video recording;

Prior Known Acts & Prior Noticed Claims

1. any act, error, omission, incident or event committed or occurring prior to the inception date of this Policy if any member of the **Control Group** on or before the **Continuity Date** knew or could have reasonably foreseen that such act, error or omission, incident or event might be expected to be the basis of a **Claim** or **Loss**;
2. any **Claim, Loss**, incident or circumstance for which notice has been provided under any prior policy of which this Policy is a renewal or replacement;

Racketeering, Benefit Plans, Employment Liability & Discrimination

1. any actual or alleged violation of the Organized Crime Control Act of 1970 (commonly known as Racketeer Influenced and Corrupt Organizations Act or RICO), as amended;
2. any actual or alleged acts, errors or omissions related to any of the **Insured Organization's** pension, healthcare, welfare, profit sharing, mutual or investment plans, funds or trusts;
3. any employer-employee relations, policies, practices, acts or omissions, or any actual or alleged refusal to employ any person, or misconduct with respect to employees; or
4. any actual or alleged discrimination;

but this exclusion will not apply to coverage under the Breach Response insuring agreement or parts 1., 2. or 3. of the Data & Network Liability insuring agreement that results from a **Data Breach**; provided no member of the **Control Group** participated or colluded in such **Data Breach**;

Sale or Ownership of Securities & Violation of Securities Laws

1. the ownership, sale or purchase of, or the offer to sell or purchase stock or other securities; or
2. an actual or alleged violation of a securities law or regulation;

Criminal, Intentional or Fraudulent Acts

any criminal, dishonest, fraudulent, or malicious act or omission, or intentional or knowing violation of the law, if committed by an **Insured**, or by others if the **Insured** colluded or participated in any such conduct or activity; but this exclusion will not apply to:

1. **Claims Expenses** incurred in defending any **Claim** alleging the foregoing until there is a final non-appealable adjudication establishing such conduct; or
2. with respect to a natural person **Insured**, if such **Insured** did not personally commit, participate in or know about any act, error, omission, incident or event giving rise to such **Claim** or **Loss**.

For purposes of this exclusion, only acts, errors, omissions or knowledge of a member of the **Control Group** will be imputed to the **Insured Organization**;

Patent, Software Copyright, Misappropriation of Information

1. infringement, misuse or abuse of patent or patent rights;
2. infringement of copyright arising from or related to software code or software products other than infringement resulting from a theft or **Unauthorized Access or Use** of software code by a person who is not a past, present or future employee, director, officer, partner or independent contractor of the **Insured Organization**; or
3. use or misappropriation of any ideas, trade secrets or **Third Party Information** (i) by, or on behalf of, the **Insured Organization**, or (ii) by any other person or entity if such use or misappropriation is done with the knowledge, consent or acquiescence of a member of the **Control Group**;

Governmental Actions

a **Claim** brought by or on behalf of any state, federal, local or foreign governmental entity, in such entity's regulatory or official capacity; but this exclusion will not apply to the Regulatory Defense & Penalties insuring agreement;

Other Insureds & Related Enterprises

a **Claim** made by or on behalf of:

1. any **Insured**; but this exclusion will not apply to a **Claim** made by an individual that is not a member of the **Control Group** under the Data & Network Liability insuring agreement, or a **Claim** made by an **Additional Insured**; or
2. any business enterprise in which any **Insured** has greater than 15% ownership interest or made by any parent company or other entity which owns more than 15% of the **Named Insured**;

Trading Losses, Loss of Money & Discounts

1. any trading losses, trading liabilities or change in value of accounts;
2. any loss, transfer or theft of monies, securities or tangible property of the **Insured** or others in the care, custody or control of the **Insured Organization**;
3. the monetary value of any transactions or electronic fund transfers by or on behalf of the **Insured** which is lost, diminished, or damaged during transfer from, into or between accounts; or
4. the value of coupons, price discounts, prizes, awards, or any other valuable consideration given in excess of the total contracted or expected amount;

but this exclusion will not apply to coverage under the eCrime insuring agreement;

Media-Related Exposures

with respect to the Media Liability insuring agreement:

1. any contractual liability or obligation; but this exclusion will not apply to a **Claim** for misappropriation of ideas under implied contract;
2. the actual or alleged obligation to make licensing fee or royalty payments;
3. any costs or expenses incurred or to be incurred by the **Insured** or others for the reprinting, reposting, recall, removal or disposal of any **Media Material** or any other information, content or media, including any media or products containing such **Media Material**, information, content or media;
4. any **Claim** brought by or on behalf of any intellectual property licensing bodies or organizations;
5. the actual or alleged inaccurate, inadequate or incomplete description of the price of goods, products or services, cost guarantees, cost representations, contract price estimates, or the failure of any goods or services to conform with any represented quality or performance;
6. any actual or alleged gambling, contest, lottery, promotional game or other game of chance; or
7. any **Claim** made by or on behalf of any independent contractor, joint venturer or venture partner arising out of or resulting from disputes over ownership of rights in **Media Material** or services provided by such independent contractor, joint venturer or venture partner;

First Party Loss

with respect to the First Party Loss insuring agreements:

1. seizure, nationalization, confiscation, or destruction of property or data by order of any governmental or public authority;
2. costs or expenses incurred by the **Insured** to identify or remediate software program errors or vulnerabilities or update, replace, restore, assemble, reproduce, recollect or enhance data or **Computer Systems** to a level beyond that which existed prior to a **Security Breach, System Failure, Dependent Security Breach, Dependent System Failure** or **Extortion Threat**;

3. failure or malfunction of satellites or of power, utility, mechanical or telecommunications (including internet) infrastructure or services that are not under the **Insured Organization's** direct operational control; or
4. fire, flood, earthquake, volcanic eruption, explosion, lightning, wind, hail, tidal wave, landslide, act of God or other physical event.

LIMIT OF LIABILITY AND COVERAGE

Limits of Liability

The Policy Aggregate Limit of Liability listed in the Declarations (the "**Policy Aggregate Limit of Liability**") is the Underwriters' combined total limit of liability for all **Loss** payable under this Policy.

The limit of liability listed in the Declarations under the Coverage Schedule as the "**Member/Insured Limit of Liability**" is the combined total limit of liability for all **Loss** payable under this policy for each Member/Insured.

The limit of liability payable under each insuring agreement will be an amount equal to the **Member/Insured Limit of Liability** unless another amount is listed in the Declarations. Such amount is the aggregate amount payable under this Policy pursuant to such insuring agreement and is part of, and not in addition to, the **Member/Insured Limit of Liability** and the overall **Policy Aggregate Limit of Liability**.

The Underwriters' will increase the limit for **Breach Response Costs** by 100% if the **Insured Organization** agrees to utilize services entirely from **Beazley Nominated Service Providers** for the provision all services covered under the Breach Response Insuring Agreement.

All **Dependent Business Loss** payable under this Policy is part of and not in addition to the **Business Interruption Loss** limit listed in the Declarations.

The Underwriters will not be obligated to pay any **Loss**, or to defend any **Claim**, after the **Policy Aggregate Limit of Liability** has been exhausted, or after deposit of the **Policy Aggregate Limit of Liability** in a court of competent jurisdiction.

RETENTIONS

The Retention listed in the Declarations applies separately to each incident, event or related incidents or events giving rise to a **Claim** or **Loss**. The Retention will be satisfied by monetary payments by the **Named Insured** of covered **Loss** under each insuring agreement. If any **Loss** arising out of an incident or **Claim** is subject to more than one Retention, the Retention for each applicable insuring agreement will apply to such **Loss**, provided that the sum of such Retention amounts will not exceed the largest applicable Retention amount.

Coverage for **Business Interruption Loss** and **Dependent Business Loss** will apply after the **Waiting Period** has elapsed and the Underwriters will then indemnify the **Named Insured** for all **Business Interruption Loss** and **Dependent Business Loss** sustained during the **Period of Restoration** in excess of the Retention.

The Retention listed in the Declarations for "XXXXX" applies separately to each incident, event or related incidents or events giving rise to a **Claim** or **Loss** in respect of "XXXXX"

The Retention listed in the Declarations for each "Member/Insured with total insurable value up to \$500,000,000 at the time of Inception" applies separately to each incident, event or related incidents or events giving rise to a **Claim** or **Loss**.

The Retention listed in the Declarations for each "Member/Insured with total insurable value greater than \$500,000,000 at the time of Inception" applies separately to each incident, event or related incidents or events giving rise to a **Claim** or **Loss**.

Satisfaction of the applicable Retention is a condition precedent to the payment of any **Loss** under this Policy, and the Underwriters will be liable only for the amounts in excess of such Retention.

OPTIONAL EXTENSION PERIOD

Upon non-renewal or cancellation of this Policy for any reason except the non-payment of premium, the **Named Insured** will have the right to purchase, for additional premium in the amount of the Optional Extension Premium percentage listed in the Declarations of the full Policy Premium listed in the Declarations, an Optional Extension Period for the period of time listed in the Declarations. Coverage provided by such Optional Extension Period will only apply to **Claims** first made against any **Insured** during the Optional Extension Period and reported to the Underwriters during the Optional Extension Period, and arising out of any act, error or omission committed before the end of the **Policy Period**. In order for the **Named Insured** to invoke the Optional Extension Period option, the payment of the additional premium for the Optional Extension Period must be paid to the Underwriters within 60 days of the termination of this Policy.

The purchase of the Optional Extension Period will in no way increase the **Policy Aggregate Limit of Liability** or any sublimit of liability. At the commencement of the Optional Extension Period the entire premium will be deemed earned, and in the event the **Named Insured** terminates the Optional Extension Period for any reason prior to its natural expiration, the Underwriters will not be liable to return any premium paid for the Optional Extension Period.

All notices and premium payments with respect to the Optional Extension Period option will be directed to the Underwriters through entity listed for Administrative Notice in the Declarations.

GENERAL CONDITIONS

Notice of Claim or Loss

The **Insured** must notify the Underwriters of any **Claim** as soon as practicable, but in no event later than: (i) 60 days after the end of the **Policy Period**; or (ii) the end of the Optional Extension Period (if applicable). Notice must be provided through the contacts listed for Notice of Claim, Loss or Circumstance in the Declarations.

With respect to **Breach Response Costs**, the **Insured** must notify the Underwriters of any actual or reasonably suspected **Data Breach** or **Security Breach** as soon as practicable after discovery by the **Insured**, but in no event later than 60 days after the end of the **Policy Period**. Notice must be provided through the contacts listed for Notice of Claim, Loss or Circumstance in the Declarations. Notice of an actual or reasonably suspected **Data Breach** or **Security Breach** in conformance with this paragraph will also constitute notice of a circumstance that could reasonably be the basis for a **Claim**.

With respect to **Cyber Extortion Loss**, the **Named Insured** must notify the Underwriters via the email address listed in the Notice of Claim, Loss or Circumstance in the Declarations as soon as practicable after discovery of an **Extortion Threat** but no later than 60 days after the end of the **Policy Period**. The **Named Insured** must obtain the Underwriters' consent prior to incurring **Cyber Extortion Loss**.

With respect to **Data Recovery Costs**, **Business Interruption Loss** and **Dependent Business Loss** the **Named Insured** must notify the Underwriters through the contacts for Notice of Claim, Loss or Circumstance in the Declarations as soon as practicable after discovery of the circumstance, incident or event giving rise to such loss. The **Named Insured** will provide the Underwriters a proof of **Data Recovery Costs**, **Business Interruption Loss** and **Dependent Business Loss**, and this Policy will cover the reasonable and necessary costs, not to exceed USD 50,000, that the **Named Insured** incurs to contract with a third party to prepare such proof. All loss described in this paragraph must be reported, and all proofs of loss must be provided, to the Underwriters no later than 6 months after the end of the **Policy Period**.

The **Named Insured** must notify the Underwriters of any loss covered under the eCrime insuring agreement as soon as practicable, but in no event later than 60 days after the end of the **Policy**

Period. Notice must be provided through the contacts listed for Notice of Claim, Loss or Circumstance in the Declarations.

Any **Claim** arising out of a **Loss** that is covered under the Breach Response, First Party Loss or eCrime insuring agreements and that is reported to the Underwriters in conformance with the foregoing will be considered to have been made during the **Policy Period**.

Beazley Breach Response Services

The **Named Insured** will also have access to educational and loss control information and services made available by the Underwriters from time to time and includes access to beazleybreachsolutions.com, a dedicated portal through which it can access news and information regarding breach response planning, data and network security threats, best practices in protecting data and networks, offers from third party service providers, and related information, tools and services. The **Named Insured** will also have access to communications addressing timely topics in data security, loss prevention and other areas.

Notice of Circumstance

With respect to any circumstance that could reasonably be the basis for a **Claim**, the **Insured** may give written notice of such circumstance to the Underwriters through the contacts listed for Notice of Claim, Loss or Circumstance in the Declarations as soon as practicable during the **Policy Period**. Such notice must include:

1. the specific details of the act, error, omission or event that could reasonably be the basis for a **Claim**;
2. the injury or damage which may result or has resulted from the circumstance; and
3. the facts by which the **Insured** first became aware of the act, error, omission or event.

Any subsequent **Claim** made against the **Insured** arising out of any circumstance reported to Underwriters in conformance with the foregoing will be considered to have been made at the time written notice complying with the above requirements was first given to the Underwriters during the **Policy Period**.

Notice of an actual or suspected **Data Breach** or **Security Breach** to the Beazley Breach Response Services Team will qualify such incident as a notified circumstance under this Policy.

Defense of Claims

Except with respect to coverage under the Payment Card Liabilities & Costs insuring agreement, the Underwriters have the right and duty to defend any covered **Claim** or **Regulatory Proceeding**. Defense counsel will be mutually agreed by the **Named Insured** and the Underwriters but, in the absence of such agreement, the Underwriters' decision will be final.

With respect to the Payment Card Liabilities & Costs insuring agreement, coverage will be provided on an indemnity basis and legal counsel will be mutually agreed by the **Named Insured** and the Underwriters.

The Underwriters will pay actual loss of salary and reasonable expenses resulting from the attendance by a corporate officer of the **Insured Organization** at any mediation meetings, arbitration proceedings, hearings, depositions, or trials relating to the defense of any **Claim**, subject to a maximum of \$2,000 per day and \$100,000 in the aggregate, which amounts will be part of and not in addition to the **Policy Aggregate Limit of Liability**.

Settlement of Claims

If the **Insured** refuses to consent to any settlement recommended by the Underwriters and acceptable to the claimant, the Underwriters' liability for such **Claim** will not exceed:

1. the amount for which the **Claim** could have been settled, less the remaining Retention, plus the **Claims Expenses** incurred up to the time of such refusal; plus

2. sixty percent (60%) of any **Claims Expenses** incurred after the date such settlement or compromise was recommended to the **Insured** plus sixty percent (60%) of any **Damages, Penalties and PCI Fines, Expenses and Costs** above the amount for which the **Claim** could have been settled;

and the Underwriters will have the right to withdraw from the further defense of such **Claim**.

The **Insured** may settle any **Claim** where the **Damages, Penalties, PCI Fines, Expenses and Costs** and **Claims Expenses** do not exceed the Retention, provided that the entire **Claim** is resolved and the **Insured** obtains a full release on behalf of all **Insureds** from all claimants.

Assistance and Cooperation

The Underwriters will have the right to make any investigation they deem necessary, and the **Insured** will cooperate with the Underwriters in all investigations, including investigations regarding coverage under this Policy and the information and materials provided to the underwriters in connection with the underwriting and issuance of this Policy. The **Insured** will execute or cause to be executed all papers and render all assistance as is requested by the Underwriters. The **Insured** agrees not to take any action which in any way increases the Underwriters' exposure under this Policy. Expenses incurred by the **Insured** in assisting and cooperating with the Underwriters do not constitute **Claims Expenses** under the Policy.

