



## Lehi City Council Meeting Agenda October 22, 2019

**5:30 PM** - Lehi City Council Chambers (153 N. 100 E., Lehi, Utah)

Pre-Council, 5:30 p.m.

1. Welcome and Opening Comment
2. Presentations and Reports
  - 2.1. Community Well-being Survey Results- Utah State University
  - 2.2. Discussion of General Land Use Plan Goals
3. Agenda Questions  
*The Mayor and City Council discuss and ask questions on items on the Regular Session agenda.*
4. Administrative Report
5. Mayor and Council Reports  
*Calendar items and outside Committee reports*

Regular Session, 7:00 p.m.

1. Welcome, Roll Call, Pledge of Allegiance

2. Presentations and Reports

2.1. Joe Adams Scholarship Thank You Presentation- Joe Adams Family and Utah Valley University (Dean David McEntire of the College of Health & Public Service, Chair Bobbi Kassel of the Criminal Justice Department, and Director Buckey Walters of the UVU POST Law Enforcement Academy)

2.2. Proclaim November as Epilepsy Awareness Month

[Epilepsy Proclamation.pdf](#)

2.3. Community Life Saving Awards- Presented by Lehi Fire Chief, Jeremy Craft

3. 20 Minute Citizen Input

*(for public comments on items not listed on the agenda. Comments limited to 3 minutes per person with a time limit not to exceed 20 minutes for this item.)*

4. Consent Agenda

4.1. Approve Minutes from the October 8, 2019 meeting.

[100819 CC.docx](#)

Regular Agenda

5. Consideration of Resolution #2019-62, approving a Lease Purchase Agreement between Chase Bank and Lehi City for the purchase of two Fire Apparatus.

Petitioner: Lehi City

[Res 2019-62.docx](#)

[Lehi City Corporation - 145887 - Equipment Finance Documents.pdf](#)

6. Consideration of Final subdivision approval for the Z-Act, a 10 lot residential development located at 1385 West 700 South.

Petitioner: Temple Olayan

[CCR Z-Act Final Subdivision 10.22.19.docx](#)

[Z-Act final subdivision DRC 10.09.19.docx](#)

[Z-Act final sub aerial.pdf](#)

[Z-Act final sub gp.pdf](#)

[Z-Act final sub zoning.pdf](#)

[Z-Act Final Subdivision plans.pdf](#)

7. Consideration of Resolution #2019-64, a Resolution expressing intent to adjust the municipal boundary with Saratoga Springs.

Petitioner: Edge Homes

[CCR Lehi City Saratoga Springs Municipal Boundary Line Adjustment 10.22.19.docx](#)

[Res 2019-63.docx](#)

[Mclachlan-expanded FLEP.pdf](#)

8. Consideration of Preliminary and Final subdivision approval for the Ridge Office, a 4-lot commercial development located at approximately Triumph Blvd & Ridge Drive.

Petitioner: Trevor Evans

[Ridge 2.pdf](#)

[Ridge Office Preliminary and Final Subdivision DRC 09.04.19.docx](#)

[The Ridge Office Subdivision Civil Plans.pdf](#)

[zoning.pdf](#)

[Aerial.pdf](#)

[CCR The Ridge Office Final Subdivision 10.22.19.docx](#)

[GP.pdf](#)

[Ridge 1.pdf](#)

9. Consideration of Resolution #2019-63, appointing a board member to the North Pointe Solid Waste Special Service District

Petitioner: Lehi City

[Res 2019-63.docx](#)

10. Consideration of Resolution #2019-65, a Resolution approving the insurance coverage with the Utah Local Governments Trust.

Petitioner: Lehi City

[Res 2019-65.docx](#)

[Lehi City Term Sheet 2019.pdf](#)

[Trust Interlocal Agreement.pdf](#)

[19-20 ULGT-Lehi City Dam Inland Marine QT-660-2G410051-TIL-19 Travelers Policy.pdf](#)

[Lehi City 2018 Liability Policy.pdf](#)

[Lehi City 2018 Property Policy.pdf](#)

[Lehi City 2018 Crime Policy.pdf](#)

## 11. Adjournment

- Public is invited to attend all City Council Meetings
- In compliance with the Americans with Disabilities Act, persons in need of special accommodations should contact the City Recorder at 768-7100 ext. 2254.
- This agenda has been properly posted and a copy provided to the local news media.

## **City Council Agenda Item Report**

Meeting Date: October 22, 2019

Submitted by: Teisha Willson

Submitting Department: Administration

Item Type: Presentation

Agenda Section:

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### **Subject:**

Community Well-being Survey Results- Utah State University

### **Suggested Action:**

### **Attachments:**

## **City Council Agenda Item Report**

Meeting Date: October 22, 2019

Submitted by: Teisha Willson

Submitting Department:

Item Type: Discussion

Agenda Section:

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**Subject:**

Discussion of General Land Use Plan Goals

**Suggested Action:**

**Attachments:**

## **City Council Agenda Item Report**

Meeting Date: October 22, 2019

Submitted by: Teisha Willson

Submitting Department:

Item Type: Presentation

Agenda Section:

---

### **Subject:**

Joe Adams Scholarship Thank You Presentation- Joe Adams Family and Utah Valley University (Dean David McEntire of the College of Health & Public Service, Chair Bobbi Kassel of the Criminal Justice Department, and Director Buckey Walters of the UVU POST Law Enforcement Academy)

### **Suggested Action:**

### **Attachments:**

## City Council Agenda Item Report

Meeting Date: October 22, 2019

Submitted by: Teisha Willson

Submitting Department:

Item Type: Presentation

Agenda Section:

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### **Subject:**

Proclaim November as Epilepsy Awareness Month

### **Suggested Action:**

### **Attachments:**

[Epilepsy Proclamation.pdf](#)



# *Proclamation*

**EPILEPSY AWARENESS MONTH  
NOVEMBER 2019**

**Whereas**, epilepsy is an incurable brain disorder that causes people to have recurring seizures;

**Whereas**, epilepsy is the third most common neurological condition, and one in twenty-six people in the United States will develop epilepsy in his or her lifetime due to abnormal brain development, illness, brain injury, or unknown causes;

**Whereas**, a widespread lack of understanding and knowledge about epilepsy often cause people, particularly children and youth, to fear, isolate, stigmatize, tease, and even bully their peers who are afflicted with epilepsy and other seizure disorders; and

**Whereas**, the city of Lehi joins 'November as Epilepsy Awareness Month', a global, national, and state effort to increase awareness, educate Lehi residents about epilepsy, and lend support to people with epilepsy and their families in order to improve their quality of life;

**Now therefore by proclamation** of Mayor Mark Johnson and City Council members Paige Albrecht, Chris Condie, Paul Hancock, Mike Southwick, and Johnny Revill, hereby proclaim and support November 2016 as “Epilepsy Awareness Month”.

Dated this 22<sup>th</sup> day of October, 2019

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Mark Johnson, Mayor

Attest:

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Teisha Wilson, City Recorder



## **City Council Agenda Item Report**

Meeting Date: October 22, 2019

Submitted by: Teisha Willson

Submitting Department:

Item Type: Presentation

Agenda Section:

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### **Subject:**

Community Life Saving Awards- Presented by Lehi Fire Chief, Jeremy Craft

### **Suggested Action:**

### **Attachments:**

## City Council Agenda Item Report

Meeting Date: October 22, 2019

Submitted by: Teisha Willson

Submitting Department:

Item Type: Action Item

Agenda Section:

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### **Subject:**

Approve Minutes from the October 8, 2019 meeting.

### **Suggested Action:**

### **Attachments:**

[100819 CC.docx](#)



Minutes of the **Pre Council** and **Regular Session** of the **Lehi City Council** held Tuesday, **October 8, 2019**, at the Lehi City Administration Building, 153 North 100 East, Lehi, Utah.

**Members Present:** Mark Johnson, Mayor  
Paige Albrecht, Council Member  
Chris Condie, Council Member  
Paul Hancock, Council Member  
Johnny Revill, Council Member  
Mike Southwick, Council Member

**Others Present:** Jason Walker, City Administrator; Cameron Boyle, Assistant City Administrator; Beau Thomas, Assistant to the City Administrator; Ryan Wood, City Attorney; Kim Struthers, Community Development Director; Lorin Powell, City Engineer; Police Chief Darren Paul; Fire Chief Jeremy Craft; Dean Lundell, Finance Director; Joel Eves, Power Director; Shaye Ruitenbeek, Management Analyst; Melanie Hansen, Special Events Coordinator; Teisha Wilson, City Recorder and approximately 25 citizens.

### **Pre-Council, 5:30 p.m.**

#### **1. Welcome and Opening Comment**

Mayor Johnson welcomed everyone and noted that all Councilmembers were present. Paul Hancock gave the Opening Comment.

#### **2. Presentation and Reports**

##### 2.1 Presentation of Regional Transportation Plan- Mountainland Association of Governments (MAG)

Chad Eccles, with Mountainland Association of Governments, presented on their new Regional Transportation Plan. He also provided an update on the new North Lakeshores Study. They want to improve the overall transportation network in the north Utah County region. He distributed a folder with maps and projects that they see as necessary to maintain the same function and enjoy the same quality of life in the next 30 years. He stated that the maps are color coordinated to show the yearly projections and plans. He encouraged the Council to go to MAG's website under transportation plan to find their interactive map that plans for future transportation up to the year 2050. It contains helpful information for anyone interested in looking at future plans. He informed the Council that it's important to work together and incorporate these connections in the City's master plans. He said it's also important to consider various funding options for these projects. He stated that they anticipate the State will double by 2050, with most of that growth being in Utah County. He handed out some information about the timeline and study of the north lakeshore where they are looking at a major future roadway. He said that within the next year, residents will be able to participate in surveys and open houses as they collect feedback for the study.