The **Insured** will not admit liability, make any payment, assume any obligations, incur any expense, enter into any settlement, stipulate to any judgment or award or dispose of any **Claim** without the written consent of the Underwriters, except as specifically provided in the Settlement of Claims clause above. Compliance with a **Breach Notice Law** will not be considered an admission of liability.

Subrogation

If any payment is made under this Policy and there is available to the Underwriters any of the **Insured's** rights of recovery against any other party, then the Underwriters will maintain all such rights of recovery. The **Insured** will do whatever is reasonably necessary to secure such rights and will not do anything after an incident or event giving rise to a **Claim** or **Loss** to prejudice such rights. If the **Insured** has waived its right to subrogate against a third party through written agreement made before an incident or event giving rise to a **Claim** or **Loss** has occurred, then the Underwriters waive their rights to subrogation against such third party. Any recoveries will be applied first to subrogation expenses, second to **Loss** paid by the Underwriters, and lastly to the Retention. Any additional amounts recovered will be paid to the **Named Insured**.

Other Insurance

The insurance under this Policy will apply in excess of any other valid and collectible insurance available to any **Insured** unless such other insurance is written only as specific excess insurance over this Policy.

Action Against the Underwriters

No action will lie against the Underwriters or the Underwriters' representatives unless and until, as a condition precedent thereto, the **Insured** has fully complied with all provisions, terms and conditions of this Policy and the amount of the **Insured's** obligation to pay has been finally determined either by judgment or award against the **Insured** after trial, regulatory proceeding, arbitration or by written agreement of the **Insured**, the claimant, and the Underwriters.

No person or organization will have the right under this Policy to join the Underwriters as a party to an action or other proceeding against the **Insured** to determine the **Insured's** liability, nor will the Underwriters be impleaded by the **Insured** or the **Insured's** legal representative.

The **Insured's** bankruptcy or insolvency of the **Insured's** estate will not relieve the Underwriters of their obligations hereunder.

Entire Agreement

By acceptance of the Policy, all **Insureds** agree that this Policy embodies all agreements between the Underwriters and the **Insured** relating to this Policy. Notice to any agent, or knowledge possessed by any agent or by any other person, will not effect a waiver or a change in any part of this Policy or stop the Underwriters from asserting any right under the terms of this Policy; nor will the terms of this Policy be waived or changed, except by endorsement issued to form a part of this Policy signed by the Underwriters.

Mergers or Consolidations

If during the **Policy Period** the **Named Insured** consolidates or merges with or is acquired by another entity, or sells more than 50% of its assets to another entity, then this Policy will continue to remain in effect through the end of the **Policy Period**, but only with respect to events, acts or incidents that occur prior to such consolidation, merger or acquisition. There will be no coverage provided by this Policy for any other **Claim** or **Loss** unless the **Named Insured** provides written notice to the Underwriters prior to such consolidation, merger or acquisition, the **Named Insured** has agreed to any additional premium and terms of coverage required by the Underwriters and the Underwriters have issued an endorsement extending coverage under this Policy.

Assignment

The interest hereunder of any **Insured** is not assignable. If the **Insured** dies or is adjudged incompetent, such insurance will cover the **Insured's** legal representative as if such representative were the **Insured**, in accordance with the terms and conditions of this Policy.

Cancellation

This Policy may be cancelled by the **Named Insured** by giving written notice to the Underwriters through the entity listed for Administrative Notice in the Declarations stating when the cancellation will be effective.

This Policy may be cancelled by the Underwriters by mailing to the **Named Insured** at the address listed in the Declarations written notice stating when such cancellation will be effective. Such date of cancellation will not be less than 60 days (or 10 days for cancellation due to non-payment of premium) after the date of notice.

If this Policy is canceled in accordance with the paragraphs above, the earned premium will be computed pro rata; but the premium will be deemed fully earned if any **Claim**, or any circumstance that could reasonably be the basis for a **Claim** or **Loss**, is reported to the Underwriters on or before the date of cancellation. Payment or tender of unearned premium is not a condition of cancellation.

Singular Form of a Word

Whenever the singular form of a word is used herein, the same will include the plural when required by context.

Headings

The titles of paragraphs, clauses, provisions or endorsements of or to this Policy are intended solely for convenience and reference, and are not deemed in any way to limit or expand the provisions to which they relate and are not part of the Policy.

Representation by the Insured

All **Insureds** agree that the statements contained the information and materials provided to the Underwriters in connection with the underwriting and issuance of this Policy are true, accurate and are not misleading, and that the Underwriters issued this Policy, and assume the risks hereunder, in reliance upon the truth thereof.

Named Insured as Agent

The **Named Insured** will be considered the agent of all **Insureds**, and will act on behalf of all **Insureds** with respect to the giving of or receipt of all notices pertaining to this Policy, and the acceptance of any endorsements to this Policy. The **Named Insured** is responsible for the payment of all premiums and Retentions and for receiving any return premiums.

Effective date of this Endorsement: 01 July 2020

This Endorsement is attached to and forms a part of Policy Number: PH2033938

Endorsement Number: 001

PREMIUM PAYMENT WARRANTY

IT IS HEREBY WARRANTED that all premium due to Underwriters under this policy is paid within 92 days from inception.

Non-receipt by Underwriters of such premium, by midnight (local standard time at the address of the insured) on the premium due date, shall render this policy void with effect from Inception.

623AFB00082 (amended).

Effective date of this Endorsement: 01 July 2020

This Endorsement is attached to and forms a part of Policy Number: PH2033938

Endorsement Number: 002

NAMED INSURED LIST ENDORSEMENT

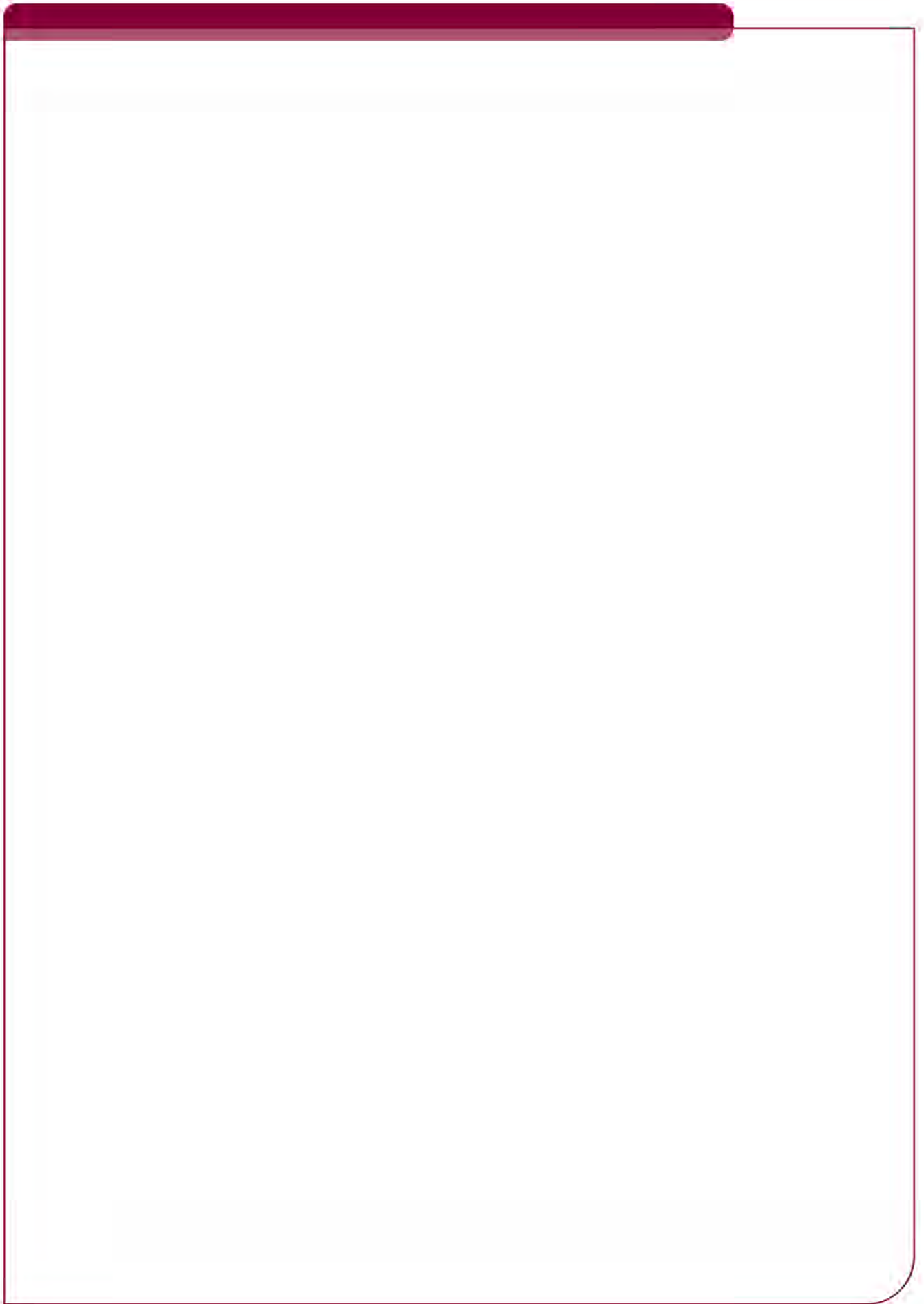
It is hereby noted and agreed that, the Named Insured and Member Total Value is as per the list on file with Alliant & Beazley, as attached to the e-mail sent from Alliant dated 29th July 2020 to RKH Specialty.

Member limits apply separately for each member of a JPA listed on this endorsement subject to the program aggregates.

Member

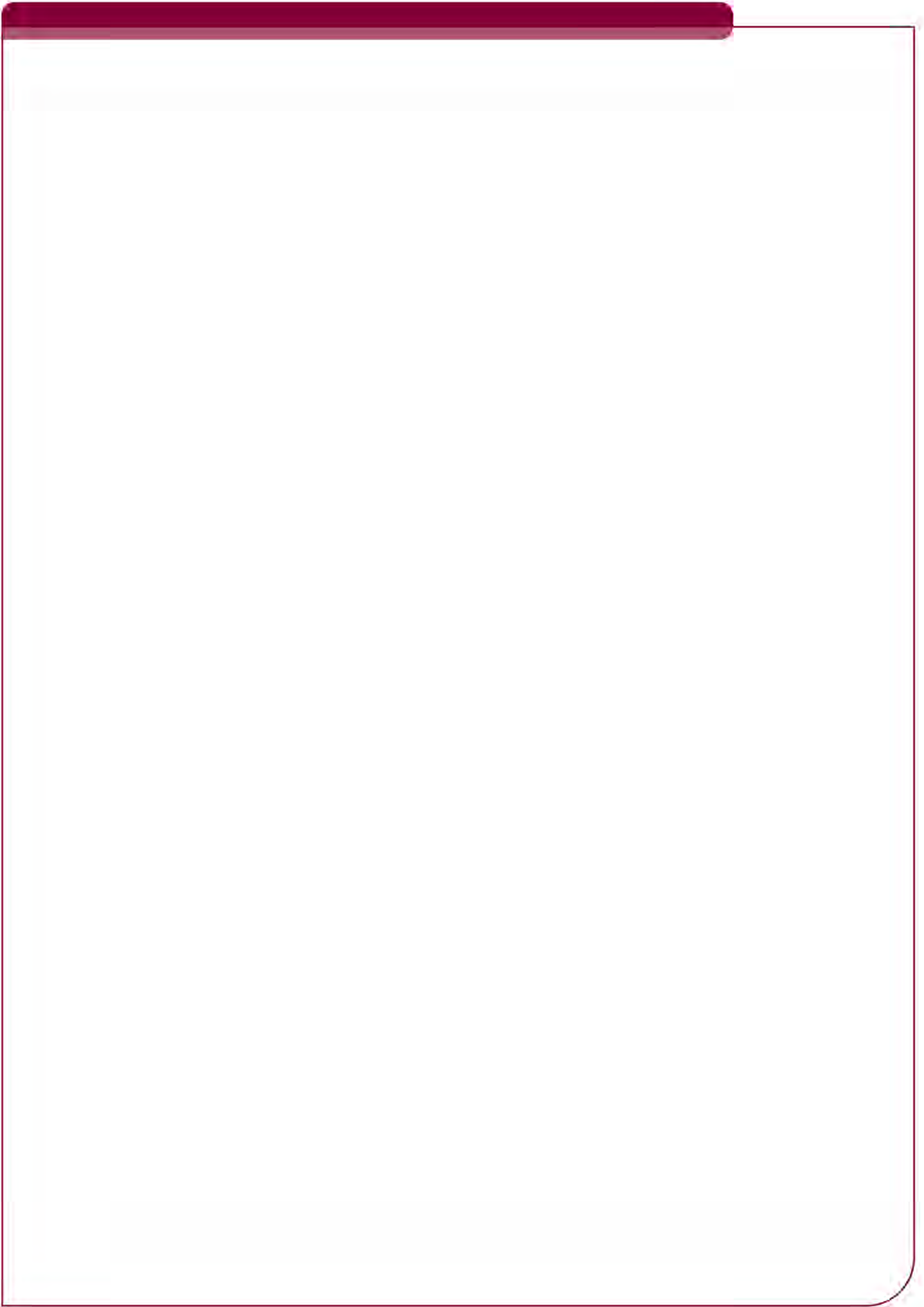
2020 All Risk TIV











Effective date of this Endorsement: 01 July 2020

This Endorsement is attached to and forms a part of Policy Number: PH2033938

Endorsement Number: 003

U.S.A.

NUCLEAR INCIDENT EXCLUSION CLAUSE-LIABILITY-DIRECT (BROAD)

(Approved by Lloyd's Underwriters Fire and Non-Marine Association)

For attachment to insurances of the following classifications in the U.S.A., its Territories Possessions, Puerto Rico and the Canal Zone:

-Owners, Landlords and Tenants Liability, Contractual Liability, Elevator Liability, Owners or Contractors (including railroad) Protective Liability, Manufacturers and Contractors Liability, Product Liability, Professional and Malpractice Liability, Store-keepers Liability, Garage Liability, Automobile Liability (including Massachusetts Motor Vehicle or Garage Liability), not being insurances of the classifications to which the Nuclear Incident Exclusion Clause-Liability-Direct (Limited) applies.

This policy*

does not apply:-

- I. Under any Liability Coverage, to injury, sickness, disease, death or destruction
 - (a) with respect to which an insured under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
 - (b) resulting from the hazardous properties of nuclear material and with respect to which (1) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (2) the insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
- II. Under any Medical Payments Coverage or under any Supplementary Payments Provision relating to immediate medical or surgical relief, to expenses incurred with respect to bodily injury, sickness, disease or death resulting from the hazardous properties of nuclear material and arising out of the operation of a nuclear facility by any person or organization.
- III. Under any Liability Coverage, to injury, sickness, disease, death or destruction resulting from the hazardous properties of nuclear material, if
 - (a) the nuclear material (1) is at any nuclear facility owned by, or operated by or on behalf of, an insured or (2) has been discharged or dispersed therefrom;
 - (b) the nuclear material is contained in spent fuel or waste at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or
 - (c) the injury, sickness, disease, death or destruction arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any nuclear facility, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (c) applies only to injury to or destruction of property at such nuclear facility.
- IV. As used in this endorsement:

"hazardous properties" include radioactive, toxic or explosive properties; **"nuclear material"** means source material, special nuclear material or byproduct material: **"source material"**, **"special nuclear material"**, and **"byproduct material"** have the meanings given them in the Atomic Energy Act 1954 or in any law amendatory thereof; **"spent fuel"** means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a nuclear reactor; **"waste"** means any waste material

(1) containing byproduct material and (2) resulting from the operation by any person or organization of any nuclear facility included within the definition of nuclear facility under paragraph (a) or (b) thereof; **"nuclear facility"** means

- (a) any nuclear reactor,
- (b) any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing spent fuel, or (3) handling, processing or packaging waste,
- (c) any equipment or device used for the processing, fabricating or alloying of special nuclear material if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235,
- (d) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste,

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations; **"nuclear reactor"** means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material. With respect to injury to or destruction of property, the word **"injury"** or **"destruction"** includes all forms or radioactive contamination of property.

It is understood and agreed that, except as specifically provided in the foregoing to the contrary, this clause is subject to the terms, exclusions, conditions and limitations of the Policy to which it is attached.

*NOTE: - As respect policies which afford liability coverages and other forms of coverage in addition, the words underlined should be amended to designate the liability coverage to which this clause is to apply.

17/3/60
NMA 1256

Effective date of this Endorsement: 01 July 2020

This Endorsement is attached to and forms a part of Policy Number: PH2033938

Endorsement Number: 004

RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE-LIABILITY-DIRECT (U.S.A.)

For attachment (in addition to the appropriate Nuclear Incident Exclusion Clause-Liability-Direct) to liability insurances affording worldwide coverage.

In relation to liability arising outside the U.S.A., its Territories or Possessions, Puerto Rico or the Canal Zone, this Policy does not cover any liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel.

13/2/64
NMA1477

Effective date of this Endorsement: 01 July 2020

This Endorsement is attached to and forms a part of Policy Number: PH2033938

Endorsement Number: 005

TRIBAL EXCLUSION ENDORSEMENT

It is hereby noted and agreed that Tribal Declarations are excluded from this Policy.

All other terms and conditions of this Policy remain unchanged.

Effective date of this Endorsement: 01 July 2020

This Endorsement is attached to and forms a part of Policy Number: PH2033938

Endorsement Number: 006

MERGERS AND ACQUISITIONS CLAUSE AMENDMENT ENDORSEMENT

It is hereby noted and agreed that, General Conditions, **Mergers or Consolidations** is amended to read as follows:

Mergers or Consolidations

If during the **Policy Period** the **Named Insured** consolidates or merges with another entity whose Total Insured Property Values ("TIV's") are more than \$25,000,000 then this Policy will continue to remain in effect through the end of the **Policy Period**, but only with respect to events, acts or incidents that occur prior to such consolidation, merger or acquisition. There will be no coverage provided by this Policy for any other **Claim** or **Loss** unless the **Named Insured** provides written notice to the Underwriters prior to such consolidation, merger or acquisition, the **Named Insured** has agreed to any additional premium and terms of coverage required by the Underwriters and the Underwriters have issued an endorsement extending coverage under this Policy.

All other terms and conditions of this Policy remain unchanged.

Effective date of this Endorsement: 01 July 2020

This Endorsement is attached to and forms a part of Policy Number: PH2033938

Endorsement Number: 007

NEW MEMBER RATING ENDORSEMENT

Special Note:

1. Beazley will endeavour to provide a 24 hour turnaround on confirmation of terms applicable to new Members, subject to the Underwriters conducting a satisfactory internal claims underwriting review.
2. Each new Member will be subject to a Retroactive Date & Continuity Date of Inception that will be the same as the date on which the Member joins the program.
3. No increase in overall Policy Aggregate will be provided for each new Member joining hereon.
4. Retentions to apply as per Master Policy Contract.
5. **New Member Rating:**

0.000495015% for all Members.

Underwriters agree to a pro rata calculation of the Additional Premium due from the date each new Member joins hereon.
6. All additional Premium due is to be collected on a monthly bordereau agreed by the Underwriters.

All other terms and conditions of this Policy remain unchanged.

Effective date of this Endorsement: 01 July 2020

This Endorsement is attached to and forms a part of Policy Number: PH2033938

Endorsement Number: 008

OTHER INSURANCE AMENDMENT ENDORSEMENT

GENERAL CONDITIONS

Other Insurance

The insurance under this Policy will apply in excess of any other valid and collectible insurance available to any **Insured** unless such other insurance is written only as specific excess insurance over this Policy.

The insurance under this Policy shall not apply to any **Claim** for which an **Insured** has coverage under any other policy issued by the Underwriter.

As respect the insurance under the Policy should be primary and shall not apply in excess of any other valid and collectible insurance available to any insured including any self-insured retention or deductible portion thereof.

All other terms and conditions of this Policy remain unchanged.

Effective date of this Endorsement: 01 July 2020

This Endorsement is attached to and forms a part of Policy Number: PH2033938

Endorsement Number: 009

MEMBER OR ENTITY CANCELLATION ENDORSEMENT

This endorsement modifies insurance provided under the following:

Beazley InfoSec

In consideration of the premium charged for the Policy, it is hereby understood and agreed that:

1. In the event a Member or Entity purchases a Beazley Breach Response policy during the **Policy Period**:
 - A. Coverage under this Policy for such Member or Entity shall cease at the time that coverage under such Beazley Breach Response policy incepts; and
 - B. Subject to GENERAL CONDITIONS, **Cancellation** and notwithstanding any other provision of this Policy to the contrary, the Underwriters agree to return to the Named Insured any unearned premium, if any, attributable to such Member or Entity within a reasonable amount of time thereafter; provided, however, that any such unearned premium shall be computed pro rata

All other terms and conditions of this Policy remain unchanged.

Effective date of this Endorsement: 01 July 2020

This Endorsement is attached to and forms a part of Policy Number: PH2033938

Endorsement Number: 010

BORDEREAUX REPORTING ENDORSEMENT

1. Alliant Insurance Services will provide RKH Specialty a monthly bordereaux report for **all** changes, including additions and deletions during the month on the 5th day of each month for the previous month.
2. Upon receipt of the bordereaux report from Alliant Insurance Services, RKH Specialty will issue **one endorsement** each month for all changes reflecting the date of change and additional premium based on set rates outlined in the Policy. The endorsement should be provided to Alliant Insurance Services within 10 days after receipt of the monthly bordereaux report.
3. RKH Specialty will issue **one invoice** each month for **all** premiums during the reported month. The invoice should be provided with the endorsement upon transmittal.
4. The threshold for bordereaux report payments is USD 50

All other terms and conditions of this Policy remain unchanged.

Effective date of this Endorsement: 01 July 2020

This Endorsement is attached to and forms a part of Policy Number: PH2033938

Endorsement Number: 011

WEBSITE MEDIA CONTENT LIABILITY

This endorsement modifies insurance provided under the following:

Beazley InfoSec

In consideration of the premium charged for the Policy, it is hereby understood and agreed that:

1. The definition of **Media Liability** is deleted in its entirety and replaced with the following:

Media Liability means one or more of the following acts committed by, or on behalf of, the **Insured Organization** in the course of the **Insured Organization's** display of **Media Material** on its web site or on social media web pages created and maintained by or on behalf of the **Insured Organization**:

1. defamation, libel, slander, trade libel, infliction of emotional distress, outrage, outrageous conduct, or other tort related to disparagement or harm to the reputation or character of any person or organization;
2. a violation of the rights of privacy of an individual, including false light and public disclosure of private facts;
3. invasion or interference with an individual's right of publicity, including commercial appropriation of name, persona, voice or likeness;
4. plagiarism, piracy, misappropriation of ideas under implied contract;
5. infringement of copyright;
6. infringement of domain name, trademark, trade name, trade dress, logo, title, metatag, or slogan, service mark, or service name; or
7. improper deep-linking or framing within electronic content.

2. The definition of **Media Material** is deleted in its entirety and replaced with the following:

Media Material means any information in electronic form, including words, sounds, numbers, images, or graphics and shall include advertising, video, streaming content, web-casting, online forum, bulletin board and chat room content, but does not mean computer software or the actual goods, products or services described, illustrated or displayed in such **Media Material**.

All other terms and conditions of this Policy remain unchanged.

Effective date of this Endorsement: 01 July 2020

This Endorsement is attached to and forms a part of Policy Number: PH2033938

Endorsement Number: 012

REPUTATION LOSS

In consideration of the premium charged for the Policy, it is hereby understood and agreed that:

1. Limit listed in the Declarations under **COVERAGE SCHEDULE** is amended to include:

Reputation Loss: USD 50,000 for each Insured/Member
each loss

2. Retention listed in the Declarations under **COVERAGE SCHEDULE** is amended to include:

Each incident giving rise to **Reputation Loss:** As per the retentions listed in the
declarations

3. **INSURING AGREEMENTS** is amended by the addition of:

Reputation Loss

To indemnify the **Insured Organization** for **Reputation Loss** that the **Insured Organization** sustains solely as a result of an **Adverse Media Event** that occurs during the **Policy Period**, concerning:

1. a **Data Breach, Security Breach, or Extortion Threat** that the **Insured** first discovers during the **Policy Period**; or
2. if this policy is a **Renewal**, a **Data Breach, Security Breach, or Extortion Threat** that the **Insured** first discovers during the last 90 days of the prior policy period.

4. **DEFINITIONS** is amended to include:

Adverse Media Event means:

1. publication by a third party via any medium, including but not limited to television, print, radio, electronic, or digital form of previously non-public information specifically concerning a **Data Breach, Security Breach, or Extortion Threat**; or
2. notification of individuals pursuant to part 4. of the **Breach Response Services** definition.

Multiple **Adverse Media Events** arising from the same or a series of related, repeated or continuing **Data Breaches, Security Breaches, or Extortion Threats**, shall be considered a single **Adverse Media Event**, and shall be deemed to occur at the time of the first such **Adverse Media Event**.

Claims Preparation Costs means reasonable and necessary costs that the **Named Insured** incurs to contract with a third party to prepare a proof of loss demonstrating **Reputational Loss**.

Protection Period means the period beginning on the date the **Adverse Media Event** occurs, and ends after the earlier of:

1. 180 days; or
2. the date that gross revenues are restored to the level they would have been but for the **Adverse Media Event**.

Renewal means an insurance policy issued by the Underwriters to the **Named Insured** for the policy period immediately preceding this **Policy Period** that provides coverage for a **Data Breach, Security Breach, or Extortion Threat** otherwise covered under this Policy.

Reputation Loss means:

1. the net profit or loss before interest and tax that the **Insured Organization** would have earned during the **Protection Period** but for an **Adverse Media Event**; and
2. continuing normal operating expenses incurred by the **Insured Organization** (including payroll), but only to the extent that such operating expenses must necessarily continue during the **Protection Period**.

When calculating any **Reputation Loss**, due consideration will be given to any amounts made up during, or within a reasonable time after the end of, the **Protection Period**.

Reputation Loss will not mean and no coverage will be available under this endorsement for any of the following:

- (i) loss arising out of any liability to any third party;
- (ii) legal costs or legal expenses of any type;
- (iii) loss incurred as a result of unfavorable business conditions;
- (iv) loss of market or any other consequential loss;
- (v) **Breach Response Services**; or
- (vi) **Cyber Extortion Loss**;

There will be no coverage available under this endorsement if there is an actual interruption of the **Insured Organization's** business operations for any period of time.

5. **Limits of Liability** under **LIMIT OF LIABILITY AND COVERAGE** is amended to include:

Reputational Loss and **Claims Preparation Costs** covered under this Policy arising from an **Adverse Media Event** concerning any **Data Breach, Security Breach, or Extortion Threat** (including a series of related, repeated or continuing **Data Breaches, Security Breaches, or Extortion Threats**) first discovered during the last 90 days of the prior policy period, will be considered to have been noticed to the Underwriters during the prior policy period and will be subject to the **Policy Aggregate Limit of Liability** of the prior policy period. Under such circumstances, if the **Policy Aggregate Limit of Liability** of the prior policy period is exhausted due to payments made under the prior policy, the Underwriter's obligation to pay **Reputational Loss** or **Claims Preparation Costs** under this Policy shall be completely fulfilled and extinguished.

6. **Notice of Claim or Loss** under **GENERAL CONDITIONS** is amended to include:

With respect to **Reputation Loss**, the **Named Insured** must notify the Underwriters through the contacts listed for **Notice of Claim, Loss or Circumstance** in the Declarations as soon as practicable after discovery of the circumstance, incident or event giving rise to such loss.

All **Reputation Loss** must be reported, and all proofs of loss must be provided, to the Underwriters no later than four (4) months after the end of the **Protection Period**.

This Policy will cover up to USD 50,000 of **Claims Preparation Costs** in excess of the Retention stated in Section 2. of this endorsement.

All other terms and conditions of this Policy remain unchanged.

Effective date of this Endorsement: 01 July 2020

This Endorsement is attached to and forms a part of Policy Number: PH2033938

Endorsement Number: 013

RETROACTIVE DATE ENDORSEMENT

This endorsement modifies insurance provided under the following:

Beazley InfoSec

In consideration of the premium charged for the Policy, it is hereby understood and agreed that:

1. Coverage under this Policy will apply only if any act, error, omission, incident or event giving rise to **Loss** first occurs or takes place on or after the retroactive date listed below ("Retroactive Date") and before the end of the **Policy Period**.
2. **EXCLUSIONS** is amended to include:

Retroactive Date

any related or continuing acts, errors, omissions, incidents or events, where the first such act, error, omission, incident or event was committed or occurred prior to:

APIP:

12.01 a.m. 1st July 2020 Local Standard Time for new members included as part of the July 1, 2020/2021 policy renewal.

12.01 a.m. 1st July 2019 Local Standard Time for new members included as part of the July 1, 2019/2020 policy renewal.

12.01 a.m. 1st July 2018 Local Standard Time for new members included as part of the July 1, 2018/2019 policy renewal.

12.01 a.m. 1st July 2017 Local Standard Time for new members included as part of the July 1, 2017/2018 policy renewal.

12.01 a.m. 1st July 2016 Local Standard Time for new members included as part of the July 1, 2016/2017 policy renewal.

12.01 a.m. 1st July 2015 Local Standard Time for new members included as part of the July 1, 2015/2016 policy renewal.

12.01 a.m. 1st July 2014 Local Standard Time for new members included as part of the July 1, 2014/2015 policy renewal.

12.01 a.m. 1st July 2013 Local Standard Time for new members included as part of the July 1, 2013/2014 policy renewal.

12.01 a.m. 1st July 2012 Local Standard Time for new members included as part of the July 1, 2012/2013 policy renewal.

12.01 a.m. 1st July 2011 Local Standard Time for existing members included as part of the July 1, 2011/2012 policy renewal.

12.01 a.m. 1st July 2010 Local Standard Time for existing members included as part of the July 1, 2010/2011 policy renewal.

HARPP:

For new members post renewal, the retroactive date will be the date of addition

12.01 a.m. 1st July 2009 Local Standard Time for members endorsed onto the July 1, 2009/10 policy at a \$500,000 limit except for those members who did not provide a "No Known Losses Letter" then the retro date is the date that the member was added

12.01 a.m. 1st July 2010 Local Standard Time (For \$1,500,000 excess \$500,000)

3. The first paragraph of **Optional Extension Period** is deleted in its entirety and replaced with the following:

Upon non-renewal or cancellation of this Policy for any reason except the non-payment of premium, the **Named Insured** will have the right to purchase, for additional premium in the amount of the Optional Extension Premium percentage listed in the Declarations of the full Policy Premium listed in the Declarations, an Optional Extension Period for the period of time listed in the Declarations. Coverage provided by such Optional Extension Period will only apply to **Claims** first made against any **Insured** during the Optional Extension Period and reported to the Underwriters during the Optional Extension Period, and arising out of any act, error or omission committed on or after the Retroactive Date and before the end of the **Policy Period**. In order for the **Named Insured** to invoke the Optional Extension Period option, the payment of the additional premium for the Optional Extension Period must be paid to the Underwriters within 60 days of the termination of this Policy.