##### 2.2 Water District Presentation- John Peterson

John Peterson, with the Lehi Metropolitan Water District, informed the Council about the history of the district and how it functions as a water broker for Lehi City and that it is a Special Service

49 District recognized by the State for the purpose of helping supply water to Lehi. He stated that the  
50 Water District is in good shape and holds many shares that are available for developers to purchase  
51 as they build in the City. He said that it was the foresight of City Engineers and pervious board  
52 members that has allowed for the growth. Lorin Powell, City Engineer, stated that pervious Board  
53 members are to thank for the ability to have water immediately available for development in Lehi.  
54

55 2.3 Financial Report Presentation- Dean Lundell, Finance

56 Dean Lundell gave a quarterly update on the City's finances and distributed the report. He said the  
57 taxes from retail and population growth are trending positive. He said that overall the City's  
58 financials are in a good place.  
59

60 Councilor Condie left the meeting at approximately 6:15 p.m.  
61

62 2.4 Discussion of additional fund for Capital Projects- Dean Lundell, Finance; and Lorin Powell,  
63 Engineering

64 Mr. Lundell and Mr. Powell gave an update on some recent updates to Capital Projects. Mr. Powell  
65 stated that these are on the PO list for approval tonight and they will also require a budget  
66 amendment. He said one is for an extension with Geneva Rock because they are happy with the  
67 work they have done. He also said they need a budget amendment that will pay to finish Ashton  
68 Blvd. and 1200 West. He said they also added bike lanes on Triumph Blvd. that changed the cross  
69 sections so they will need to be widened. He also said that they plan to work on 1200 East.  
70

71 Mayor Johnson stated that it was necessary for the Council to adjourn into a Closed Executive  
72 Session.  
73

74 **Motion:** Councilor Revill moved to adjourn into a Closed Executive Session to discuss  
75 the character, professional competence, or physical or mental health of an individual; and  
76 to hold a strategy session to discuss the purchase, exchange, or lease of real property.  
77 Councilor Hancock seconded the motion.  
78

79 **Roll Call Vote:** Councilor Albrecht, Yes; Councilor Southwick, Yes; Councilor Hancock,  
80 Yes; and Councilor Revill, Yes. The motion passed unanimously.  
81

82 The meeting recessed into a Closed Executive Session at approximately 6:30 p.m.

83 The meeting reconvened at approximately 7:00 p.m.  
84  
85

86 **Regular Session, 7:00 p.m.**

87 **1. Welcome, Roll Call, Pledge of Allegiance**

88 Mayor Johnson welcomed everyone and noted that all Councilmembers were present, except for  
89 Councilor Condie who is excused. Renita Revill led the pledge of allegiance.  
90

91 **2. Presentations and Reports**

92 2.1 Power Department Award Presentation

93 Joel Eves, Power Department Director, thanked the Council for allowing Lehi Power crews to  
94 participate in a program to help provide power to the Navajo Nation. He said Chad Taylor was the  
95 Foreman for the crew that helped supply and install power for them.  
96

97 **3. Citizen Input (for public comments on items not listed on the agenda)**

98 None.

99

100 **4. Consent Agenda**

101 4.1 Approval of the City Council Minutes from the September 24, 2019 City Council meeting.

102

103 4.2 Approval of Purchase Orders

104

105 **Motion:** Councilor Southwick moved to approve the consent agenda items.  
106 Councilor Revill seconded the motion.

107

108 **Roll Call Vote:** Councilor Albrecht, Yes; Councilor Southwick, Yes; Councilor Hancock,  
109 Yes; and Councilor Revill, Yes. The motion passed unanimously.

110

111 **5. Consideration of Resolution #2019-61, requesting the recertification of the Lehi City**  
112 **Justice Court.**

113 Morgan Cummings, Justice Court Judge, reported that the Court is operating well, and this is  
114 a requirement by the State that must be done every four years.

115

116 **Motion:** Councilor Hancock moved to approve Resolution #2019-61, requesting the  
117 recertification of the Lehi City Justice Court. Councilor Albrecht seconded  
118 the motion.

119

120 **Roll Call Vote:** Councilor Albrecht, Yes; Councilor Southwick, Yes; Councilor Hancock,  
121 Yes; and Councilor Revill, Yes. The motion passed unanimously.

122

123 **6. Budget Amendment**

124 a. Public Hearing

125 Mayor Johnson opened the public hearing on this item.

126

127 There were no comments from the public. Mayor Johnson closed the hearing.

128

129 b. Consideration of Resolution #2019-60, amending the budget for the City of Lehi for Fiscal  
130 Year 2020.

131 Mr. Lundell explained the various budget amendment items.

132

133 **Motion:** Councilor Revill moved to approve Resolution #2019-60, amending the  
134 budget for the City of Lehi for Fiscal Year 2020. Councilor Southwick  
135 seconded the motion.

136

137 **Roll Call Vote:** Councilor Albrecht, Yes; Councilor Southwick, Yes; Councilor Hancock,  
138 Yes; and Councilor Revill, Yes. The motion passed unanimously.

139

140 **7. Consideration of Final Subdivision approval for Taylor Cove, an 11-lot residential**  
141 **development located at approximately 825 West 1250 South in an approved R-1-15 zone.**

142 Dan Ford was representing the applicant. He said there needs to be one change to the plat  
143 regarding the agriculture fencing. He said that ag fencing has already been installed in some

144 areas, so it's not needed along every property line. Mayor Johnson suggested that he work with  
145 staff to determine where the ag fencing would need to be installed.  
146

147 **Motion:** Councilor Southwick moved to grant Final Subdivision approval for Taylor  
148 Cove, an 11-lot residential development located at approximately 825 West  
149 1250 South in an approved R-1-15 zone; and subject to the completion of  
150 all Development Review Committee comments and Planning Commission  
151 comments; and also that the applicant work with staff to evaluate where the  
152 agriculture fencing would be needed. Councilor Albrecht seconded the  
153 motion.  
154

155 **Roll Call Vote:** Councilor Albrecht, Yes; Councilor Southwick, Yes; Councilor Hancock,  
156 Yes; and Councilor Revill, Yes. The motion passed unanimously.  
157

158 **8. Consideration of Resolution #2019-58, an Intent to Annex the Forrest Annexation,**  
159 **approximately 4.90-acres of property located at approximately 1900 South Bridle Path**  
160 **Loop with a proposed R-1-22 zoning**

161 Scotty Hales was representing the applicant.  
162

163 **Motion:** Councilor Southwick moved to approve Resolution #2019-58, an Intent to  
164 Annex the Forrest Annexation, approximately 4.90-acres of property  
165 located at approximately 1900 South Bridle Path Loop with a proposed R-  
166 1-22 zoning. Councilor Revill seconded the motion.  
167

168 **Roll Call Vote:** Councilor Albrecht, Yes; Councilor Southwick, Yes; Councilor Hancock,  
169 Yes; and Councilor Revill, Yes. The motion passed unanimously.  
170

171 **9. Consideration of the North Slopes Plat A Amendment to the Cabela's Subdivision Lot 2,**  
172 **a 3.15-acre commercial subdivision located at 4100 North Cabela's Blvd in a Planned**  
173 **Community zone.**

174 The applicant was not present. Mr. Struthers stated that the applicant intends to add an  
175 additional building with a parking structure in the middle.  
176

177 **Motion:** Councilor Revill moved to grant approval for the North Slopes Plat A  
178 Amendment to the Cabela's Subdivision Lot 2, a 3.15-acre commercial  
179 subdivision located at 4100 North Cabela's Blvd in a Planned Community  
180 zone; subject to the completion of all Development Review Committee and  
181 Planning Commission comments. Councilor Hancock seconded the motion.  
182

183 **Roll Call Vote:** Councilor Albrecht, Yes; Councilor Southwick, Yes; Councilor Hancock,  
184 Yes; and Councilor Revill, Yes. The motion passed unanimously.  
185

186 **10. Consideration of Resolution #2019-59, an agreement between Lehi City and UDOT for**  
187 **the UDOT outfall channel and Triumph Boulevard storm drains.**

188 Mr. Powell explained the agreement and asked for latitude to make minor changes.  
189

190 **Motion:** Councilor Revill moved to approve Resolution #2019-59, an agreement  
191 between Lehi City and UDOT for the UDOT outfall channel and Triumph

192 Boulevard storm drains and grant Mr. Powell the latitude to make changes  
193 that were necessary to complete the project. Councilor Southwick seconded  
194 the motion.  
195

196 **Roll Call Vote:** Councilor Albrecht, Yes; Councilor Southwick, Yes; Councilor Hancock,  
197 Yes; and Councilor Revill, Yes. The motion passed unanimously.  
198

199 Mayor Johnson asked for Mayor and Council reports.  
200

201 Councilor Revill reported that the TSSD Board discussed the difference between bonding for  
202 capitol project and pay as you go. He said they determined it's best to use both funding options.  
203

204 **11. Adjournment**

205 With no further business to come before the City Council at this time, Councilor Hancock  
206 moved to adjourn the meeting. Councilor Southwick seconded the motion. The motion passed  
207 unanimously. The meeting adjourned at approximately 7:40 p.m.  
208

209  
210 Approved: October 22, 2019

Attest:

211  
212  
213  
214  
215

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Mark Johnson, Mayor

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Teisha Wilson, City Recorder

## City Council Agenda Item Report

Meeting Date: October 22, 2019

Submitted by: Teisha Willson

Submitting Department:

Item Type: Presentation

Agenda Section:

---

### **Subject:**

Consideration of Resolution #2019-62, approving a Lease Purchase Agreement between Chase Bank and Lehi City for the purchase of two Fire Apparatus.

Petitioner: Lehi City

### **Suggested Action:**

### **Attachments:**

[Res 2019-62.docx](#)

[Lehi City Corporation - 145887 - Equipment Finance Documents.pdf](#)





**RESOLUTION NO. 2019-62**

**A RESOLUTION APPROVING THE LEASE PURCHASE AGREEMENT BETWEEN CHASE BANK AND LEHI CITY FOR THE PURCHASE OF TWO FIRE APPARATUS**

WHEREAS, Lehi City has awarded a bid for financing to Chase Bank for the acquisition of two new fire apparatus (one fire engine and one ladder truck), and

WHEREAS, the terms of the lease-purchase agreement is for seven years with the first payment due 8/1/2020 and the final payment due 8/1/2026, and

WHEREAS, Lehi City has the option to pay off the agreement early on the annual payment date after the first year, and

WHEREAS, a reimbursement resolution is required in order to comply with section 1.150-2 of the Federal Tax Regulations, and

WHEREAS, after considering the facts and comments presented to the City Council, the Council finds: (i) that it should approve the Lease Purchase Agreement with Chase Bank; and (ii) such action furthers the health, safety and welfare of the citizens of Lehi.

NOW THEREFORE BE IT RESOLVED by the City Council of Lehi City, Utah, as follows:

1. The Lease Purchase Agreement is hereby approved and the Mayor is authorized to execute the agreement and take all other such action as is necessary to make it effective. The City Council declares the Lessee's intent to use the Lease Purchase proceeds to reimburse itself for Property expenditures.

2. This resolution shall take effect immediately.

Approved and Adopted by the City Council of Lehi City, Utah this 22<sup>th</sup> day of October, 2019.

LEHI CITY

ATTEST

\_\_\_\_\_  
Mark Johnson, Mayor

\_\_\_\_\_  
Teisha Wilson, City Recorder

# J.P.Morgan

JPMORGAN CHASE BANK, N.A.  
1111 Polaris Parkway, Suite N4 (OH1-1085)  
Columbus, Ohio 43240

October 14, 2019

LEHI CITY CORPORATION  
Attn: Dean Lundell  
153 NORTH 100 EAST  
LEHI, UT 840430255

Dear Dean,

Enclosed you will find the documents necessary to complete your transaction with JPMORGAN CHASE BANK, N.A. ("JPM"). These documents have been completed as of and reflect the pricing, terms and conditions of the transaction as of this date. **Please be advised that JPM reserves the right to adjust pricing in order to maintain JPM's anticipated economic return as a result of material adverse changes in money markets and capital markets up to the date of final funding. \*\*Rate and payment schedule is in draft status and will be updated prior to the Funding date with revised documents\*\***

- **Master Lease Purchase Agreement**– These documents constitute the main agreement for this and future Schedules. Please have your Authorized Signer sign and record his/her title on the forms.
- **Lease Schedule, Schedule A-1, Payment Schedule and Vehicle Schedule Addendum** - These are specific documents for the current financing and detail the Schedule terms and conditions, describe the equipment and state the repayment terms. Please have your Authorized Signer sign and record his/her title on each form.
- **Prepayment Schedule Addendum**– This is specific for the current financing and details any additional terms and conditions related to the Schedule. Please have your Authorized Signer sign and record his/her title on the form.
- **Resolution and Declaration of Official Intent** – Your governing board will need to review and approve the financing and the Authorized Signer(s). Please have the Secretary/Clerk of the board certify that the board has met and approved the financing, and that the titles of the Authorized Signer(s) are correct.
- **Certificate of Incumbency** – Please have the Secretary/Clerk of the board certify that the titles and specimen signature(s) of the Authorized Signer(s) are correct.
- **Opinion of Counsel** – Please have your counsel review the documents as soon as possible, and prepare an Opinion of Counsel letter on their letterhead addressed to JPMORGAN CHASE BANK, N.A. A sample of an Opinion of Counsel letter that will satisfy JPMORGAN CHASE BANK, N.A. is enclosed.
- **Proceeds Disbursement Authorization** - Please complete the missing payment information, sign and date, and provide the signer's title where indicated.

- **IRS Form 8038/G/GC** – This form is required for IRS reporting of a tax-exempt financing. Please refer to the instructions when completing the information on the form and have an Authorized Signer sign and date at the bottom. Please refer to [www.irs.gov](http://www.irs.gov) for the most current version of form.
  - **Insurance Request Letter** – Prior to paying the vendor(s), we will need proof of insurance on the equipment, and JPMORGAN CHASE BANK, N.A., its Parent, Affiliates, Successors and Assigns, will need to be listed as both lenders loss payee and additional insured on your policy. Please have an Authorized Signer sign the bottom of the form. Also, please instruct your Insurance Agent to provide a Certificate of Insurance as required on the form.
  - **Escrow Agreement, Receipt Certificate/Payment Request Forms (with Instructions) and Escrow Funding Schedule Addendum and Arbitrage Certificate**-These documents establish an agreement with an Escrow Agent if you are acquiring the equipment over a defined and allowable period of time. Please review the Schedule 1 Investment Authorization form and select an investment for the escrowed funds. This will instruct the Escrow Agent where you want the escrowed funds to be invested. The authorized Signer will need to sign and insert his/her title on the Escrow Agreement, and the Escrow Funding Schedule Addendum.
- If you have any questions on your investment options, please contact the Escrow Investment selection please contact: Tony Gomez Tel. (212) 250-6647 Fax (212) 797-8600 Email [tony.gomez@db.com](mailto:tony.gomez@db.com)**
- **Auto Debit Form** – For payments to be automatically deducted from an existing checking account, please provide the requisite account information and sign.

For funding, please return your lease documents to **JPMORGAN CHASE BANK, N.A., 1111 Polaris Parkway, Suite N4 (OH1-1085), Columbus, Ohio 43240.**

We would like to thank you for choosing JPMORGAN CHASE BANK, N.A. to assist with your equipment financing. We appreciate your business and welcome the opportunity to work with you.

**PLEASE MAKE A COPY OF THE DOCUMENTS FOR YOUR RECORDS.** If you would like to receive a copy of the signature pages post closing, please notify your Documentation Specialist of your request. Your payments will be due **annually** as set forth in the Lease Schedule. You will be receiving an invoice for the above referenced account at:

LEHI CITY CORPORATION  
153 N 100 EAST  
LEHI, UT 84043

If you decide to enroll in the Automated Bill Payment your payments will be debited **annually** on the due date of your payment, beginning with your first payment. Payments debited will include your normally scheduled payment plus any applicable sales tax and assessments.

If you have any questions, concerns, or if I can be of assistance, please feel free to call me. I can be reached at 1-800-678-2601 or (614) 217-4670 from 8:00 a.m. through 4:30 p.m. ET Monday through Friday. I'll be happy to help you.

Sincerely,

Meron Gola  
Document Processing Specialist

## MASTER LEASE-PURCHASE AGREEMENT

**Dated As of: NOVEMBER 29, 2019**

**Lessee: LEHI CITY CORPORATION**

This Master Lease-Purchase Agreement together with all addenda, riders and attachments hereto, as the same may from time to time be amended, modified or supplemented ("Master Lease") is made and entered by and between **JPMORGAN CHASE BANK, N.A.** ("Lessor") and the lessee identified above ("Lessee").

**1. LEASE OF EQUIPMENT.** Subject to the terms and conditions of this Master Lease, Lessor agrees to lease to Lessee, and Lessee agrees to lease from Lessor, all Equipment described in each Schedule signed from time to time by Lessee and Lessor.

**2. CERTAIN DEFINITIONS.** All terms defined in the Lease are equally applicable to both the singular and plural form of such terms. (a) "Schedule" means each Lease Schedule signed and delivered by Lessee and Lessor, together with all addenda, riders, attachments, certificates and exhibits thereto, as the same may from time to time be amended, modified or supplemented. Lessee and Lessor agree that each Schedule (except as expressly provided in said Schedule) incorporates by reference all of the terms and conditions of the Master Lease. (b) "Lease" means any one Schedule and this Master Lease as incorporated into said Schedule. (c) "Equipment" means the property described in each Schedule, together with all attachments, additions, accessions, parts, repairs, improvements, replacements and substitutions thereto. (d) "Lien" means any security interest, lien, mortgage, pledge, encumbrance, judgment, execution, attachment, warrant, writ, levy, other judicial process or claim of any nature whatsoever by or of any person.

**3. LEASE TERM.** The term of the lease of the Equipment described in each Lease ("Lease Term") commences on the first date any of such Equipment is accepted by Lessee pursuant to Section 5 hereof or on the date specified in the Schedule for such Lease and, unless earlier terminated as expressly provided in the Lease, continues until Lessee's payment and performance in full of all of Lessee's obligations under the Lease.

### **4. RENT PAYMENTS.**

4.1 For each Lease, Lessee agrees to pay to Lessor the rent payments in the amounts and at the times as set forth in the Payment Schedule attached to the Schedule ("Rent Payments"). A portion of each Rent Payment is paid as and represents the payment of interest as set forth in the Payment Schedule. Lessee acknowledges that its obligation to pay Rent Payments including interest therein accrues as of the Accrual Date stated in the Schedule or its Payment Schedule; provided, that no Rent Payment is due until Lessee accepts the Equipment under the Lease or the parties execute an escrow agreement. Rent Payments will be payable for the Lease Term in U.S. dollars, without notice or demand at the office of Lessor (or such other place as Lessor may designate from time to time in writing).

4.2 If Lessor receives any payment from Lessee later than ten (10) days from the due date, Lessee shall pay Lessor on demand as a late charge five per cent (5%) of such overdue amount, limited, however, to the maximum amount allowed by law.