All other terms and conditions of this Policy remain unchanged.

Effective date of this Endorsement: 01 July 2020

This Endorsement is attached to and forms a part of Policy Number: PH2033938

Endorsement Number: 014

AMENDATORY ENDORSEMENT FOR

It is hereby understood and agreed that solely with respect to :

1. INSURING AGREEMENTS **Breach Response** is deleted in its entirety.

2. GENERAL CONDITIONS, **Other Insurance** is deleted in its entirety and replaced with the following:

The insurance under this Policy shall apply in excess of any other valid and collectible insurance available to any Insured, including any self insured retention or deductible portion thereof unless such other insurance is written only as specific excess insurance over the Policy Aggregate Limit or any other applicable Limit of Liability of this Policy.

Notwithstanding the above, the insurance under this Policy shall apply excess the Beazley Breach Response Policy (#TBA) issued to the Named Insured by the Underwriters. This Policy will recognise erosion of the Beazley Breach Response Policy (#TBA) where there may be a difference in conditions and will follow form where conditions are the same. Payments made under the Beazley Breach Response Policy (#TBA) will act towards the erosion of any applicable Retention on this policy with respect to , where a Claim, Cyber Extortion Loss, Data Recovery Costs, Business Interruption Loss, Dependent Business Loss, or any Loss covered under the eCrime insuring agreement may involve both this Policy and Beazley Breach Response Policy (#TBA).

Effective date of this Endorsement: 01 July 2020

This Endorsement is attached to and forms a part of Policy Number: PH2033938

Endorsement Number: 015

AMENDATORY ENDORSEMENT FOR

It is hereby understood and agreed that solely with respect to

1. INSURING AGREEMENTS **Breach Response** is deleted in its entirety.

2. GENERAL CONDITIONS, **Other Insurance** is deleted in its entirety and replaced with the following:

The insurance under this Policy shall apply in excess of any other valid and collectible insurance available to any Insured, including any self insured retention or deductible portion thereof unless such other insurance is written only as specific excess insurance over the Policy Aggregate Limit or any other applicable Limit of Liability of this Policy.

Notwithstanding the above, the insurance under this Policy shall apply excess the Beazley Breach Response Policy PH***** issued to the Named Insured by the Underwriters. This Policy will recognise erosion of the Beazley Breach Response Policy PH***** where there may be a difference in conditions and will follow form where conditions are the same. Payments made under the Beazley Breach Response Policy PH***** will act towards the erosion of any applicable Retention on this policy with respect to , where a Claim, Cyber Extortion Loss, Data Recovery Costs, Business Interruption Loss, Dependent Business Loss, or any Loss covered under the eCrime insuring agreement may involve both this Policy and Beazley Breach Response Policy PH*****

Effective date of this Endorsement: 01 July 2020

This Endorsement is attached to and forms a part of Policy Number: PH2033938

Endorsement Number: 017

INCREASED BREACH RESPONSE COSTS

It is hereby noted and agreed that the following APIP Members have elected to purchase the increased limit for Breach Response Costs:

All other terms and conditions of this Policy remain unchanged.

Effective date of this Endorsement: 01 July 2020

This Endorsement is attached to and forms a part of Policy Number: PH2033938

Endorsement Number: 018

GDPR CYBER ENDORSEMENT

This endorsement modifies insurance provided under the following:

Beazley InfoSec

In consideration of the premium charged for the Policy, it is hereby understood and agreed that the Data & Network Liability insuring agreement is amended to include:

5. non-compliance with the following obligations under the EU General Data Protection Regulation (or legislation in the relevant jurisdiction implementing this Regulation):
 - (a) Article 5.1(f), also known as the Security Principle;
 - (b) Article 32, Security of Processing;
 - (c) Article 33, Communication of a Personal Data Breach to the Supervisory Authority; or
 - (d) Article 34, Communication of a Personal Data Breach to the Data Subject.

All other terms and conditions of this Policy remain unchanged.

Effective date of this Endorsement: 01 July 2020

This Endorsement is attached to and forms a part of Policy Number: PH2033938

Endorsement Number: 019

**POLICYHOLDER DISCLOSURE NOTICE OF
TERRORISM INSURANCE COVERAGE**

You are hereby notified that under the Terrorism Risk Insurance Act of 2002, as amended ("TRIA"), insurance coverage provided by this Policy includes losses arising out of acts of terrorism, **as defined in Section 102(1) of the Act, as amended:** The term "act of terrorism" means any act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of an air carrier or vessel or the premises of a United States mission; and to have been committed by an individual or individuals, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion. Any coverage you purchase for "acts of terrorism" shall expire at 12:00 midnight December 31, 2020, the date on which the TRIA Program is scheduled to terminate, or the expiry date of the policy whichever occurs first, and shall not cover any losses or events which arise after the earlier of these dates.

YOU SHOULD KNOW THAT COVERAGE PROVIDED BY THIS POLICY FOR LOSSES CAUSED BY CERTIFIED ACTS OF TERRORISM IS PARTIALLY REIMBURSED BY THE UNITED STATES UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THIS FORMULA, THE UNITED STATES PAYS 85% THROUGH 2015; 84% BEGINNING ON JANUARY 1, 2016; 83% BEGINNING ON JANUARY 1, 2017; 82% BEGINNING ON JANUARY 1, 2018; 81% BEGINNING ON JANUARY 1, 2019 AND 80% BEGINNING ON JANUARY 1, 2020; OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURER(S) PROVIDING THE COVERAGE. YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A USD100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS USD100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED USD100 BILLION, YOUR COVERAGE MAY BE REDUCED.

(LMA 9104 amended)

Effective date of this Endorsement: 01 July 2020

This Endorsement is attached to and forms a part of Policy Number: PH2033938

Endorsement Number: 020

COMPUTER HARDWARE REPLACEMENT COST

This endorsement modifies insurance provided under the following:

Beazley Infosec

In consideration of the premium charged for this Policy, it is hereby understood and agreed that:

1. The definition of **Extra Expense** is deleted in its entirety and replaced with the following:

Extra Expense means reasonable and necessary expenses incurred by the **Insured Organization** during the **Period of Restoration** to minimize, reduce or avoid **Income Loss**, over and above those expenses the **Insured Organization** would have incurred had no **Security Breach, System Failure, Dependent Security Breach** or **Dependent System Failure** occurred; and includes reasonable and necessary expenses incurred by the **Insured Organization** to replace computers or any associated devices or equipment operated by, and either owned by or leased to, the **Insured Organization** that are unable to function as intended due to corruption or destruction of software or firmware directly resulting from a **Security Breach**, provided however that the maximum sublimit applicable to **Extra Expense** incurred to replace such devices or equipment is USD 75,000 each Member/Insured each loss.

2. Part 2. of the **Bodily Injury or Property Damage** exclusion is deleted in its entirety and replaced with the following:

2. physical injury to or destruction of any tangible property, including the loss of use thereof; but this will not apply to the loss of use of computers or any associated devices or equipment operated by, and either owned by or leased to, the **Insured Organization** that are unable to function as intended due to corruption or destruction of software or firmware directly resulting from a **Security Breach**. Electronic data shall not be considered tangible property;

All other terms and conditions of this Policy remain unchanged.

Effective date of this Endorsement: 01 July 2020

This Endorsement is attached to and forms a part of Policy Number: PH2033938

Endorsement Number: 021

INVOICE MANIPULATION COVERAGE

This endorsement modifies insurance provided under the following:

Beazley Infosec

In consideration of the premium charged for the Policy, it is hereby understood and agreed that:

1. The aggregate sublimit applicable to all loss under this endorsement is USD 100,000 each Member/Insured each loss.
2. The Retention applicable to each incident, event, or related incidents or events, giving rise to an obligation to pay loss under this endorsement shall be as per the coverage schedule listed in the declarations.
3. **INSURING AGREEMENTS** is amended to include:

Invoice Manipulation

To indemnify the **Insured Organization** for **Direct Net Loss** resulting directly from the **Insured Organization's** inability to collect **Payment** for any goods, products or services after such goods, products or services have been transferred to a third party, as a result of **Invoice Manipulation** that the **Insured** first discovers during the **Policy Period**:

4. **DEFINITIONS** is amended to include:

Direct Net Loss means the direct net cost to the **Insured Organization** to provide goods, products or services to a third party. **Direct Net Loss** will not include any profit to the **Insured Organization** as a result of providing such goods, products or services.

Invoice Manipulation means the release or distribution of any fraudulent invoice or fraudulent payment instruction to a third party as a direct result of a **Security Breach** or a **Data Breach**.

Payment means currency, coins or bank notes in current use and having a face value.

All other terms and conditions of this Policy remain unchanged.

Effective date of this Endorsement: 01 July 2020

This Endorsement is attached to and forms a part of Policy Number: PH2033938

Endorsement Number: 022

AMEND DATA RECOVERY COSTS

This endorsement modifies insurance provided under the following:

BEAZLEY INFOSEC

In consideration of the premium charged for the Policy, it is hereby understood and agreed that the Data Recovery Costs insuring agreement is deleted in its entirety and replaced with the following:

Data Recovery Costs

Data Recovery Costs that the **Insured Organization** incurs as a direct result of a **Security Breach** or **System Failure** that the **Insured** first discovers during the **Policy Period**.

All other terms and conditions of this Policy remain unchanged.

Effective date of this Endorsement: 01 July 2020

This Endorsement is attached to and forms a part of Policy Number: PH2033938

Endorsement Number: 023

VOLUNTARY SHUTDOWN COVERAGE

This endorsement modifies insurance provided under the following:

BEAZLEY INFOSEC

In consideration of the premium charged for the Policy, it is hereby understood and agreed that the definition of **Security Breach** is deleted in its entirety and replaced with the following:

Security Breach means:

1. A failure of computer security to prevent:
 - (i) **Unauthorized Access or Use of Computer Systems**, including **Unauthorized Access or Use** resulting from the theft of a password from a **Computer System** or from any **Insured**;
 - (ii) a denial of service attack affecting **Computer Systems**;
 - (iii) with respect to coverage under the Liability insuring agreements, a denial of service attack affecting computer systems that are not owned, operated or controlled by an **Insured**; or
 - (iv) infection of Computer Systems by malicious code or transmission of malicious code from Computer Systems; or
2. Solely with respect to the Business Interruption Loss insuring agreement:
 - (i) the voluntary and intentional shutdown of **Computer Systems** by the **Insured Organization**, with the Underwriters' prior consent, but only to the extent necessary to limit the **Loss** resulting from a situation described in 1.(i) or 1.(iv) above; or
 - (ii) the intentional shutdown of **Computer Systems** by the **Insured Organization** as expressly required by any federal, state, local or foreign governmental entity in such entity's regulatory or official capacity resulting from a situation described in 1.(i) or 1.(iv) above.

All other terms and conditions of this Policy remain unchanged.

Effective date of this Endorsement: 01 July 2020

This Endorsement is attached to and forms a part of Policy Number: PH2033938

Endorsement Number: 024

APIP AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

BEAZLEY INFOSEC

In consideration of the premium charged for the Policy, it is hereby understood and agreed that the definitions of **Claim** and **Data** are deleted in their entirety and replaced with the following:

Claim means:

1. a written demand received by any **Insured** for money or services;
2. with respect to coverage provided under the Regulatory Defense & Penalties insuring agreement only, institution of a **Regulatory Proceeding** against any **Insured**; or
3. with respect to coverage provided under part 1. of the Data & Network Liability insuring agreement only, a demand received by any **Insured** to fulfill the **Insured Organization's** contractual obligation to provide notice of a **Data Breach** pursuant to a **Breach Notice Law**;

Multiple **Claims** arising from the same or a series of related, repeated or continuing acts, errors, omissions or events will be considered a single **Claim** for the purposes of this Policy. All such **Claims** will be deemed to have been made at the time of the first such **Claim**.

Data means any software or electronic data that exists in **Computer Systems** and that is subject to back-up procedures.

It is further understood and agreed that **Settlement of Claims** under GENERAL CONDITIONS is deleted in its entirety and replaced with the following:

Settlement of Claims

If the **Insured** refuses to consent to any settlement recommended by the Underwriters and acceptable to the claimant, the Underwriters' liability for such **Claim** will not exceed:

1. the amount for which the **Claim** could have been settled, less the remaining Retention, plus the **Claims Expenses** incurred up to the time of such refusal; plus
2. seventy percent (70%) of any **Claims Expenses** incurred after the date such settlement or compromise was recommended to the **Insured** plus seventy percent (70%) of any **Damages, Penalties and PCI Fines, Expenses and Costs** above the amount for which the **Claim** could have been settled;

and the Underwriters will have the right to withdraw from the further defense of such **Claim**.

The **Insured** may settle any **Claim** where the **Damages, Penalties, PCI Fines, Expenses and Costs** and **Claims Expenses** do not exceed the Retention, provided that the entire **Claim** is resolved and the **Insured** obtains a full release on behalf of all **Insureds** from all claimants.

All other terms and conditions of this Policy remain unchanged.

Effective date of this Endorsement: 01 July 2020

This Endorsement is attached to and forms a part of Policy Number: PH2033938

Endorsement Number: 025

SERVICE OF SUIT CLAUSE (USA)

It is agreed that in the event of the failure of the Underwriters hereon to pay any amount claimed to be due hereunder, the Underwriters hereon, at the request of the Insured (or Reinsured), will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this Clause constitutes or should be understood to constitute a waiver of Underwriters' rights to commence an action in any Court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another Court as permitted by the laws of the United States or of any State in the United States.

It is further agreed that service of process in such suit may be made upon Foley & Lardner LLP 555 California Street, Suite 1700 San Francisco, CA 94104-1520, USA and that in any suit instituted against any one of them upon this contract, Underwriters will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

The above-named are authorized and directed to accept service of process on behalf of Underwriters in any such suit and/or upon the request of the Insured (or Reinsured) to give a written undertaking to the Insured (or Reinsured) that they will enter a general appearance upon Underwriters' behalf in the event such a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefor, Underwriters hereon hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Insured (or Reinsured) or any beneficiary hereunder arising out of this contract of insurance (or reinsurance), and hereby designate the above-named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

24/4/86
NMA1998

Effective date of this Endorsement: 01 July 2020

This Endorsement is attached to and forms a part of Policy Number: PH2033938

Endorsement Number: 026

STATE CONSUMER PRIVACY STATUTES ENDORSEMENT

In consideration of the premium charged for the Policy, it is hereby understood and agreed that:

1. The Policy is amended to include the following insuring agreement:

State Consumer Privacy Statutes

To pay **Penalties** and **Claims Expenses** which the **Insured** is legally obligated to pay because of any **Regulatory Proceeding** first made against any **Insured** during the **Policy Period** for a violation of the California Consumer Privacy Act or any similar state statutes or state regulations specifically governing the **Insured Organization's** collection, use, disclosure, sale, processing, profiling, acquisition, sharing, maintenance, retention or storage of or provision of access to personal information or personal data as defined under the California Consumer Privacy Act or similar state statutes or state regulations.