4.3 EXCEPT AS SPECIFICALLY PROVIDED IN SECTION 6, THE OBLIGATION TO PAY RENT PAYMENTS UNDER EACH LEASE SHALL BE ABSOLUTE AND UNCONDITIONAL IN ALL EVENTS AND SHALL NOT BE SUBJECT TO ANY SETOFF, DEFENSE, COUNTERCLAIM, ABATEMENT OR RECOUPMENT FOR ANY REASON WHATSOEVER.

### **5. DELIVERY; ACCEPTANCE; FUNDING CONDITIONS.**

5.1 Lessee shall arrange for the transportation, delivery and installation of all Equipment to the location specified in the Schedule ("Location") by Equipment suppliers ("Suppliers") selected by Lessee. Lessee shall pay all costs related thereto.

5.2 Lessee shall accept Equipment as soon as it has been delivered and is operational. Lessee shall evidence its acceptance of any Equipment by signing and delivering to Lessor the applicable Schedule. If Lessee signs and delivers a Schedule and if all Funding Conditions have been satisfied in full, then Lessor will pay or cause to be paid the costs of such Equipment as stated in the Schedule ("Purchase Price") to the applicable Supplier.

5.3 Lessor shall have no obligation to pay any Purchase Price unless all reasonable conditions established by Lessor ("Funding Conditions") have been satisfied, including, without limitation, the following: (a) Lessee has signed and delivered the Schedule and its Payment Schedule; (b) no Event of Default shall have occurred and be continuing; (c) no material adverse change shall have occurred in the Internal Revenue Code of 1986, as amended, and the related regulations and rulings thereunder (collectively, the "Code"); (d) no material adverse change shall have occurred in the financial condition of Lessee or any Supplier; (e)

the Equipment is reasonably satisfactory to Lessor and is free and clear of any Liens (except Lessor's Liens); (f) all representations of Lessee in the Lease remain true, accurate and complete; and (g) Lessor has received all of the following documents, which shall be reasonably satisfactory, in form and substance, to Lessor: (1) evidence of insurance coverage required by the Lease; (2) an opinion of Lessee's counsel; (3) reasonably detailed invoices for the Equipment; (4) Uniform Commercial Code (UCC) financing statements; (5) copies of resolutions by Lessee's governing body authorizing the Lease and incumbency certificates for the person(s) who will sign the Lease; (6) such documents and certificates relating to the tax-exempt interest payable under the Lease (including, without limitation, IRS Form 8038G or 8038GC) as Lessor may request; and (7) such other documents and information previously identified by Lessor or otherwise reasonably requested by Lessor.

## **6. TERMINATION FOR GOVERNMENTAL NON-APPROPRIATIONS.**

6.1 For each Lease, Lessee represents and warrants: that it has appropriated and budgeted the necessary funds to make all Rent Payments required pursuant to such Lease for the remainder of the fiscal year in which the Lease Term commences; and that it currently intends to make Rent Payments for the full Lease Term as scheduled in the applicable Payment Schedule if funds are appropriated for the Rent Payments in each succeeding fiscal year by its governing body. Without contractually committing itself to do so, Lessee reasonably believes that moneys in an amount sufficient to make all Rent Payments can and will lawfully be appropriated therefor. Lessee directs the person in charge of its budget requests to include the Rent Payments payable during each fiscal year in the budget request presented to Lessee's governing body for such fiscal year; provided, that Lessee's governing body retains authority to approve or reject any such budget request. All Rent Payments shall be payable out of the general funds of Lessee or out of other funds legally appropriated therefor. Lessor agrees that no Lease will be a general obligation of Lessee and no Lease shall constitute a pledge of either the full faith and credit of Lessee or the taxing power of Lessee.

6.2 If Lessee's governing body fails to appropriate sufficient funds in any fiscal year for Rent Payments or other payments due under a Lease and if other funds are not legally appropriated for such payments, then a "Non-Appropriation Event" shall be deemed to have occurred. If a Non-Appropriation Event occurs, then: (a) Lessee shall give Lessor immediate notice of such Non-Appropriation Event and provide written evidence of such failure by Lessee's governing body; (b) on the Return Date, Lessee shall return to Lessor all, but not less than all, of the Equipment covered by the affected Lease, at Lessee's sole expense, in accordance with Section 21 hereof; and (c) the affected Lease shall terminate on the Return Date without penalty to Lessee, provided, that Lessee shall pay all Rent Payments and other amounts payable under the affected Lease for which funds have been appropriated, provided further, that Lessee shall pay month-to-month rent at the rate set forth in the affected Lease for each month or part thereof that Lessee fails to return the Equipment under this Section 6.2. "Return Date" means the last day of the fiscal year for which appropriations were made for the Rent Payments due under a Lease.

**7. LIMITATION ON WARRANTIES. LESSOR MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION, AS TO THE MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY OF THE EQUIPMENT OR AS TO THE VALUE, DESIGN, CONDITION, USE, CAPACITY OR DURABILITY OF ANY OF THE EQUIPMENT.** For and during the Lease Term, Lessor hereby assigns to Lessee any manufacturer's or Supplier's product warranties, express or implied, applicable to any Equipment and Lessor authorizes Lessee to obtain the customary services furnished in connection with such warranties at Lessee's sole expense. Lessee agrees that (a) all Equipment will have been purchased by Lessor in accordance with Lessee's specifications from Suppliers selected by Lessee, (b) Lessor is not a manufacturer or dealer of any Equipment and has no liability for the delivery or installation of any Equipment, (c) Lessor assumes no obligation with respect to any manufacturer's or Supplier's product warranties or guaranties, (d) no manufacturer or Supplier or any representative of said parties is an agent of Lessor, and (e) any warranty, representation, guaranty or agreement made by any manufacturer or Supplier or any representative of said parties shall not be binding upon Lessor.

## **8. TITLE; SECURITY INTEREST.**

8.1 Upon Lessee's acceptance of any Equipment under a Lease, title to the Equipment shall vest in Lessee, subject to Lessor's security interest therein and all of Lessor's other rights under such Lease including, without limitation, Sections 6, 20 and 21 hereof.

8.2 As collateral security for the Secured Obligations, Lessee hereby grants to Lessor a first priority security interest in any and all of the Equipment (now existing or hereafter acquired) and any and all proceeds thereof. Lessee agrees to execute and deliver to Lessor all necessary documents to evidence and perfect such security interest, including, without limitation, UCC financing statements and any amendments thereto.

8.3 "Secured Obligations" means Lessee's obligations to pay all Rent Payments and all other amounts due and payable under all present and future Leases and to perform and observe all covenants, agreements and conditions (direct or indirect, absolute or contingent, due or to become due, or existing or hereafter arising) of Lessee under all present and future Leases.

**9. PERSONAL PROPERTY.** All Equipment is and will remain personal property and will not be deemed to be affixed or attached to real estate or any building thereon.

**10. MAINTENANCE AND OPERATION.** Lessee agrees it shall, at its sole expense: (a) repair and maintain all Equipment in good condition and working order and supply and install all replacement parts or other devices when required to so maintain the Equipment or when required by applicable law or regulation, which parts or devices shall automatically become part of the Equipment; and (b) use and operate all Equipment in a careful manner in the normal course of its operations and only for the purposes for which it was designed in accordance with the manufacturer's warranty requirements; and (c) comply with all laws and regulations relating to the Equipment. If any Equipment is customarily covered by a maintenance agreement, Lessee will furnish Lessor with a maintenance agreement by a party reasonably satisfactory to Lessor. No maintenance or other service for any Equipment will be provided by Lessor. Lessee will not make any alterations, additions or improvements ("Improvements") to any Equipment without Lessor's prior written consent unless the Improvements may be readily removed without damage to the operation, value or utility of such Equipment, but any such Improvements not removed prior to the termination of the applicable Lease shall automatically become part of the Equipment.

**11. LOCATION; INSPECTION.** Equipment will not be removed from, or if Equipment is rolling stock its permanent base will not be changed from, the Location without Lessor's prior written consent which will not be unreasonably withheld. Upon reasonable notice to Lessee, Lessor may enter the Location or elsewhere during normal business hours to inspect the Equipment.

**12. LIENS, SUBLEASES AND TAXES.**

12.1 Lessee shall keep all Equipment free and clear of all Liens except those Liens created under its Lease. Lessee shall not sublet or lend any Equipment or permit it to be used by anyone other than Lessee or Lessee's employees.

12.2 Lessee shall pay when due all Taxes which may now or hereafter be imposed upon any Equipment or its ownership, lease, rental, sale, purchase, possession or use, upon any Lease or upon any Rent Payments or any other payments due under any Lease. If Lessee fails to pay such Taxes when due, Lessor shall have the right, but not the obligation, to pay such Taxes. If Lessor pays any such Taxes, then Lessee shall, upon demand, immediately reimburse Lessor therefor. "Taxes" means present and future taxes, levies, duties, assessments or other governmental charges that are not based on the net income of Lessor, whether they are assessed to or payable by Lessee or Lessor, including, without limitation (a) sales, use, excise, licensing, registration, titling, gross receipts, stamp and personal property taxes, and (b) interest, penalties or fines on any of the foregoing.

**13. RISK OF LOSS.**

13.1 Lessee bears the entire risk of loss, theft, damage or destruction of any Equipment in whole or in part from any reason whatsoever ("Casualty Loss"). No Casualty Loss to any Equipment shall relieve Lessee from the obligation to make any Rent Payments or to perform any other obligation under any Lease. Proceeds of any insurance recovery will be applied to Lessee's obligations under this Section 13.

13.2 If a Casualty Loss occurs to any Equipment, Lessee shall immediately notify Lessor of the same and Lessee shall, unless otherwise directed by Lessor, immediately repair the same.

13.3 If Lessor determines that any item of Equipment has suffered a Casualty Loss beyond repair ("Lost Equipment"), then Lessee shall either: (a) immediately replace the Lost Equipment with similar equipment in good repair, condition and working order free and clear of any Liens (except Lessor's Liens), in which event such replacement equipment shall automatically be Equipment under the applicable Lease, and deliver to Lessor true and complete copies of the invoice or bill of sale covering the replacement equipment; or (b) on earlier of 60 days after the Casualty Loss or the next scheduled Rent Payment date (the "Loss Payment Due Date"), pay Lessor (i) all amounts owed by Lessee under the applicable Lease, including the Rent Payments due on or accrued through such date plus (ii) an amount equal to the Termination Value as of the Rent Payment date (or if the Casualty Loss payment is due between Rent Payment dates, then as of the Rent Payment date preceding the date that the Casualty Loss payment is due) set forth in the Payment Schedule to the applicable Lease plus (iii) a Break Funding Charge. If Lessee is making such payment with respect to less than all of the Equipment under a Lease, then Lessor will provide Lessee with the pro rata amount of the Rent Payment and Termination Value to be paid by Lessee with respect to the Lost Equipment and a revised Payment Schedule. "Break Funding Charge" means the sum of the differences between (i) each scheduled interest payment which would have been made on the Termination Value if such Casualty Loss payment had not occurred and (ii) the corresponding fixed-rate interest payment which would be received under an interest rate swap which the Lender shall be deemed to have entered into as of the Loss Payment Due Date (the "Replacement Swap") covering its payment obligations under an interest rate swap which the Lessor shall be deemed to have entered into when the Lease was originally funded, with each such difference discounted to a present value as of the date of payment using the fixed interest rate of the Replacement Swap as the applicable discount rate; the Lessee acknowledges that the Lessor might not fund or hedge its fixed-rate loan portfolio or any prepayment thereof on a loan-by-loan basis at all times, and agrees that the foregoing is a reasonable and appropriate method of calculating liquidated damages for any prepayment irrespective of whether any of the foregoing hedging

transactions have in fact occurred or occurred precisely as stated with respect to the Lease; all calculations and determinations by the Lessor of the amounts payable pursuant to the preceding provisions or of any element thereof, if made in accordance with its then standard procedures for so calculating or determining such amounts, shall be conclusive absent manifest arithmetic error.

13.4 Lessee shall bear the risk of loss for, shall pay directly, and shall defend Lessor against any and all claims, liabilities, proceedings, actions, expenses (including reasonable attorney's fees), damages or losses arising under or related to any Equipment, including, but not limited to, the possession, ownership, lease, use or operation thereof. These obligations of Lessee shall survive any expiration or termination of any Lease. Lessee shall not bear the risk of loss of, nor pay for, any claims, liabilities, proceedings, actions, expenses (including attorney's fees), damages or losses which arise directly from events occurring after any Equipment has been returned by Lessee to Lessor in accordance with the terms of the applicable Lease or which arise directly from the gross negligence or willful misconduct of Lessor.

#### **14. INSURANCE.**

14.1 (a) Lessee at its sole expense shall at all times keep all Equipment insured against all Casualty Losses for an amount not less than the Termination Value of the Equipment. Proceeds of any such insurance covering damage or loss of any Equipment shall be payable to Lessor as lender loss payee. (b) Lessee at its sole expense shall at all times carry public liability and third party property damage insurance in amounts reasonably satisfactory to Lessor protecting Lessee and Lessor from liabilities for injuries to persons and damage to property of others relating in any way to any Equipment. Proceeds of any such public liability or property insurance shall be payable first to Lessor as additional insured to the extent of its liability, and then to Lessee.

14.2 All insurers shall be reasonably satisfactory to Lessor. Lessee shall promptly deliver to Lessor satisfactory evidence of required insurance coverage and all renewals and replacements thereof. Each insurance policy will require that the insurer give Lessor at least 30 days prior written notice of any cancellation of such policy and will require that Lessor's interests remain insured regardless of any act, error, misrepresentation, omission or neglect of Lessee. The insurance maintained by Lessee shall be primary without any right of contribution from insurance which may be maintained by Lessor.

15. **NO PREPAYMENT.** Lessee shall not be permitted to prepay the Rent Payments or any other obligation under a Lease in whole or in part.

16. **LESSEE'S REPRESENTATIONS AND WARRANTIES.** With respect to each Lease and its Equipment, Lessee hereby represents and warrants to Lessor that: (a) Lessee has full power, authority and legal right to execute and deliver the Lease and to perform its obligations under the Lease, and all such actions have been duly authorized by appropriate findings and actions of Lessee's governing body; (b) the Lease has been duly executed and delivered by Lessee and constitutes a legal, valid and binding obligation of Lessee, enforceable in accordance with its terms; (c) the Lease is authorized under, and the authorization, execution and delivery of the Lease complies with, all applicable federal, state and local laws and regulations (including, but not limited to, all open meeting, public bidding and property acquisition laws) and all applicable judgments and court orders; (d) the execution, delivery and performance by Lessee of its obligations under the Lease will not result in a breach or violation of, nor constitute a default under, any agreement, lease or other instrument to which Lessee is a party or by which Lessee's properties may be bound or affected; (e) there is no pending, or to the best of Lessee's knowledge threatened, litigation of any nature which may have a material adverse effect on Lessee's ability to perform its obligations under the Lease; and (f) Lessee is a state, or a political subdivision thereof, as referred to in Section 103 of the Code, and Lessee's obligation under the Lease constitutes an enforceable obligation issued on behalf of a state or a political subdivision thereof.

#### **17. TAX COVENANTS.**

17.1 Lessee hereby covenants and agrees that: (a) Lessee shall comply with all of the requirements of Section 149(a) and Section 149(e) of the Code, as the same may be amended from time to time, and such compliance shall include, but not be limited to, executing and filing Internal Revenue Form 8038G or 8038GC, as the case may be, and any other information statements reasonably requested by Lessor; (b) Lessee shall not do (or cause to be done) any act which will cause, or by omission of any act allow, any Lease to be an "arbitrage bond" within the meaning of Section 148(a) of the Code or any Lease to be a "private activity bond" within the meaning of Section 141(a) of the Code; and (c) Lessee shall not do (or cause to be done) any act which will cause, or by omission of any act allow, the interest portion of any Rent Payments to be or become includable in gross income for Federal income taxation purposes under the Code.

17.2 Upon the occurrence of an Event of Taxability, the interest portion of any Rent Payment shall be at the Taxable Rate retroactive to the date of occurrence of the Event of Taxability, and Lessee shall pay such additional amount as will result in Lessor receiving the interest portion of the Taxable Rate identified in the Payment Schedule. For purposes of this section, "Event of Taxability" means a determination that the interest portion of Rent Payments is included for federal income tax purposes in the gross income of the Lessor due to Lessee's action or failure to take action, including breach of covenants set forth in section 17.1 hereof. An Event of Taxability shall occur upon the earliest of: (1) the happening of any event which may cause such Event of Taxability, or

(2) Lessor's payment to the applicable taxing authority of the tax increase resulting from such Event of Taxability, or (3) the adjustment of Lessor's tax return to reflect such Event of Taxability, or (4) the date as of which the interest portion of the Rent Payments is determined by the Internal revenue Service to be includable in the gross income of the Lessor for federal income tax purposes.

## 18. ASSIGNMENT.

18.1 Lessee shall not assign, transfer, pledge, hypothecate, nor grant any Lien on, nor otherwise dispose of, any Lease or any Equipment or any interest in any Lease or Equipment.

18.2 Lessor may assign its rights, title and interest in and to any Lease or any Equipment, and/or may grant or assign a security interest in any Lease and its Equipment, in whole or in part, to any party at any time. Any such assignee or lienholder (an "Assignee") shall have all of the rights of Lessor under the applicable Lease. **LESSEE AGREES NOT TO ASSERT AGAINST ANY ASSIGNEE ANY CLAIMS, ABATEMENTS, SETOFFS, COUNTERCLAIMS, RECOUPMENT OR ANY OTHER SIMILAR DEFENSES WHICH LESSEE MAY HAVE AGAINST LESSOR.** Unless otherwise agreed by Lessee in writing, any such assignment transaction shall not release Lessor from any of Lessor's obligations under the applicable Lease. An assignment or reassignment of any of Lessor's right, title or interest in a Lease or its Equipment shall be enforceable against Lessee only after Lessee receives a written notice of assignment which discloses the name and address of each such Assignee, provided, that such notice from Lessor to Lessee of any assignment shall not be so required if Lessor assigns a Lease to JPMORGAN CHASE & CO. or any of its direct or indirect subsidiaries. Lessee shall keep a complete and accurate record of all such assignments in the form necessary to comply with Section 149(a) of the Code and for such purpose, Lessee hereby appoints Lessor (or Lessor's designee) as the book entry and registration agent to keep a complete and accurate record of any and all assignments of any Lease. Lessee agrees to acknowledge in writing any such assignments if so requested.

18.3 Each Assignee of a Lease hereby agrees that: (a) the term Secured Obligations as used in Section 8.3 hereof is hereby amended to include and apply to all obligations of Lessee under the Assigned Leases and to exclude the obligations of Lessee under any Non-Assigned Leases; (b) said Assignee shall have no Lien on, nor any claim to, nor any interest of any kind in, any Non-Assigned Lease or any Equipment covered by any Non-Assigned Lease; and (c) Assignee shall exercise its rights, benefits and remedies as the assignee of Lessor (including, without limitation, the remedies under Section 20 of the Master Lease) solely with respect to the Assigned Leases. "Assigned Leases" means only those Leases which have been assigned to a single Assignee pursuant to a written agreement; and "Non-Assigned Leases" means all Leases excluding the Assigned Leases.