2. The definition of **Claim** is amended to include institution of a **Regulatory Proceeding** against any **Insured** under the State Consumer Privacy Statutes insuring agreement for a violation of the California Consumer Privacy Act or any similar state statutes or state regulations specifically governing the **Insured Organization's** collection, use, disclosure, sale, processing, profiling, acquisition, sharing, maintenance, retention or storage of or provision of access to personal information or personal data as defined under the California Consumer Privacy Act or similar state statutes or state regulations.
3. The **Governmental Actions** exclusion and part 1. of the **Gathering or Distribution of Information** exclusion will not apply to the State Consumer Privacy Statutes insuring agreement.
4. Solely with respect to the State Consumer Privacy Statutes insuring agreement, the **Trade Practices and Antitrust** exclusion is deleted in its entirety and replaced with the following:

Trade Practices

any actual or alleged false, deceptive or unfair trade practices or unfair competition; but this exclusion will not apply to coverage under the State Consumer Privacy Statutes insuring agreement, provided no member of the **Control Group** participated in or colluded in the activities or incidents giving rise to coverage under such insuring agreement;

Antitrust

any actual or alleged antitrust violation, restraint of trade, false, deceptive or misleading advertising or violation of the Sherman Antitrust Act, the Clayton Act, or the Robinson-Patman Act;

All other terms and conditions of this Policy remain unchanged.

Effective date of this Endorsement: 01 July 2020

This Endorsement is attached to and forms a part of Policy Number: PH2033938

Endorsement Number: 027

CRYPTOJACKING ENDORSEMENT

In consideration of the premium charged for the Policy, it is hereby understood and agreed that:

1. The aggregate sublimit applicable to all loss under this endorsement is USD 25,000 for each Insured/Member each claim
2. The Retention applicable to each incident, event, or related incidents or events, giving rise to an obligation to pay loss under this endorsement shall be USD as per the retentions listed in the declarations
3. **INSURING AGREEMENTS** is amended to include:

Cryptojacking

To indemnify the **Insured Organization** for any direct financial loss sustained resulting from **Cryptojacking** that the **Insured** first discovers during the **Policy Period**.

4. **DEFINITIONS** is amended to include:

Cryptojacking means the **Unauthorized Access or Use of Computer Systems** to mine for **Digital Currency** that directly results in additional costs incurred by the **Insured Organization** for electricity, natural gas, oil, or internet (the "**Utilities**"); provided, however, that such additional costs for the **Utilities** are:

1. incurred pursuant to a written contract between the **Insured Organization** and the respective utility provider, which was executed before the **Cryptojacking** first occurred;
2. billed to the **Insured Organization** by statements issued by the respective utility provider, which include usage or consumption information;
3. not charged to the **Insured Organization** at a flat fee that does not scale with the rate or use of the respective utility; and
4. incurred pursuant to statements issued by the respective utility provider and due for payment during the **Policy Period**.

All other terms and conditions of this Policy remain unchanged.

Effective date of this Endorsement: 01 July 2020

This Endorsement is attached to and forms a part of Policy Number: PH2033938

Endorsement Number: 028

MID TERM TRANSACTIONS BORDEREAUX

It is hereby noted and agreed that for any midterm transactions for Members that purchase a Beazley Breach Response Endorsement, an Excess Layer Placement, a Retention Buy Down or a Technology Errors and Omissions Endorsement there will be an additional premium due of:

Such additional premiums are to be processed and invoiced on a quarterly basis.

All other terms and conditions of this Policy remain unchanged.

Effective date of this Endorsement: 01 July 2020

This Endorsement is attached to and forms a part of Policy Number: PH2033938

Endorsement Number: 029

MEMBERS WITH NO TIV

The Following Members have cover under the policy:-

All other terms and conditions of this Policy remain unchanged.

Effective date of this Endorsement: 01 July 2020

This Endorsement is attached to and forms a part of Policy Number: PH2033938

Endorsement Number: 030

SANCTION LIMITATION AND EXCLUSION CLAUSE

This endorsement modifies insurance provided under the following:

BEAZLEY INFOSEC

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, law or regulations of the European Union, United Kingdom or United States of America.

All other terms and conditions of this Policy remain unchanged.

Effective date of this Endorsement: 01 July 2020

This Endorsement is attached to and forms a part of Policy Number: PH2033938

Endorsement Number: 031

EMPLOYEE DEVICE ENDORSEMENT

This endorsement modifies insurance provided under the following:

BEAZLEY INFOSEC

In consideration of the premium charged for the Policy, it is hereby understood and agreed that the definition of **Computer Systems** is amended to include computers, any software residing on such computers and any associated devices or equipment (including but not limited to wireless or mobile devices), operated by any person listed in parts 2., 3. or 4. of the **Insured** definition, but only for work done while acting within the scope of his or her employment and related to the conduct of the **Insured Organization's** business.

All other terms and conditions of this Policy remain unchanged.

SECURITY DETAILS

REFERENCES

UMR (Unique Market Reference): B0180PH2033938

Date contract printed to PDF: 16:17 28 September 2020

SIGNED UNDERWRITERS

Beazley Syndicates AFB

Loveroop Heer

Written Line

100.00%

Signed Line

100.00%

Agreed on

16:12 28 September 2020

For and on behalf of:

Lloyd's Underwriter Syndicate No. AFB 2623
82% / AFB 623 18%, London, England

Written Line

100.00%

Signed Line

100.00%

Bound as Slip Leader, Lloyd's Leader

Lloyd's Stamp:

AFB 2623/0623

Reference:

JR904C20APPJ

Description:

Risk Code(s):

CY

SETTLEMENT INFORMATION

Allocation of Premium to Coding

CY at 100.00%

Allocation of Premium to Year of Account

2020

Terms of Settlement

Settlement Due Date: 01 October 2020

Instalment Premium Period of Credit: 0 day(s)

Adjustment Premium Period of Credit: 0 day(s)

Lloyd's Underwriter Syndicate No. AFB 2623 82% / AFB 623 18%, London, England

Bureau Leader and Lloyd's Leader

Loveroop Heer

SPECIMEN

ENDURIS

DECLARATION GOVERNMENT CRIME COVERAGE

POLICY PERIOD: FROM JULY 1, 2020 TO JULY 1, 2021

CRIME AND FIDELITY

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 & LIMITS:

«This.#CRIMEPO.Limit-
CO|CONST:N/A»

«This.#CRIMEPO.Limit-
CO|CONST:N/A»

«This.#CRIMEPO.Limit-
CO|CONST:N/A»

«This.#CRIMEPO.Limit-
CO|CONST:N/A»

«This.#CRIMEPO.Limit-
CO|CONST:N/A»

«This.#CRIMEPO.Limit-
CO|CONST:N/A»

«This.#CRIMEPO.Limit-
CO|CONST:N/A»

«This.#CRIMEPO.Limit-
CO|CONST:N/A»

\$1,000

Crime Coverage - Per Occurrence

Employee Theft – Per Loss Coverage

Forgery or Alteration

Inside The Premises – Theft of Money And Securities

Inside The Premises – Robbery or Safe Burglary of Other Property

Outside The Premises

Computer Fraud

Funds Transfer Fraud

Money Orders And Counterfeit Money

Deductible

Minimum deductible – Per Occurrence

**GOVERNMENT CRIME POLICY
(DISCOVERY 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 at any time 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.

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.

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 Ex-

penses

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.

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.

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 of 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:

- (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 60 days 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 60 days 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 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.

I. 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. 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 sub-

ject 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 .

o. 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.

p. Policy Bridge - Discovery Replacing Loss Sustained

(1) If this policy replaces insurance that provided you with an extended period of time after cancellation in which to discover loss and which did not terminate at the time this policy became effective:

(a) We will not pay for any loss that occurred during the Policy Period of that prior insurance which is "discovered" by you during the extended period to "discover" loss, unless the amount of loss exceeds the Limit of In-

urance and Deductible Amount of that prior insurance. In that case, we will pay for the excess loss subject to the terms and conditions of this policy.

(b) However, any payment we make for the excess loss will not be greater than the difference between the Limit of Insurance and Deductible Amount of that prior insurance and the Limit of Insurance shown in the Declarations. We will not apply the Deductible Amount shown in the Declarations to this excess loss.

(2) The Other Insurance Condition E.1.n. does not apply to this Condition.

q. 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.

r. Records

You must keep records of all property covered under this policy so we can verify the amount of any loss.

s. 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.

t. 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.

u. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent.

v. 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.

w. 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 w.(1)(c)(i) through w.(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.t. 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.t. 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.

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.t. 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 workload 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".

- 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 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; or
- committed by an "employee" acting alone or in collusion with other persons, during the Policy Period shown in the Declarations, before such Policy Period or both.
- 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; or
- committed by each "employee" acting alone or in collusion with other persons, during the Policy Period shown in the Declarations, before such Policy Period or both.
- 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; or
- 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, before such Policy Period or both.
- 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; or
- 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, before such Policy Period or both.
12. "Other property" means any tangible property other than "money" and "securities" that has intrinsic value. "Other property" does not include computer programs, elec-

- tronic 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.

ENDORSEMENT# 1

**CRIME AND FIDELITY
CR 02 10 08 10**
forms a part of

This endorsement, effective *12:01 am July 1, 2019*
policy number *01-568-34-83*
issued to *ENDURIS*

by *National Union Fire Insurance Company of Pittsburgh, Pa.*

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WASHINGTON 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 Cancellation Of Policy Condition is replaced by the following:

CANCELLATION OF POLICY

(1) The first Named Insured shown in the Declarations may cancel this policy by notifying us or the insurance producer in one of the following ways:

- a. Written notice by mail, fax or e-mail;
- b. Surrender of the policy or binder; or
- c. Verbal notice.

Upon receipt of such notice, we will cancel this policy or any binder issued as evidence of coverage, effective on the later of the following:

- a. The date on which notice is received or the policy or binder is surrendered; or
- b. The date of cancellation requested by the first Named Insured.

(2) We may cancel this policy by mailing or delivering to the first Named Insured and the first Named Insured's agent or broker written notice of cancellation, including the actual reason for the cancellation, to the last mailing address known to us, at least:

- (a) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
- (b) 45 days before the effective date of cancellation if we cancel for any other reason.

(3) We will also mail or deliver to any other person shown in this policy to have an interest in any loss which may occur under this policy, at their last mailing address known to us, written notice of cancellation, prior to the effective date of cancellation. This notice will be the same as that mailed

or delivered to the first Named Insured.

(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 will be at least 90% of the pro rata refund. 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.

B. The following is added and supersedes any other provision to the contrary:

NONRENEWAL

1. We may elect not to renew this policy by mailing or delivering written notice of nonrenewal, stating the reasons for nonrenewal, to the first Named Insured and the first Named Insured's agent or broker, at their last mailing addresses known to us. We will also mail to any other person shown in the policy to have an interest in any loss which may occur under this policy, at the last mailing address known to us, written notice of renewal. We will mail or deliver these notices at least 45 days before the:

- a. Expiration of the policy; or
- b. Anniversary date of this policy if this policy has been written for a term of more than one year.

Otherwise, we will renew this policy unless:

- a. The first Named Insured fails to pay the renewal premium after we have expressed our willingness to renew, including a statement of the renewal premium, to the first Named Insured and the first Named Insured's insurance agent or broker, at

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least 20 days before the expiration date; or

- b. Other coverage acceptable to the insured has been procured prior to the expiration date of the policy.

C. The Transfer Of Rights Of Recovery Against Others To Us Condition is replaced by the following:

TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

If any person or organization to or for whom we make payment under this insurance has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them.

D. Paragraph (1)(c) of the Valuation - Settlement Condition is replaced by the following:

1. Loss of, or loss from 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:
 - a. The Limit of Insurance applicable to the lost or damaged property;
 - b. The amount it would cost to replace the lost or damaged property at the time of the loss with new property of comparable material and quality and used for the same purpose; or
 - c. The amount you actually spend that is necessary to repair or replace the lost or damaged property.
2. We will not pay on a replacement cost basis for any loss or damage:
 - a. Until the lost or damaged property is actually repaired or replaced; and
 - b. 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.

E. Under the Commercial Crime Policy, Employee Theft And Forgery Policy and Government Crime 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 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 two years from the date you "discover" the loss.

If this action is brought pursuant to Sec. 3 of RCW 48.30 then 20 days prior to filing such an action, you are required to provide written notice of the basis for the cause of action to us and the Office of the Insurance Commissioner. Such notice may be sent by regular mail, registered mail, or certified mail with return receipt requested.

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 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 two years from the date you reported the loss to us.

If this action is brought pursuant to Sec. 3 of RCW 48.30 then 20 days prior to filing such an action, you are required to provide written notice of the basis for the cause of action to us and the Office of the Insurance Commissioner. Such notice may be sent by regular mail, registered mail, or certified mail with return receipt requested.



AUTHORIZED REPRESENTATIVE

END 001

ENDORSEMENT# 2

This endorsement, effective *12:01 am July 1, 2019* forms a part of
policy number *01-568-34-83*
issued to *ENDURIS*

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.



AUTHORIZED REPRESENTATIVE

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END 002

ENDORSEMENT# 3

This endorsement, effective at 12:01 am July 1, 2019 forms a part of
Policy number 01-568-34-83
Issued to: ENDURIS

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 003

ENDORSEMENT# 4

This endorsement, effective at *12:01 am July 1, 2019* forms a part of
Policy number *01-568-34-83*
Issued to: *ENDURIS*

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 004

ENDORSEMENT# 5

This endorsement, effective at *12:01 am July 1, 2019* forms a part of
Policy number *01-568-34-83*
Issued to: *ENDURIS*

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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END 005

ENDORSEMENT# 6

**CRIME AND FIDELITY
CR 25 20 08 07**
forms a part of

This endorsement, effective *12:01 am July 1, 2019*
policy number *01-568-34-83*
issued to *ENDURIS*

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
\$1,000,000	<input checked="" type="checkbox"/> Includes written instruments required in conjunction with any credit, debit or charge card issued to you or any "employee" for business purposes.
	<input type="checkbox"/> 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.



AUTHORIZED REPRESENTATIVE

END 006

ENDORSEMENT# 7

**CRIME AND FIDELITY
CR 25 19 05 06**
forms a part of

This endorsement, effective *12:01 am July 1, 2019*
policy number *01-568-34-83*
issued to *ENDURIS*

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
<input checked="" type="checkbox"/>	Employee Theft - Per Loss Coverage	\$1,000,000
<input type="checkbox"/>	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 "em-

ployee", 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 (I) 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 007

ENDORSEMENT# 7 (Continued)

Theft Insuring Agreement, as amended by this endorsement.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



AUTHORIZED REPRESENTATIVE

END 007

ENDORSEMENT# 8

This endorsement, effective *12:01 am July 1, 2019* forms a part of
policy number *01-568-34-83*
issued to *ENDURIS*

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 July 1, 2019* forms a part of
Policy number *01-568-34-83*
Issued to: *ENDURIS*

By: *National Union Fire Insurance Company of Pittsburgh, Pa.*

**CANCELLATION AMENDATORY
(RETURN PRO RATA)**

Wherever used herein: (1) "Policy" means the policy or bond to which this endorsement or rider is made part of; (2) "Insurer" means the "Insurer," "Underwriter," "Company" or other name specifically ascribed in this Policy as the insurance company or underwriter for this Policy; (3) "Named Entity" means the "Named Entity," "Named Corporation," "Named Organization," "Named Sponsor," "Named Insured," "First Named Insured," "Insured's Representative," "Policyholder" or equivalent term stated in Item 1 of the Declarations; and (4) "Period" means the "Policy Period," "Bond Period" or equivalent term stated in the Declarations.