18.4 Subject to the foregoing, each Lease inures to the benefit of and is binding upon the heirs, executors, administrators, successors and assigns of the parties hereto.

19. **EVENTS OF DEFAULT.** For each Lease, "Event of Default" means the occurrence of any one or more of the following events as they may relate to such Lease: (a) Lessee fails to make any Rent Payment (or any other payment) as it becomes due in accordance with the terms of the Lease, and any such failure continues for ten (10) days after the due date thereof; (b) Lessee fails to perform or observe any of its obligations under Sections 12.1, 14 or 18.1 hereof; (c) Lessee fails to perform or observe any other covenant, condition or agreement to be performed or observed by it under the Lease and such failure is not cured within thirty (30) days after receipt of written notice thereof by Lessor; (d) any statement, representation or warranty made by Lessee in the Lease or in any writing delivered by Lessee pursuant thereto or in connection therewith proves at any time to have been false, misleading or erroneous in any material respect as of the time when made; (e) Lessee applies for or consents to the appointment of a receiver, trustee, conservator or liquidator of Lessee or of all or a substantial part of its assets, or a petition for relief is filed by Lessee under any federal or state bankruptcy, insolvency or similar law, or a petition in a proceeding under any federal or state bankruptcy, insolvency or similar law is filed against Lessee and is not dismissed within sixty (60) days thereafter; or (f) Lessee shall be in default under any other Lease or under any other financing agreement executed at any time with Lessor.

20. **REMEDIES.** If any Event of Default occurs, then Lessor may, at its option, exercise any one or more of the following remedies:

(a) Lessor may require Lessee to pay (and Lessee agrees that it shall pay) all amounts then currently due under all Leases and all remaining Rent Payments due under all Leases during the fiscal year in effect when the Event of Default occurs together with interest on such amounts at the rate of twelve percent (12%) per annum (but not to exceed the highest rate permitted by applicable law) from the date of Lessor's demand for such payment;

(b) Lessor may require Lessee to promptly return all Equipment under all or any of the Leases to Lessor in the manner set forth in Section 21 (and Lessee agrees that it shall so return the Equipment), or Lessor may, at its option, enter upon the premises where any Equipment is located and repossess any Equipment without demand or notice, without any court order or other process of law and without liability for any damage occasioned by such repossession;



(c) Lessor may sell, lease or otherwise dispose of any Equipment under all or any of the Leases, in whole or in part, in one or more public or private transactions, and if Lessor so disposes of any Equipment, then Lessor shall retain the entire proceeds of such disposition free of any claims of Lessee, provided, that if the net proceeds of the disposition of all the Equipment exceeds the applicable Termination Value of all the Schedules plus the amounts payable by Lessee under clause (a) above of this Section and under clause (f) below of this Section, then such excess amount shall be remitted by Lessor to Lessee;

(d) Lessor may terminate, cancel or rescind any Lease as to any and all Equipment;

(e) Lessor may exercise any other right, remedy or privilege which may be available to Lessor under applicable law or, by appropriate court action at law or in equity, Lessor may enforce any of Lessee's obligations under any Lease; and/or

(f) Lessor may require Lessee to pay (and Lessee agrees that it shall pay) all out-of-pocket costs and expenses incurred by Lessor as a result (directly or indirectly) of the Event of Default and/or of Lessor's actions under this section, including, without limitation, any attorney fees and expenses and any costs related to the repossession, safekeeping, storage, repair, reconditioning or disposition of any Equipment.

None of the above remedies is exclusive, but each is cumulative and in addition to any other remedy available to Lessor. Lessor's exercise of one or more remedies shall not preclude its exercise of any other remedy. No delay or failure on the part of Lessor to exercise any remedy under any Lease shall operate as a waiver thereof, nor as an acquiescence in any default, nor shall any single or partial exercise of any remedy preclude any other exercise thereof or the exercise of any other remedy.

**21. RETURN OF EQUIPMENT.** If Lessor is entitled under the provisions of any Lease, including any termination thereof pursuant to Sections 6 or 20 of this Master Lease, to obtain possession of any Equipment or if Lessee is obligated at any time to return any Equipment, then (a) title to the Equipment shall vest in Lessor immediately upon Lessor's notice thereof to Lessee, and (b) Lessee shall, at its sole expense and risk, immediately de-install, disassemble, pack, crate, insure and return the Equipment to Lessor (all in accordance with applicable industry standards) at any location in the continental United States selected by Lessor. Such Equipment shall be in the same condition as when received by Lessee (reasonable wear, tear and depreciation resulting from normal and proper use excepted), shall be in good operating order and maintenance as required by the applicable Lease, shall be free and clear of any Liens (except Lessor's Lien) and shall comply with all applicable laws and regulations. Until Equipment is returned as required above, all terms of the applicable Lease shall remain in full force and effect including, without limitation, obligations to pay Rent Payments and to insure the Equipment. Lessee agrees to execute and deliver to Lessor all documents reasonably requested by Lessor to evidence the transfer of legal and beneficial title to such Equipment to Lessor and to evidence the termination of Lessee's interest in such Equipment.

**22. LAW GOVERNING.** Each Lease shall be governed by the laws of the state where Lessee is located (the "State").

**23. NOTICES.** Any notices and demands under or related to this document shall be in writing and delivered to the intended party at its address stated herein (if to Lessor **1111 Polaris Parkway, Suite N4 (OH1-1085), Columbus, Ohio 43240**, to the attention of the GNPH Operations Manager). Notice shall be deemed sufficiently given or made (a) upon receipt if delivered by hand, (b) on the Delivery Day after the day of deposit with a nationally recognized courier service, (c) on the third Delivery Day after the day of deposit in the United States mail, sent certified, postage prepaid with return receipt requested, and (d) only if to Lessee, on the third Delivery Day after the notice is deposited in the United States mail, postage prepaid. "Delivery Day" means a day other than a Saturday, a Sunday, or any other day on which national banking associations are authorized to be closed. Any party may change its address for the purposes of the receipt of notices and demands by giving notice of such change in the manner provided in this provision.

**24. FINANCIAL INFORMATION.** Lessee agrees to furnish to Lessor annual audited financial statements of Lessee within 180 days of the end of each fiscal year of Lessee. Additionally, Lessee agrees to provide additional information as reasonably requested by Lessor.

**25. SECTION HEADINGS.** All section headings contained herein or in any Schedule are for convenience of reference only and do not define or limit the scope of any provision of any Lease.

**26. EXECUTION IN COUNTERPARTS.** Each Schedule to this Master Lease may be executed in several counterparts, each of which shall be deemed an original, but all of which shall be deemed one instrument. If more than one counterpart of each Schedule is executed by Lessee and Lessor, then only one may be marked "Lessor's Original" by Lessor. A security interest in any Schedule may be created through transfer and possession only of: the sole original of said Schedule if there is only one original; or the counterpart marked "Lessor's Original" if there are multiple counterparts of said Schedule.

**27. ENTIRE AGREEMENT; WRITTEN AMENDMENTS.** Each Lease, together with the exhibits, schedules and addenda attached thereto and made a part hereof and other attachments thereto constitute the entire agreement between the parties with respect

to the lease of the Equipment covered thereby, and such Lease shall not be modified, amended, altered, or changed except with the written consent of Lessee and Lessor. Any provision of any Lease found to be prohibited by law shall be ineffective to the extent of such prohibition without invalidating the remainder of the Lease.

28. **WAIVER OF IMMUNITY.** Lessee hereby expressly and irrevocably waives any immunity (including sovereign, crown or similar immunity) and any defenses based thereon from any suit, action or proceeding or from any legal process (whether through service of notice, attachment prior to judgment, attachment in aid of execution, execution, exercise of contempt powers, or otherwise) in any forum with respect to this Master Lease, any Lease and the transactions contemplated hereby and thereby. Lessor shall have and be entitled to all available legal and equitable remedies, including the right to specific performance, money damages, and injunctive and declaratory relief.

**JURY WAIVER: ALL PARTIES TO THIS MASTER LEASE WAIVE ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY ANY PARTY AGAINST ANY OTHER PARTY ON ANY MATTER WHATSOEVER ARISING OUT OF, IN CONNECTION WITH OR IN ANY WAY RELATED TO THIS MASTER LEASE AND ANY LEASE.**

**LEHI CITY CORPORATION**  
(Lessee)

By: \_\_\_\_\_

Title: \_\_\_\_\_

**JPMORGAN CHASE BANK, N.A.**  
(Lessor)

By: \_\_\_\_\_

Title: Authorized Officer

## LEASE SCHEDULE

**Dated as of: NOVEMBER 29 2019**

**Lease No.: 1000145887**

This Lease Schedule, together with its Payment Schedule, is attached and made a part of the Master Lease-Purchase Agreement described below ("Master Lease") between the Lessee and Lessor named below. All terms and conditions of the Master Lease are incorporated herein by reference. Unless otherwise defined herein, capitalized terms defined in the Master Lease will have the same meaning when used herein.