In consideration of the premium charged, it is hereby understood and agreed that notwithstanding anything to the contrary in any CANCELLATION or TERMINATION clause of this Policy (and any endorsement or rider amending such cancellation or termination clause, including but not limited to any state cancellation/non-renewal amendatory attached to this policy), if this Policy shall be canceled by the Named Entity, the Insurer shall return to the Named Entity the unearned pro rata proportion of the premium as of the effective date of cancellation.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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END 009

ENDORSEMENT# 10

This endorsement, effective *12:01 am July 1, 2019* forms a part of
policy number *01-568-34-83*
issued to *ENDURIS*

by *National Union Fire Insurance Company of Pittsburgh, Pa.*

CANCELLATION OF POLICY AMENDED

This endorsement modifies insurance provided under the following:

**COMMERCIAL CRIME POLICY
GOVERNMENT CRIME POLICY**

E. Conditions, Conditions Applicable To All Insuring Agreements, Cancellation Of Policy (2)(b) is deleted in its entirety and replaced with the following:

- (b) *120* days before the effective date of cancellation if we cancel for any other reason.

Nothing herein stated shall be held to alter, vary, waive or extend any of the terms, conditions, provisions, agreements or limitations of the policy, other than as stated herein.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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END 010

ENDORSEMENT# 11

This endorsement, effective *12:01 am July 1, 2019* forms a part of
policy number *01-568-34-83*
issued to *ENDURIS*

by *National Union Fire Insurance Company of Pittsburgh, Pa.*

EMPLOYEE POST TERMINATION COVERAGE

This endorsement modifies insurance provided under the following:

**COMMERCIAL CRIME POLICY
GOVERNMENT CRIME POLICY**

PROVISIONS:

1. Section **F. Definitions**, "Employee", subsection a.(1)(a) is hereby deleted in its entirety and replaced with the following:
 - a. "Employee" means:
 - (1) Any natural person:
 - (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";
2. Nothing herein contained shall be held to vary, alter, waive, or extend any of the terms, limitations, conditions, or provisions of the attached Policy other than the above stated.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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END 011

ENDORSEMENT# 12

**CRIME AND FIDELITY
CR 25 06 08 07**
forms a part of

This endorsement, effective *12:01 am July 1, 2019*
policy number *01-568-34-83*
issued to *ENDURIS*

by *National Union Fire Insurance Company of Pittsburgh, Pa.*

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**INCLUDE CHAIRPERSON AND MEMBERS OF
SPECIFIED COMMITTEES AS EMPLOYEES**

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

Names Of Committees
<i>A77</i>
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The definition of "employee" is amended to include any natural person, whether or not compensated, while performing services for you as the chairperson, or a member of any committee named in the Schedule.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



AUTHORIZED REPRESENTATIVE

END 012

ENDORSEMENT# 13

**CRIME AND FIDELITY
CR 25 41 08 07**
forms a part of

This endorsement, effective *12:01 am July 1, 2019*
policy number *01-568-34-83*
issued to *ENDURIS*

by *National Union Fire Insurance Company of Pittsburgh, Pa.*

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
INCLUDE DESIGNATED PERSONS OR CLASSES
OF PERSONS AS EMPLOYEES**

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 Employee Theft Insuring Agreement:

SCHEDULE

Persons Or Classes Of Persons
<i>Any director or trustees of any of those named as insured</i>
<i>Any board members of any of those named as insured</i>
<i>Any elected or appointed officials</i>
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The definition of "employee" is amended to include any natural person or group of persons named or described in the Schedule.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



AUTHORIZED REPRESENTATIVE

END 013

ENDORSEMENT# 14

**CRIME AND FIDELITY
CR 25 08 08 07**
forms a part of

This endorsement, effective *12:01 am July 1, 2019*
policy number *01-568-34-83*
issued to *ENDURIS*

by *National Union Fire Insurance Company of Pittsburgh, Pa.*

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
INCLUDE SPECIFIED NON-COMPENSATED
OFFICERS AS EMPLOYEES**

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

Names Or Titles Of Non- Compensated Officers
<i>A11</i>
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The definition of "employee" is amended to include your non-compensated officers shown in the Schedule.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



AUTHORIZED REPRESENTATIVE

END 014

ENDORSEMENT# 15

This endorsement, effective at 12:01AM July 01, 2019
Policy number: 01-568-34-83
Issued to: ENDURIS

forms a part of

By: National Union Fire Insurance Company of Pittsburgh, Pa.

EXPENSES INCURRED TO ESTABLISH AMOUNT OF COVERED LOSS

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 Insuring Agreement(s) designated below:

A. Schedule

Costs, Fees Or Other Expenses		
Insuring Agreement	Limit of Insurance	Covered Loss
Employee Theft Insuring Agreement	\$75,000	100%
Forgery Or Alteration	\$75,000	100%
Inside The Premises - Theft Of Money And Securities	\$75,000	100%
Inside The Premises - Robbery Or Safe Burglary Of Other Property	\$75,000	100%
Outside The Premises	\$75,000	100%
Computer Fraud Insuring Agreement	\$75,000	100%
Funds Transfer Fraud Insuring Agreement	\$75,000	100%

*Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

B. Provisions

The following condition is added to Paragraph E. Conditions:

1. We will pay for reasonable costs, fees or other expenses that you incur and pay to an independent accounting, auditing or other service used to determine the amount of loss covered under this insurance.

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END 015

ENDORSEMENT# 15 (Continued)

This endorsement, effective *at 12:01AM July 01, 2019* forms a part of
Policy number: *01-568-34-83*
Issued to: *ENDURIS*

By: *National Union Fire Insurance Company of Pittsburgh, Pa.*

2. The most that we will pay for reasonable costs, fees or other expenses is limited to the lesser of the:
 - a. Limit of Insurance; or
 - b. Percentage of the Covered Loss;shown in the Schedule.
3. We will pay for reasonable costs, fees or other expenses after settlement of covered loss.
4. We will have no liability to pay any such costs, fees or other expenses if the amount of the covered loss does not exceed the Deductible Amount of the applicable Insuring Agreement.
5. The amount that we will pay is part of, not in addition to, the Limit of Insurance for the applicable Insuring Agreement.
6. Paragraph (3) of the Indirect Loss Exclusion is replaced by the following:

Payment of costs, fees or other expenses you incur in establishing the existence of loss under this insurance.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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END 015

ENDORSEMENT# 16

**CRIME AND FIDELITY
CR 25 12 08 07**

This endorsement, effective *12:01 am July 1, 2019*
policy number *01-568-34-83*
issued to *ENDURIS*

forms a part of

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
<i>A77</i>
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.



AUTHORIZED REPRESENTATIVE

END 016

ENDORSEMENT# 17

**CRIME AND FIDELITY
CR 25 09 08 07**
forms a part of

This endorsement, effective *12:01 am July 1, 2019*
policy number *01-568-34-83*
issued to *ENDURIS*

by *National Union Fire Insurance Company of Pittsburgh, Pa.*

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

INCLUDE VOLUNTEER WORKERS AS EMPLOYEES

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

The definition of "employee" is amended to include any non-compensated natural person:

1. Other than one who is a fund solicitor, while performing services for you that are usual to the duties of an "employee"; or
2. While acting as a fund solicitor during fund raising campaigns.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



AUTHORIZED REPRESENTATIVE

END 017

ENDORSEMENT# 18

This endorsement, effective at 12:01AM July 01, 2019
Policy number: 01-568-34-83
Issued to: ENDURIS

forms a part of

By: National Union Fire Insurance Company of Pittsburgh, Pa.

REVISION OF DISCOVERY AND PRIOR THEFT OR DISHONESTY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

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.

PROVISIONS

1. E. Conditions, 2. Conditions Applicable To Insuring Agreements A.1. And A.2. b. Termination As To Any Employee (1) is deleted in its entirety and replaced with the following:

- (1) As soon as:

THE RISK MANAGEMENT DEPARTMENT OR OTHER DEPARTMENT DESIGNATED TO HANDLE INSURANCE MATTERS FOR THE NAME INSURED

learns of "theft" or any other dishonest act committed by the "employee" whether before or after 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. E. Conditions, 1. Conditions Applicable To All Insuring Agreements, f. Duties In The Event Of Loss, is hereby modified to add the following at the end thereof:

(6) Discovery of a loss or situation that may result in loss of or damage to "money," "securities" or "other property for the purpose of this section shall be discovery by any person in the specific departments or employment capacities of the insured:

RISK MANAGEMENT DEPARTMENT OR OTHER DEPARTMENT DESIGNATED TO HANDLE INSURANCE MATTERS FOR THE NAMED INSURED

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END 018

ENDORSEMENT# 18 (Continued)

This endorsement, effective at 12:01AM July 01, 2019 forms a part of
Policy number: 01-568-34-83
Issued to: ENDURIS

By: *National Union Fire Insurance Company of Pittsburgh, Pa.*

3. In Section D. Exclusions, exclusion 1.b. **Acts of Employees Learned Of By You Prior To The Policy Period** is hereby deleted in its entirety.
4. Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, limitations, conditions or agreements of the attached policy other than as stated above.
5. This endorsement is effective as of 12:01 A.M. on standard time as specified in the policy.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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END 018

ENDORSEMENT# 19

**CRIME AND FIDELITY
CR 25 31 08 07**
forms a part of

This endorsement, effective *12:01 am July 1, 2019*
policy number *01-568-34-83*
issued to *ENDURIS*

by *National Union Fire Insurance Company of Pittsburgh, Pa.*

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADD BLANKET EXCESS LIMIT OF INSURANCE
FOR SPECIFIED JOINT INSURED**

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 Employee Theft Insuring Agreement:

SCHEDULE

Insured	Blanket Excess Limit Of Insurance
<i>Orcas Island Library</i>	<i>\$358,000</i>
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

1. The Blanket Excess Limit of Insurance shown in the Schedule applies in addition to the Limit of Insurance shown in the Declarations, but only to that part of any loss that exceeds the Limit of Insurance shown in the Declarations plus any applicable Deductible Amount.
2. The Blanket Excess Limit of Insurance applies only to loss caused by or involving an "employee" who is an "employee" of any Insured shown in the Schedule.
3. Paragraph (3) of the Joint Insured Condition does not apply as respects this Blanket Excess Limit of Insurance.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



AUTHORIZED REPRESENTATIVE

END 019

ENDORSEMENT# 21

This endorsement, effective at *12:01 am July 1, 2019* forms a part of
Policy number *01-568-34-83*
Issued to: *ENDURIS*

By: *National Union Fire Insurance Company of Pittsburgh, Pa.*
Product Name: *Government Crime Policy*

VENDOR THEFT COVERAGE ENDORSEMENT

It is agreed that:

1. Section A. Insuring Agreements is amended to include the following Insuring Agreement at the end thereof:

10. Vendor Theft

We will pay for loss or damage to "money," "securities" and "other property" resulting from "theft" committed by an identified "employee" of "your" "vendor" acting alone or in collusion with other persons.

2. Solely with respect to Insuring Agreement 10, "Limit of Insurance Per Occurrence" as stated on the Declarations Page is deleted in its entirety and replaced with the following:

Limit of Insurance \$1,000,000 for all loss arising out of Insuring Agreement 10, Vendor Theft.

3. Section F. Definitions is amended to include the following definition at the end thereof:

"Vendor" means an entity that provides a service to "you" under a written agreement which includes a requirement to provide Crime or Fidelity insurance covering "your" property in the care, custody and control of the "vendor" and its "employees." If such Crime or Fidelity insurance is valid or collectible then this Policy will respond only to that portion of loss which is excess of such requirement and no deductible shall apply. If such Crime or Fidelity insurance is not valid or collectible then this Policy will respond only to that portion of loss which is in excess of \$500,000 and no deductible shall apply. However, "vendor" does not include any financial institution, asset manager, broker, dealer or armored transport company.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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END 021

ENDORSEMENT# 22

This endorsement, effective at *12:01 am July 1, 2019* forms a part of
Policy number *01-568-34-83*
Issued to: *ENDURIS*

By: *National Union Fire Insurance Company of Pittsburgh, Pa.*
Product Name: *Government Crime Policy*

CONDITIONS AMENDED

This endorsement modifies insurance provided under the following:

GOVERNMENT CRIME POLICY

PROVISIONS:

(1) Section E. Conditions, paragraph 1, subsection v. "Transfer Of Your Rights Of Recovery Against Others To Us" is hereby deleted in its entirety and replaced with the following:

v. Transfer Of Your Rights Of Recovery Against Others To Us

You must transfer to us all your rights of recovery against any person or entity 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 discovery of loss to impair them; provided, however, with respect to recovery of loss resulting directly from the failure of any **employee** to faithfully perform his or her duties as prescribed by law afforded by the "**ADD FAITHFUL PERFORMANCE OF DUTY COVERAGE FOR GOVERNMENT EMPLOYEES**" ENDORSMENT," we shall have the right to recover only where the **employee's** failure to faithfully perform his or her duties as prescribed by law was due to actual fraud, corruption, actual malice, or where the **employee** or a person or entity was unjustly enriched as a result of the **employee's** failure to faithfully perform his or her duties as prescribed by law.

(2) Nothing herein contained shall be held to vary, alter, waive, or extend any of the terms, limitations, conditions, or provisions of the attached Policy other than the above stated.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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END 022

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ENDORSEMENT# 23

This endorsement, effective at *12:01 am July 1, 2019* forms a part of
Policy number *01-568-34-83*
Issued to: *ENDURIS*

By: *National Union Fire Insurance Company of Pittsburgh, Pa.*
Product Name: *Government Crime Policy*

THIRD PARTY COVERAGE

This endorsement modifies insurance provided under the following:

**COMMERCIAL CRIME POLICY
GOVERNMENT CRIME POLICY**

PROVISIONS

1. Clause A.1. **Employee Theft** is amended by adding the following at the end thereof:

We will pay for loss of or damage to "Client Property" arising out of your indemnification of your "Client" for any dishonest or fraudulent act(s) committed by your "employee," but only when and to the extent that you are liable for such indemnification pursuant to the terms of this policy.

2. Clause F. **Definitions** is amended by adding the following at the end thereof:

21. "Client Property" means "Money," "Securities" or "Other Property":

- (1) owned by the Client,
- (2) held by the Client in any capacity, or
- (3) for which a Client is legally liable

22. "Client," as used in this endorsement, means any person, firm, corporation or association for whom your professional services have been charged.

3. Clause E.1.o. **Ownership of Property; Interests Covered** is deleted in its entirety and replaced with the following:

The property covered under this policy is limited to property:

- (1) That you own or lease;
- (2) That you hold for others; or
- (3) That you hold in any capacity, whether or not you are legally liable, but also may be property for which you are legally liable.

Client property covered under this policy is limited to property:

- (1) owned by the Client;
- (2) held by the Client in any capacity;
- (3) for which the Client is legally liable;

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END 023

ENDORSEMENT# 23 (continued)

Provided you are legally liable for such property and it is included in your proof of loss, in which event Clauses E.1.f and E.1.h., and any other condition applicable to loss or claims with respect thereto, shall apply.

4. Clause D.1. **Exclusions** is amended by adding the following at the end thereof:

Solely with respect to Client Property, loss attributable to fraudulent, dishonest or criminal acts of any Client's proprietor, officer, director, partner or employee acting in collusion with your "employee."