**Master Lease-Purchase Agreement dated November 29, 2019.**

- A. EQUIPMENT DESCRIBED:** The Equipment includes all of the property described on Schedule A-1 attached hereto and made a part hereof.
- B. EQUIPMENT LOCATION:** See Attached Schedule A-1
- C. ACCEPTANCE OF EQUIPMENT:** AS BETWEEN LESSEE AND LESSOR, LESSEE AGREES THAT: (a) LESSEE HAS RECEIVED AND INSPECTED ALL EQUIPMENT; (b) ALL EQUIPMENT IS IN GOOD WORKING ORDER AND COMPLIES WITH ALL PURCHASE ORDERS, CONTRACTS AND SPECIFICATIONS; (c) LESSEE ACCEPTS ALL EQUIPMENT FOR PURPOSES OF THE LEASE "AS-IS, WHERE-IS"; AND (d) LESSEE WAIVES ANY RIGHT TO REVOKE SUCH ACCEPTANCE.
- D. ESSENTIAL USE; CURRENT INTENT OF LESSEE:** Lessee represents and agrees that the use of the Equipment is essential to Lessee's proper, efficient and economic functioning or to the services that Lessee provides to its citizens and the Equipment will be used by Lessee only for the purpose of performing its governmental or proprietary functions consistent with the permissible scope of its authority. Lessee currently intends for the full Lease Term: to use the Equipment; to continue this Lease; and to make Rental Payments if funds are appropriated in each fiscal year by its governing body.
- E. RENTAL PAYMENTS; LEASE TERM:** The Rental Payments to be paid by Lessee to Lessor, the interest rate at which the interest portion of the Rental Payments is calculated, the Taxable Rate, the commencement date and the Lease Term of this Lease Schedule are each set forth on the Payment Schedule attached to this Lease Schedule.
- F. RE-AFFIRMATION OF THE MASTER LEASE:** Lessee hereby re-affirms all of its representations, warranties and obligations under the Master Lease (including, without limitation, its obligation to pay all Rental Payments, its disclaimers in Section 7 thereof and its representations in Sections 6.1 and 16 thereof).
- G. GOVERNMENT REGULATION. ANTI-CORRUPTION.**
- (a) Representations and Warranties Regarding Anti-Corruption Laws and Sanctions.** Lessee has implemented and maintains in effect policies and procedures designed to ensure compliance by Lessee and its officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and Lessee and its officers and employees and to the knowledge of Lessee its agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects. None of (a) Lessee or to the knowledge of Lessee any of its respective officers or employees, or (b) to the knowledge of Lessee, any agent of Lessee that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person. No advance, letter of credit, use of proceeds or other transaction contemplated by this Lease will violate Anti-Corruption Laws or applicable Sanctions.
- (b) Compliance with Anti-Corruption Laws and Sanctions.** Lessee shall maintain in effect and enforce policies and procedures designed to ensure compliance by Lessee and its officers, employees and agents with Anti-Corruption Laws and applicable Sanctions.
- (c) Use of Proceeds.** Lessee shall not use, or permit any proceeds of the Lease to be used, directly or indirectly, by Lessee or its officers, employees and agents: (1) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws; (2) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country; or (3) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

**(d) Definitions.** For the purposes of this Section G, the following terms shall have the following meanings: "Anti-Corruption Laws" means all laws, rules, and regulations of any jurisdiction applicable to the Lessee or its subsidiaries from time to time concerning or relating to bribery or corruption. "Person" means any individual, corporation, partnership, limited liability company, joint venture, joint stock association, association, bank, business trust, trust, unincorporated organization, any foreign governmental authority, the United States of America, any state of the United States and any political subdivision of any of the foregoing or any other form of entity. "Sanctions" means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State. "Sanctioned Country" means, at any time, a country, region or territory which is the subject or target of any Sanctions (as at the time of this Agreement, Crimea, Cuba, Iran, North Korea, Sudan and Syria). "Sanctioned Person" means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, (b) any Person operating, organized or resident in a Sanctioned Country or (c) any Person controlled by any such Person.

Equipment/Escrow Acceptance Date: \_\_\_\_\_, 20\_\_

**LEHI CITY CORPORATION**

(Lessee)

By: \_\_\_\_\_

Title: \_\_\_\_\_

**JPMORGAN CHASE BANK, N.A.**

(Lessor)

By: \_\_\_\_\_

Title: Authorized Officer

**SCHEDULE A-1**  
(Equipment List)

**Expected Equipment Purchase Price**                      **\$2,200,000.00**

**Net Amount Financed**                                      **\$2,200,000.00**

**Equipment Location:**

**153 N 100 EAST  
LEHI, UT 84043**

**Equipment Description:**

**FIRE ENGINE AND LADDER TRUCK**

TOGETHER WITH ALL ATTACHMENTS, ADDITIONS, ACCESSIONS, PARTS, REPAIRS, IMPROVEMENTS, REPLACEMENTS AND SUBSTITUTIONS THERETO.

This Schedule A-1 is attached to the Lease Schedule **1000145887** or a Receipt Certificate/Payment Request relating to the Lease Schedule.

**LEHI CITY CORPORATION**  
(Lessee)

By: \_\_\_\_\_

Title: \_\_\_\_\_

**JPMORGAN CHASE BANK, N.A**  
(Lessor)

By: \_\_\_\_\_

Title: Authorized Officer

**Payment Schedule**

This Payment Schedule is attached and made a part of the Lease Schedule identified below which is part of the Master Lease-Purchase Agreement identified therein, all of which are between the Lessee and Lessor named below.

Lease Schedule No.       **1000145887**  
 Lease Schedule Dated:   **November 29, 2019**  
 Accrual Date               **November 29, 2019**  
 Amount Financed         **\$2,200,000.00**  
 Interest Rate             **1.6740% per annum**  
 Taxable Rate             **2.1320% per annum**

<b>Rent Number</b>	<b>Rent Date</b>	<b>Rent Payment</b>	<b>Interest Portion</b>	<b>Principal Portion</b>	<b>Principal Balance</b>	<b>Termination Value</b>
1	8/1/2020	\$333,868.03	\$24,756.60	\$309,111.43	\$1,890,888.57	N/A
2	8/1/2021	\$333,868.03	\$31,653.48	\$302,214.55	\$1,588,674.02	\$1,636,334.24
3	8/1/2022	\$333,868.03	\$26,594.41	\$307,273.62	\$1,281,400.40	\$1,319,842.41
4	8/1/2023	\$333,868.03	\$21,450.65	\$312,417.38	\$968,983.02	\$998,052.51
5	8/1/2024	\$333,868.03	\$16,220.78	\$317,647.25	\$651,335.77	\$670,875.84
6	8/1/2025	\$333,868.03	\$10,903.36	\$322,964.67	\$328,371.10	\$338,222.23
7	8/1/2026	\$333,868.03	\$5,496.93	\$328,371.10	\$0.00	\$0.00
<b>TOTALS</b>		<b>\$2,337,076.21</b>	<b>\$137,076.21</b>	<b>\$2,200,000.00</b>		

**LEHI CITY CORPORATION**  
 (Lessee)

**JPMORGAN CHASE BANK, N.A.**  
 (Lessor)

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: Authorized Officer

**VEHICLE SCHEDULE ADDENDUM**

**Dated As of:           NOVEMBER 29, 2019**

**Lease Schedule No: 1000145887**

**Lessee:                 LEHI CITY CORPORATION**

Reference is made to the above Lease Schedule ("Schedule") to the Master Lease-Purchase Agreement identified in the Schedule ("Master Lease") by and between **JPMORGAN CHASE BANK, N.A.** ("Lessor") and the above lessee ("Lessee"). This Addendum amends and modifies the terms and conditions of the Schedule and is hereby made a part of the Schedule. Unless otherwise defined herein, capitalized terms defined in the Master Lease shall have the same meaning when used herein.

NOW, THEREFORE, as part of the valuable consideration to induce the execution of the Schedule, Lessor and Lessee hereby agree to amend the Schedule as follows:

1. In the event that any unit of Equipment covered by the Schedule is a vehicle or trailer under applicable State law, then the following provisions shall also apply to the Schedule:
  - (a) each manufacturer's statement of origin and certificate of title shall state that Lessor has the first and sole lien on or security interest in such unit of Equipment;
  - (b) the public liability insurance required by the terms of clauses (b) of Section 14.1 of the Master Lease shall be in an amount not less than \$1,000,000.00 combined single limit per unit per occurrence. Physical damage should not be less than the replacement cost coverage for the equipment identified on the Schedule A-1;
  - (c) Lessee shall furnish and permit only duly licensed, trained, safe and qualified drivers to operate any such unit of Equipment, and such drivers shall be agents of Lessee and shall not be agents of Lessor; and
  - (d) Lessee shall cause each such unit of Equipment to be duly registered and licensed as required by applicable State law with Lessor noted as lienholder, listed at address below and Lessee as owner.

Lessor's Address:  
**JPMORGAN CHASE BANK, N.A.**  
**1111 Polaris Parkway, Suite N4 (OH1-1085)**  
**Columbus, Ohio 43240**

2. Except as expressly amended by this Addendum and other modifications signed by Lessor, the Schedule remains unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Addendum as of the date first referenced above.

**LEHI CITY CORPORATION**  
(Lessee)

**JPMORGAN CHASE BANK, N.A.**  
(Lessor)

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: Authorized Officer

**PREPAYMENT SCHEDULE ADDENDUM**  
(Lockout Period)

**Dated as of:**            **NOVEMBER 29, 2019**

**Lease Schedule No.:** **1000145887**

**Lessee:**                    **LEHI CITY CORPORATION**

Reference is made to the above Lease Schedule ("Schedule") and to the Master Lease-Purchase Agreement ("Master Lease") identified in the Schedule, which are by and between **JPMORGAN CHASE BANK, N.A.** ("Lessor") and the above lessee ("Lessee"). As used herein: "Lease" shall mean the Schedule and the Master Lease, but only to the extent that the Master Lease relates to the Schedule. This Schedule Addendum amends and supplements the terms and conditions of the Lease. Unless otherwise defined herein, capitalized terms defined in the Lease shall have the same meaning when used herein. **Solely for purposes of the Schedule, Lessor and Lessee agree as follows:**

1. Notwithstanding anything to the contrary herein or the Lease, Lessee and Lessor agree that Lessee shall not exercise its prepayment or early purchase rights under the Lease (including, without limitation, Section 15 of the Master Lease as it relates to the Schedule) or this Addendum prior to the end of the Lock-Out Period specified below.