5. It is further understood and agreed that with respect to the coverage afforded pursuant to this endorsement, the most we will pay under this policy for loss is the Limit of Insurance shown in the below SCHEDULE, subject to the applicable Deductible Amount below:

SCHEDULE

<u>Limit of Insurance</u>	<u>Deductible Amount</u>
\$250,000	\$25,000

The above scheduled Limit of Insurance shall be part of and not in addition to the applicable limit of insurance stated in the Declarations page as applicable to Insuring Agreement A.1. **Employee Theft** and will in no way serve to increase the Company's limit of liability as therein stated.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, limitations, conditions, or provisions of the attached policy other than as above stated.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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END 023

ENDORSEMENT# 24

This endorsement, effective at 12:01AM July 01, 2019
Policy number: 01-568-34-83
Issued to: ENDURIS

forms a part of

By: National Union Fire Insurance Company of Pittsburgh, Pa.

IMPERSONATION FRAUD COVERAGE

This endorsement modifies insurance provided under the following:

**COMMERCIAL CRIME POLICY (DISCOVERY FORM)
COMMERCIAL CRIME POLICY (LOSS SUSTAINED FORM)
GOVERNMENT CRIME POLICY (DISCOVERY FORM)
GOVERNMENT CRIME POLICY (LOSS SUSTAINED FORM)**

In consideration of the premium charged, it is hereby understood and agreed that the policy is 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

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END 024

ENDORSEMENT# 24 (Continued)

This endorsement, effective at 12:01AM July 01, 2019 forms a part of
Policy number: 01-568-34-83
Issued to: ENDURIS

By: *National Union Fire Insurance Company of Pittsburgh, Pa.*

“employee” - but which was in fact fraudulently transmitted by someone else without your or your “employee’s” knowledge; or

- 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 \$250,000 (“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 07/01/2015.
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.

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END 024

ENDORSEMENT# 24 (Continued)

This endorsement, effective at *12:01AM July 01, 2019* forms a part of
Policy number: *01-568-34-83*
Issued to: *ENDURIS*

By: *National Union Fire Insurance Company of Pittsburgh, Pa.*

8. Solely with respect to coverage provided by this endorsement, Clause E.1.n. Other Insurance is amended by deleting subparagraph (1) Primary Insurance in its entirety and replacing it with the following:

If other valid and collectible insurance is available to you for loss covered under this endorsement, when this policy is written as primary insurance, the coverage afforded hereunder shall apply as primary to that other insurance.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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ENDORSEMENT# 25

This endorsement, effective at *12:01 am July 1, 2019* forms a part of
Policy number *01-568-34-83*
Issued to: *ENDURIS*

By: *National Union Fire Insurance Company of Pittsburgh, Pa.*
Product Name: *Government Crime Policy*

**BLANKET LOSS PAYEE
(WHERE LEGALLY PERMISSIBLE)**

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

Any party designated as a "Loss Payee" in your proof of loss regarding any loss resulting from Employee Theft, and we shall issue payment for any such loss hereunder jointly to the Named Insured and the Loss Payee so designated (hereinafter, "Loss Payee"), in whatever form or capacity as their interests may appear.

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 jointly to you and, where legally permissible, the Loss Payee shown in the Schedule as its interests may appear and any such payment shall constitute payment to you. We agree that we will make all such payments jointly to you and, where legally permissible, 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, where legally permissible, payment for loss as set forth in this endorsement.

Any claim for loss that is covered under this insurance must be presented by you.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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ENDORSEMENT# 26

This endorsement, effective at 12:01AM July 01, 2019
Policy number: 01-568-34-83
Issued to: ENDURIS

forms a part of

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

All agencies, authorities and districts (including special districts) which are governed directly by the governing body of the named insured
4Culture
Aging & Adult Care of Central Washington
Aging & Long Term Care of Eastern WA
Asotin County Health District
Asotin County Library
Badger Mountain Irrigation District
Bainbridge Island Fire Department
Bainbridge Island Metro Park & Rec Dist
Benton Clean Air Agency
Benton Co Noxious Weed Control Board
Benton Conservation District
Benton County Mosquito Control Dist #1
Benton County FPD #1
Benton Franklin Health District
Benton-Franklin Council of Governments
Brewster Flat Irrigation District
Cascadia Conservation District
Central Kitsap Fire & Rescue
Central Klickitat Conservation District
Central Mason Fire & EMS
Chelan County Cemetery District #4

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ENDORSEMENT# 26 (Continued)

This endorsement, effective at 12:01AM July 01, 2019 forms a part of
Policy number: 01-568-34-83
Issued to: ENDURIS

By: National Union Fire Insurance Company of Pittsburgh, Pa.

Chelan River Irrigation District
Chelan-Douglas Health District
Clallam Conservation District
Clallam County FPD #1
Clallam County FPD #3
Clallam County FPD #5
Clark Conservation District
Columbia Conservation District
Columbia Irrigation District
Columbia Mosquito Control District
Community Connectivity Consortium
Cowlitz Conservation District
Douglas County Sewer District #1
East Lewis County PDA
Eastern Klickitat Conservation District
Eastside/Westside Irrigation District
Edmonds Public Facilities District
Entiat Irrigation District
Everett Public Facilities District
Ferry Conservation District
Franklin Conservation District
Franklin County Emergency Management
Franklin County Irrigation District #1
Franklin County Mosquito Control
Graham Fire & Rescue
Grant Co Conservation District
Grant County Port District #7
Grant County FPD #8
Grant County FPD #3
Grant County Health District
Grant County Mosquito Control Dist #1

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ENDORSEMENT# 26 (Continued)

This endorsement, effective at 12:01AM July 01, 2019 forms a part of
Policy number: 01-568-34-83
Issued to: ENDURIS

By: National Union Fire Insurance Company of Pittsburgh, Pa.

Grant County Mosquito Control Dist #2
Grays Harbor County FPD #1
Grays Harbor County FPD #2
Grays Harbor Historical Seaport Auth
Greater Columbia Behavioral Health
Greater Wenatchee Irrigation District
Greater Wenatchee Regional Events PFD
Highland Water District
Highline Water District
Icicle Irrigation District
Jefferson County Conservation District
King Conservation District
King County Water District #20
King County Water District #49
Kiona Irrigation District
Kitsap Conservation District
Kitsap Public Facilities District
Kitsap Public Health District
Kitsap Readiness Ctr JMG
Kittitas County Conservation District
Kittitas County FPD #7
Lake Chelan Reclamation District
Lake Chelan Sewer District
Lake Forest Park Water District
Lake Stevens Fire
Lake Wenatchee Fire & Rescue
Lewis-Mason-Thurston AAA
Liberty Lake Sewer and Water District
Lincoln County Conservation District
Loon Lake Sewer District #4
Lopez Solid Waste Disposal District
Lynnwood Public Facilities District

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ENDORSEMENT# 26 (Continued)

This endorsement, effective at 12:01AM July 01, 2019 forms a part of
Policy number: 01-568-34-83
Issued to: ENDURIS

By: National Union Fire Insurance Company of Pittsburgh, Pa.

Manchester Water District
Mason Conservation District
Mason County FPD #6
Midway Sewer District
Model Irrigation District #18
Mukilteo Water & Wastewater District
North Beach Water District
North City Water District
North Olympic Library System
North Sound Behavioral Health Org
North Yakima Conservation District
Northeast Tri County Health District
Northwest Clean Air Agency
Odessa Public Development Authority
Okanogan Conservation District
Okanogan County Public Health
Okanogan Irrigation District
Orcas Island Library District
Oroville Tonasket Irrigation District
Pacific County FPD #1
Palouse Conservation District
Palouse-Rock Lake Conservation District
Pangborn Memorial Airport
Pend Oreille Conservation District
Pend Oreille County FPD #6
Peninsula Metropolitan Park District
Peshastin Irrigation District
Pierce Conservation District
Pierce County FPD #18
Pine Creek Conservation District
Pomeroy Conservation District

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ENDORSEMENT# 26 (Continued)

This endorsement, effective at 12:01AM July 01, 2019 forms a part of
Policy number: 01-568-34-83
Issued to: ENDURIS

By: National Union Fire Insurance Company of Pittsburgh, Pa.

Port District of South Whidbey Island
Port of Allyn
Port of Benton
Port of Camas-Washougal
Port of Centralia
Port of Chelan County
Port of Columbia
Port of Douglas County
Port of Edmonds
Port of Friday Harbor
Port of Ilwaco
Port of Kingston
Port of Olympia
Port of Port Townsend
Port of Poulsbo
Port of Ridgefield
Port of Shelton
Port of Silverdale
Port of Skagit
Port of Skamania County
Port of Walla Walla
Port of Whitman County
Port of Willapa Harbor
Port of Woodland
Poulsbo Fire Department
Public Hospital Dist #2 Snohomish County
Public Law Library of King County
Public Utility District #1 of Skagit Co
Puget Sound Clean Air Agency

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ENDORSEMENT# 26 (Continued)

This endorsement, effective at 12:01AM July 01, 2019 forms a part of
Policy number: 01-568-34-83
Issued to: ENDURIS

By: National Union Fire Insurance Company of Pittsburgh, Pa.

Renton Regional Fire Authority
Samish Water District
San Juan County FPD #4
San Juan Islands Conservation District
Seaview Sewer District
Silverdale Water District #16
Skagit County FPD #7
Skagit Conservation District
Snohomish Conservation District
Snohomish Health District
Soos Creek Water & Sewer District
South King Fire & Rescue
South Kitsap Fire & Rescue
South Pierce Fire & Rescue District 17
South Yakima Conservation District
Southwest Clean Air Agency
Southwest Suburban Sewer District
Spokane Conservation District
Spokane County FPD #10
Spokane County FPD #3
Spokane Valley Fire Department
Spokane Public Facilities District
Spokane Regional Clean Air Agency
Spokane Regional Health District
Stevens County Conservation District
Stevens County FPD #1
Stevens County FPD #7
Stevens Pass Sewer District
Stillaguamish Flood Control District

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ENDORSEMENT# 26 (Continued)

This endorsement, effective *at 12:01AM July 01, 2019* forms a part of
Policy number: *01-568-34-83*
Issued to: *ENDURIS*

By: *National Union Fire Insurance Company of Pittsburgh, Pa.*

SW WA Council of Govts on Aging
Thurston Conservation District
Thurston County FPD #9
Underwood Conservation District
Valley View Sewer District
Vashon Island Fire & Rescue
Vashon-Maury Island P&R District
Vera Water and Power
WA Fire Commissioners Association
Wahkiakum County Conservation District
Wahkiakum County Port District #1
Wahkiakum County Port District #2
Walla Walla County Conservation
Walla Walla Watershed Mgmt Partnership
Wenatchee Reclamation District
Wenatchee-Chiwawa Irrigation District
West Benton Fire Rescue
Whatcom Conservation District
Whatcom Council of Governments
Whidbey Island Conservation District
Whitestone Reclamation District
Whitman County Rural Library District
Yakima County Mosquito Control Dist #1
Yakima Health 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# 27

This endorsement, effective at 12:01AM July 01, 2019
Policy number: 01-568-34-83
Issued to: ENDURIS

forms a part of

By: National Union Fire Insurance Company of Pittsburgh, Pa.

RETRO DATE ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME POLICY

A. SCHEDULE

NAMED INSURED: Enduris and all of it's members
JOINT INSURED(S):
ENTITY(IES), ASSETS OR LIABILITIES:
RETROACTIVE DATE: 12:01 A.M. on: January 17, 2014
*Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.

B. PROVISIONS

1. The following is added to Section E. Conditions:

a. Retroactive Date for Named Insured

If the Retroactive Date shown in the Schedule applies to the Named Insured as indicated in the Schedule, the first paragraph of Section A. **Insuring Agreements** is replaced by the following:

Coverage is provided under the following Insuring Agreements for which a Limit of Insurance is shown in the Declarations, subject to the Deductible listed in the Schedule, and applies to loss that you sustain resulting directly from an "occurrence" taking place in its entirety prior to the Retroactive Date shown in the Schedule 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.

b. Retroactive Date for Joint Insured

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ENDORSEMENT# 27 (Continued)

This endorsement, effective at 12:01AM July 01, 2019 forms a part of
Policy number: 01-568-34-83
Issued to: *ENDURIS*

By: *National Union Fire Insurance Company of Pittsburgh, Pa.*

If the Retroactive Date shown in the Schedule applies to a Joint Insured(s) shown in the Schedule, the first paragraph of Section A. **Insuring Agreements** shall be deemed amended as respects such Joint Insured(s) as follows:

Coverage is provided under the following Insuring Agreements for which a Limit of Insurance is shown in the Declarations, subject to the Deductible listed in the Schedule, and applies to loss that you sustain resulting directly from an "occurrence" involving the Joint Insured(s) shown in the Schedule, taking place in its entirety prior to the Retroactive Date shown in the Schedule 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.

c. Retroactive Date for an Entity Acquired through Consolidation, Merger or Acquisition

If the Retroactive Date shown in the Schedule applies to an entity(ies) shown in the Schedule which is acquired through consolidation, or merger, or in which you purchased or acquired assets or liabilities, the first paragraph of Section A. **Insuring Agreements** shall be deemed amended as respects such entity(ies) or assets or liabilities, as follows:

Coverage is provided under the following Insuring Agreements for which a Limit of Insurance is shown in the Declarations, subject to the Deductible listed in the Schedule, and applies to loss that you sustain resulting directly from an "occurrence" involving the entity(ies) shown in the Schedule, taking place in its entirety prior to the Retroactive Date shown in the Schedule 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.

2. The definition of "occurrence" is replaced by the following:

"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;

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ENDORSEMENT# 27 (Continued)

This endorsement, effective at 12:01AM July 01, 2019 forms a part of
Policy number: 01-568-34-83
Issued to: ENDURIS

By: *National Union Fire Insurance Company of Pittsburgh, Pa.*

committed by an "employee" acting alone or in collusion with other persons, prior to the Retroactive Date shown in the Schedule.

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 a person acting alone or in collusion with other persons, involving one or more instruments, prior to the Retroactive Date shown in the Schedule.

c. 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 prior to the Retroactive Date shown in the Schedule.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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ENDORSEMENT# 28

This endorsement, effective *12:01 am July 1, 2019* forms a part of
policy number *01-568-34-83*
issued to *ENDURIS*

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
CR0026	05/06	GOVERNMENT CRIME POLICY (DISCOVERY FORM)
CR 02 10	08/10	WASHINGTON CHANGES
99758	08/08	NOTICE OF CLAIM (REPORTING BY E-MAIL)
113013	10/12	PROTECTED INFORMATION EXCLUSION
113024	10/12	INDIRECT OR CONSEQUENTIAL LOSS EXCLUSION
119679	09/15	ECONOMIC SANCTIONS ENDORSEMENT
CR2520	08/07	ADD CREDIT, DEBIT OR CHARGE CARD FORGERY
CR2519	05/06	ADD FAITHFUL PERFORMANCE OF DUTY COVERAGE FOR GOVERNMENT EMPLOYEES
95419	08/07	BONDED EMPLOYEES EXCLUSION DELETED
101036	04/09	CANCELLATION AMENDATORY (RETURN PRO RATA)
95420	08/07	CANCELLATION OF POLICY AMENDED
95428	08/07	EMPLOYEE POST TERMINATION COVERAGE
CR2506	08/07	INCLUDE CHAIRPERSON AND MEMBERS OF SPECIFIED COMMITTEES AS EMPLOYEES
CR2541	08/07	INCLUDE DESIGNATED PERSONS OR CLASSES OF PERSONS AS EMPLOYEES
CR2508	08/07	INCLUDE SPECIFIED NON COMPENSATED OFFICERS AS EMPLOYEES
132819	05/19	EXPENSES INCURRED TO ESTABLISH AMOUNT OF COVERED LOSS
CR2512	08/07	INCLUDE TREASURER OR TAX COLLECTORS AS EMPLOYEES
CR2509	08/07	INCLUDE VOLUNTEER WORKERS AS EMPLOYEES
120022	05/15	REVISION OF DISCOVERY AND PRIOR THEFT OR DISHONESTY
CR2531	08/07	ADD BLANKET EXCESS LIMIT OF INSURANCE FOR SPECIFIED JOINT INSURED
CR 2505		INCLUDE LEASED WORKERS AS EMPLOYEES

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END 028

ENDORSEMENT# 28

This endorsement, effective *12:01 am July 1, 2019* forms a part of
policy number *01-568-34-83*
issued to *ENDURIS*

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
116981	05/15	VENDOR THEFT COVERAGE ENDORSEMENT
120021	05/15	CONDITIONS AMENDED (SUBROGATION)
116982	05/15	THIRD PARTY COVERAGE
132822	05/19	IMPERSONATION FRAUD COVERAGE
120271	08/15	BLANKET LOSS PAYEE (WHERE LEGALLY PERMISSIBLE)
MNSCPT		ADDITIONAL NAMED INSURED
MNSCPT		RETRO DATE ENDORSEMENT
78859	10/01	FORMS INDEX ENDORSEMENT

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



AUTHORIZED REPRESENTATIVE

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END 028

ENDURIS

VEHICLE COMPREHENSIVE & COLLISION COVERAGE

VEHICLE PHYSICAL DAMAGE

COVERAGE

Enduris, comprised of governmental entities, herein referred to as Enduris, in return for payment of Member's contributions as they become due, agrees with the Member named in the declarations, to pay all losses which the Member shall suffer to such vehicles as are listed and described on the Member vehicle schedule, during the period shown on said schedule and/or declaration page, to the extent reflected in the following paragraphs. Because of the low cost, Members will use the same deductible on all vehicles scheduled.

COMPREHENSIVE

A. DEFINITION

Comprehensive means loss to your vehicle or trailer except loss by collision. Comprehensive includes breakage of glass, or loss caused by missiles, falling objects, fire, theft, larceny, explosion, earthquake, windstorm, hail, water, flood, malicious mischief or vandalism, riot, or civil commotion.

Comprehensive also includes loss due to hitting or being hit by a bird or animal.

B. LIMIT OF COVERAGE

Enduris shall pay the lesser of:

1. The actual cash value of the vehicle at the time of loss; or
2. The stated value or replacement cost of the vehicle, as reflected in the Member vehicle schedule, and/or addendums; or
3. The actual cost of repair of the vehicle, up to the value reflected in the vehicle schedule, and/or addendums.

Provided however, that such amount shall be reduced by any deductible reflected in the vehicle schedule, and/or addendums.

C. EXCLUSIONS

The following losses are specifically excluded from coverage:

1. Losses resulting from collision.
2. Losses of entertainment equipment (radios, stereos) not factory-installed or not used for local communication.
3. Normal wear and tear to any covered vehicle.

COLLISION

A. DEFINITION

Collision means your vehicle or trailer was upset or hit by a vehicle or other object, other than a bird or animal.

B. LIMIT OF COVERAGE

Enduris will pay for loss to your car by collision, but only to the lesser of the following amounts:

1. The actual cash value of the vehicle at the time or loss; or
2. The stated value or replacement cost of the vehicle, as reflected in the Member vehicle schedule, and/or addendums; or
3. The actual cost of repairs of the vehicle, up to the value reflected in the vehicle schedule, and/or addendums.

C. EXCLUSIONS

The following losses are specifically excluded from coverage hereunder:

1. Losses of entertainment (radios, stereos) not factory installed or not used for local communications.

OTHER PROVISIONS

- A. ACTUAL CASH VALUE DEFINITIONS:** The cost to repair or replace (whichever is less) the covered vehicle and its attached equipment with a vehicle, equipment or parts of like kind and quality up to the actual cash value. Actual cash value is defined as replacement cost, less depreciation. The actual cash value is determined at the time the loss occurred. Any deductible amount that applies is then subtracted.
- B. STATED VALUE DEFINITION:** The cost to repair or replace (whichever is less) the covered vehicle and its attached equipment with a vehicle, equipment or parts of like kind and quality, up to and including the stated insured value.
- C. REPLACEMENT COST DEFINITION:** The cost to repair or replace (whichever is less) the covered vehicle and attached equipment at the time of loss with a vehicle, equipment or parts of like kind and quality. If like kind and quality is unavailable, the vehicle, parts and equipment will be replaced with a new vehicle, equipment or parts.
- D. SETTLEMENT OF LOSS:** Enduris has the right to settle a loss with a Member, and with any loss payee named in the vehicle schedule or Binder, in one of the following ways:
 1. Pay up to the actual cash value at the time of the loss.
 2. Pay up to the stated value.
 3. Pay to repair or replace the vehicle or part with like kind and quality.
 4. Return the stolen vehicle and pay for any damage due to the theft.

If Enduris can pay the loss under either comprehensive or collision, Enduris will pay under the coverage where the Member will collect the greater payment.

ADDITIONAL COVERAGES

- A. EQUIPMENT BORROWED, LEASED OR RENTED FROM OTHERS:** This coverage is extended to cover equipment of a nature similar to that scheduled in this document, of which equipment has been borrowed, leased or rented from others during the term of this document. Actual cash value is used for borrowed, leased or rented equipment from others. The deductible used is the scheduled deductible or \$1,000, whichever is less.
- B. RENTAL REIMBURSEMENT:** Enduris shall reimburse the Member for expense incurred for the rental of substitute equipment or vehicle when such rental is made necessary:
 1. By loss of or damage to the Member's own equipment or vehicle covered by this coverage part;
 2. To continue as nearly as practicable the normal operations;
 3. When the Member does not have the equivalent, idle equipment or vehicle at his disposal. Reimbursement is limited to the actual expense.
- C. TOWING:** Enduris will pay for towing as a result of a covered loss.
- D. PERSONAL PROPERTY:** When resulting from a covered loss in this coverage part, Enduris provides coverage for personal property of employees, elected officials or volunteers of a Member up to a value of \$500 if the employee, elected official or volunteer is on Member business and if the governing body of the Member requests reimbursement on behalf of the employee, elected official or volunteer. To receive reimbursement for personal property, documentation must be submitted of the cost of actual repairs or replacement of the personal property. Reimbursement is not permitted if there is payment from another source. Cash, money, securities or equivalent; normal use and wear and tear are excluded.

Agenda Item: #9

PSERN Operator Board of Directors (BoD) Work Plan

Responsible, Accountable, Consulted, Informed (RACI)



Matrix Definitions:

- **Responsible:** People or stakeholders who do the work. They must complete the task or objective or make the decision. Several people can be jointly Responsible.
- **Accountable:** Person or stakeholder who is the "owner" of the work. He or she must sign off or approve when the task, objective or decision is complete. This person must make sure that responsibilities are assigned in the matrix for all related activities. Success requires that there is only one person Accountable, which means that "the buck stops there."
- **Consulted:** People or stakeholders who need to give input before the work can be done and signed-off on. These people are "in the loop" and active participants.
- **Informed:** People or stakeholders who need to be kept "in the picture." They need updates on progress or decisions, but they do not need to be formally consulted, nor do they contribute directly to the task or decision.

[Reference](#)

#	Task	BoD	ED	Date Due
1	Conclude training for OPMA (for all directors and alternates)	Accountable/ Responsible	Informed	Q2/2021
2	Acquire initial insurance	Accountable	Responsible	Q2/2021
3	Hire Executive Director (see adopted Staff Hiring Methodology)	Accountable/ Responsible	Informed	Q3/2021
4	Perform annual performance appraisals of Executive Director	Accountable/ Responsible	Consulted	Q3 Annually
5	Adopt purchasing and contracting policies consistent with State Law	Consulted	Accountable/ Responsible	Q3/2021
6	Hire legal services	Accountable	Responsible	Q3/2021
7	Set classifications, create job descriptions and pay levels for initial PSERN staff	Accountable	Responsible	Q3/2021
8	Determine any other services the Operator may offer to end user agencies	Consulted	Accountable/ Responsible	Q3/2021
9	Determine what services will be contracted out and what will be done inhouse	Accountable	Responsible	Q3/2021
10	Establish a fund or special fund as authorized by RCW 39.34.030	Accountable	Responsible	Q3/2021
11	Acquire the Operator's IRS EIN / Tax ID Number.	Consulted	Accountable/ Responsible	Q4/2021

12	Set and adopt a PSERN staffing plan that includes the Operator's supervisory structure	Accountable	Responsible	Q3/2021
13	Hire initial Operator staff	Accountable	Responsible	Q4/2021
14	Submit the New Government Intake Form to the State Auditor.	Accountable	Responsible	Q4/2021
15	Acquire business licenses for the City of Seattle and Washington State	Accountable	Responsible	Q4/2021
16	Submit yearend tax information to the City of Seattle	Accountable	Responsible	Q4 Annually
17	Determine place of employment (office/location)	Accountable	Responsible	Q4/2021
18	Determine any legislative priorities and/or work plans	Consulted	Accountable/Responsible	Q4 Annually
19	Establish policies related to co-location tenants at radio sites	Accountable	Responsible	Q1/2022
20	Adopt and implement information assurance controls, policies, procedures and processes	Consulted	Accountable/Responsible	Q2/2022
21	Set classifications, create job descriptions and pay levels for remaining PSERN staff	Consulted	Accountable/Responsible	Q3/2022
22	Perform annual performance appraisals of Executive Director	Accountable/Responsible	Consulted	Q3 Annually
23	Perform annual performance appraisals of PSERN Operator staff	Consulted	Accountable/Responsible	Q3 Annually
24	Procure an asset management system	Consulted	Accountable/Responsible	Q3/2022
25	Procure business suite software (if not part of asset mgmt. system)	Consulted	Accountable/Responsible	Q3/2022
26	Create policies for central management of encryption keys and archiving of radio templates	Accountable	Responsible	Q4/2022
27	Determine any legislative priorities and/or work plans	Consulted	Accountable/Responsible	Q4 Annually
28	Set after hours service (Duty Tech) policies	Accountable	Responsible	Q4/2022
29	Make take home vehicle policies	Consulted	Accountable/Responsible	Q4/2022
30	Establish a cyber security incident response plan	Consulted	Accountable/Responsible	Q4/2022
31	Hire remaining operator staff	Accountable	Responsible	Q4/2022
32	Set the operating budget*	Accountable	Responsible	Q4/2022

33	Set end user agency rates*	Accountable	Responsible	Q4/2022
34	Purchase equipment: 1. Tools 2. Test equipment 3. Avalanche materials 4. Wildfire tools	Informed	Accountable/ Responsible	Q4/2022
35	Develop an emergency preparedness and COOP plans	Consulted	Accountable/ Responsible	Q4/2022
36	Adopt policies defining the approved equipment and subscriber radios authorized for use in PSERN	Accountable	Responsible	Q1/2023
37	Adopt policies defining mandatory configuration settings that must be set into each authorized subscriber radio	Accountable	Responsible	Q1/2023
38	Develop policies governing the replacement, removal, and addition of equipment under BoD control	Accountable	Responsible	Q1/2023
39	Adopt policies related to the access of PSERN for mutual aid and/or interoperability purposes	Accountable	Responsible	Q1/2023
40	Adopt policies governing the change management program (also see SLA section 5.5)	Consulted	Accountable/ Responsible	Q1/2023
41	Procure vehicles	Consulted	Accountable/ Responsible	Q1/2023
42	Acquire long term insurance	Accountable	Responsible	Q1/2023
43	Establish Operating Board (ILA section 5.0) and any other committees or advisory groups as needed	Accountable	Responsible	Q1/2023
44	Work in partnership with the end user agencies to develop and regularly report on performance and operating metrics indicating system performance as well as the PSERN Operator's ability to meet the end user agencies service requirements	Consulted	Accountable/ Responsible	Q1/2023
45	Receive transitioned property and documents (including operational and legal documents)	Consulted	Accountable/ Responsible	FSA, currently Q1/2023

*Note: Budgetary and end user rate issues may have to be set well in advance if the Operator wants to be sensitive to agencies that have biennial budget processes.

**PSERN Operator
Staff Report
Agenda Item #10**

Title: Board of Directors vs. PSERN Joint Board
Duty Analysis
Meeting Date: May 27, 2021
Staff Contact: David Mendel



BACKGROUND:

Clarification on the duties of board members who serve on both the PSERN Operator BoD and the PSERN JB was requested at the April 22nd, 2021 meeting of the Operator's BoD. Attorney Deanna Gregory, from Pacifica Law Group, was requested to provide feedback on the duties of board members who serve simultaneously on both boards. This staff report summarizes Deanna Gregory's related feedback and addresses the BoD's request for clarification.

In addressing the request for clarification from the BoD, three issues were identified:

Issue 1: Is there a conflict of interest due to board membership being the same between the PSERN Joint Board and the Operator Board of Directors?

Issues 2: Are there any issues with the two boards existing at the same time?

Issues 3: Could public records requests present unique issues?

ANALYSIS:

The following analysis addresses the issues identified in the previous section.

Issue 1: Is there a conflict of interest due to board membership being the same between the PSERN Joint Board and the Operator Board of Directors?

Per Attorney Deanna Gregory, there is no inherent conflict of interest with board members serving on both boards. However, typically board members need to be aware of each individual issue that is addressed by each of the boards. This is because the two board exist simultaneously, and potential conflicts could arise.

To defend against conflict of interest issues board members must be fair and equitable in their decisions. For example, the JB would not want to create a policy or make a decision that would unfairly discriminate against (or favor) one or more agencies / jurisdictions. Additionally, to defend against this board members need to be sure that each of the boards keep their topics isolated to the authorities that are granted to each board through the relevant ILAs.

Issues 2: Are there any issues with the two boards existing at the same time?

Per Attorney Deanna Gregory, the answer is technically no. The two boards co-exist because they technically perform different activities per the interlocal agreements (ILAs) that establish each of the boards. However, if a lawsuit arose or a complaint was made it is possible that a judge would find that there really is not a difference between the two boards. This is because the agencies that make up the boards are the same and because in either meeting, a quorum is essentially present from both boards. The key to coexistence is ensuring that decisions made by both boards are fair and equitable and the topics be consistent with the powers granted in the forming ILAs.

Issues 3: Could public records requests present unique issues?

Public records requests could also be an issue, because even if only one of the boards get a public disclosure request (PDR) both boards may have records that would be considered responsive. To defend against these issues Deanna recommends that board members should do the same things as were noted above for defending against conflicts of interest.

**PSERN Operator
Staff Report
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Additionally, if a PDR is received board members must ensure they turn over all responsive records regardless of which entity owns those records.

Lastly, the boards may want to publicize (provide notice) of the two meetings together. For example, state on the organization website that the JB will meet regarding the project from 2:30 p.m. – 4:00 p.m. on the fourth Thursday of each month, directly followed by the Operator BoD meeting, occurring from 4:00 p.m. - 5:00 p.m. We do currently publicize both meetings on the www.psern.org website, but the materials and meeting information are on different webpages within the site.

ADDITIONAL INFORMATION:

None

CONCLUSION:

The preceding analysis explored issues related to board members serving simultaneously on the PSERN Operator BoD and the PSERN JB. Per feedback from Attorney Deanna Gregory, there is no inherent conflict of interest with board members serving on both boards. Moreover, there is no conflict with the simultaneous existence of both boards. However, public records requests could be an issue, because even if one of the boards get a public disclosure request (PDR) both boards may have records that would be considered responsive. For all of the issues raised above the risk appears to be very low. Each board has the ability to minimize any appearance of impropriety by following the recommended defenses above.

STAFF REPORT REFERENCE DOCUMENTS:

None