**Lock-Out Period:** the first 12 months of the Lease Term of the Schedule

2. Notwithstanding anything to the contrary in the Lease (including, without limitation, Section 15 of the Master Lease as it relates to the Schedule), Lessee and Lessor agree that so long as no Event of Default has occurred and continues under the Lease **and** so long as Lessee gives Lessor at least 30 days prior written notice (the "Notice Period") **and** so long as the above Lock-Out Period has expired, Lessee may elect to prepay its obligations under the Schedule by paying to Lessor on the Rent Payment due date (a "Prepayment Date") following the Notice Period the total of the following (the "Prepayment Amount"): (a) all accrued Rent Payments, interest, taxes, late charges and other amounts then due and payable under the Lease; plus (b) the remaining principal balance payable by Lessee under the Schedule as of said Prepayment Date.
3. The parties acknowledge that the Termination Value column of the Payment Schedule to the Schedule is included solely for purposes of the calculations required by Section 13.3 of the Master Lease (casualty loss of Equipment), Section 14.1 of the Master Lease (required amount of casualty loss insurance) and Subsection 20(c) of the Master Lease (post-default remedies of Lessor) and said Termination Value column does not negate the restrictions on purchase options or voluntary prepayment in paragraphs 1 and 2 of this Addendum.
4. The prepayment or early purchase option rights granted herein shall control in the event of any conflict between the provisions of this Addendum and the Master Lease as it relates to the Schedule. Except as expressly amended or supplemented by this Addendum and other instruments signed by Lessor and Lessee, the Lease remains unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Addendum as of the date first written above.

**LEHI CITY CORPORATION**  
(Lessee)

**JPMORGAN CHASE BANK, N.A.**  
(Lessor)

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: Authorized Officer



## RESOLUTION AND DECLARATION OF OFFICIAL INTENT

**Lessee: LEHI CITY CORPORATION**

**Principal Amount Expected To Be Financed: \$2,200,000.00**

WHEREAS, the above Lessee is a political subdivision of the State in which Lessee is located (the "State") and is duly organized and existing pursuant to the constitution and laws of the State.

WHEREAS, pursuant to applicable law, the governing body of the Lessee ("Governing Body") is authorized to acquire, dispose of and encumber real and personal property, including, without limitation, rights and interests in property, leases and easements necessary to the functions or operations of the Lessee.

WHEREAS, the Governing Body hereby finds and determines that the execution of one or more lease-purchase agreements ("Equipment Leases") in the principal amount not exceeding the amount stated above ("Principal Amount") for the purpose of acquiring the property generally described below ("Property") and to be described more specifically in the Equipment Leases is appropriate and necessary to the functions and operations of the Lessee.

**Brief Description Of Property: See Attached Schedule A-1**

WHEREAS, JPMorgan Chase Bank, N.A. ("Lessor") is expected to act as the lessor under the Equipment Leases.

WHEREAS, the Lessee may pay certain capital expenditures in connection with the Property prior to its receipt of proceeds of the Equipment Leases ("Lease Purchase Proceeds") for such expenditures and such expenditures are not expected to exceed the Principal Amount.

WHEREAS, the U.S. Treasury Department regulations do not allow the proceeds of a tax-exempt borrowing to be spent on working capital and the Lessee shall hereby declare its official intent to be reimbursed for any capital expenditures for Property from the Lease Purchase Proceeds.

NOW, THEREFORE, Be It Resolved by the Governing Body of the Lessee:

**SECTION 1.** Either one of the (insert title) \_\_\_\_\_ **OR** the (insert title) \_\_\_\_\_ (each an "Authorized Representative") acting on behalf of the Lessee is hereby authorized to negotiate, enter into, execute, and deliver one or more Equipment Leases in substantially the form set forth in the document presently before the Governing Body, which document is available for public inspection at the office of the Lessee. Each Authorized Representative acting on behalf of the Lessee is hereby authorized to negotiate, enter into, execute, and deliver such other documents relating to the Equipment Lease (including, but not limited to, escrow agreements) as the Authorized Representative deems necessary and appropriate. All other related contracts and agreements necessary and incidental to the Equipment Leases are hereby authorized.

**SECTION 2.** By a written instrument signed by any Authorized Representative, said Authorized Representative may designate specifically identified officers or employees of the Lessee to execute and deliver agreements and documents relating to the Equipment Leases on behalf of the Lessee.

**SECTION 3.** The aggregate original principal amount of the Equipment Leases shall not exceed the Principal Amount and shall bear interest as set forth in the Equipment Leases and the Equipment Leases shall contain such options to purchase by the Lessee as set forth therein.

**SECTION 4.** The Lessee's obligations under the Equipment Leases shall be subject to annual appropriation or renewal by the Governing Body as set forth in each Equipment Lease and the Lessee's obligations under the Equipment Leases shall not constitute a general obligations of the Lessee or indebtedness under the Constitution or laws of the State.

**SECTION 5.** The Governing Body of Lessee anticipates that the Lessee may pay certain capital expenditures in connection with the Property prior to the receipt of the Lease Purchase Proceeds for the Property. The Governing Body of Lessee hereby declares the Lessee's official intent to use the Lease Purchase Proceeds to reimburse itself for Property expenditures. This section of the Resolution is adopted by the Governing Body of Lessee for the purpose of establishing compliance with the requirements of Section 1.150-2 of Treasury Regulations. This section of the Resolution does not bind the Lessee to make any expenditure, incur any indebtedness, or proceed with the purchase of the Property.

**SECTION 6.** This Resolution shall take effect immediately upon its adoption and approval.

ADOPTED AND APPROVED on this \_\_\_\_\_, 20\_\_\_\_.

The undersigned Secretary/Clerk of the above-named Lessee hereby certifies and attests that the undersigned has access to the official records of the Governing Body of the Lessee, that the foregoing resolutions were duly adopted by said Governing Body of the Lessee at a meeting of said Governing Body and that such resolutions have not been amended or altered and are in full force and effect on the date stated below.

\_\_\_\_\_  
Signature of Secretary/Clerk of Lessee

Print Name: \_\_\_\_\_

Official Title: \_\_\_\_\_

Date: \_\_\_\_\_

**CERTIFICATE OF INCUMBENCY**

**Dated:**                    **NOVEMBER 29, 2019**

**Lease Schedule No: 1000145887**

**Lessee:**                    **LEHI CITY CORPORATION**

I, the undersigned Secretary/Clerk identified below, do hereby certify that I am the duly elected or appointed and acting Secretary/Clerk of the above Lessee (the "Lessee"), a political subdivision duly organized and existing under the laws of the State where Lessee is located, that I have the title stated below, and that, as of the date hereof, the individuals named below are the duly elected or appointed officers of the Lessee holding the offices set forth opposite their respective names.

[NOTE: Use same titles as Authorized Representatives stated in Resolutions.]

Name	Title	Signature
------	-------	-----------

Name	Title	Signature
------	-------	-----------

IN WITNESS WHEREOF, I have duly executed this certificate and affixed the seal of such Lessee as of the date set forth below.

\_\_\_\_\_  
Signature of Secretary/Clerk of Lessee

Print Name: \_\_\_\_\_

Official Title: \_\_\_\_\_

Date: \_\_\_\_\_

NOTE: In case the Secretary/Clerk is also the authorized representative that executes a Lease-Purchase Agreement / documents by the above incumbency, this certificate must also be signed by a second officer.

Print Name: \_\_\_\_\_ Signature: \_\_\_\_\_

Title: \_\_\_\_\_

**FORM OF OPINION OF COUNSEL**  
(To Be Typed on Attorney's Letterhead Stationery)

**Date:** NOVEMEBER 29, 2019

**Lessee:** LEHI CITY CORPORATION

**Lessor:** JPMORGAN CHASE BANK, N.A.

**Re:** Lease Schedule No. **1000145887** dated **November 29, 2019** together with its Master Lease-Purchase Agreement dated as of **November 29, 2019** by and between the above-named Lessee and the above-named Lessor and the Escrow Agreement dated **November 29, 2019** relating to the foregoing.

Sir/Madam:

I have acted as counsel to Lessee with respect to the Lease Schedule and its Addenda, the Master Lease-Purchase Agreement and its Addenda, and all other agreements described above or related thereto (collectively, the "Agreements") and various related matters, and in this capacity have reviewed a duplicate original or certified copy of the Agreements and such other documents as I have deemed necessary for the purposes of this opinion.

Based upon the examination of such documents, it is my opinion that:

1. Lessee is a political subdivision of the State of UT (the "State") duly organized, existing and operating under the Constitution and laws of the State.
2. Lessee is authorized and has power under State law to enter into all of the Agreements, and to carry out its obligations thereunder and the transactions contemplated thereby.
3. The Agreements and all other documents related thereto have been duly authorized, approved and executed by and on behalf of Lessee, and each of the Agreements is a valid and binding contract of Lessee enforceable in accordance with its terms, except to the extent limited by State and Federal laws affecting creditor's remedies and by bankruptcy, reorganization or other laws of general application relating to or affecting the enforcement of creditors' rights.
4. The authorization, approval and execution of the Agreements and all other proceedings of Lessee relating to the transactions contemplated thereby have been performed in accordance with all applicable Local, State and Federal laws (including open meeting laws and public bidding and property acquisition laws).
5. To the best of my knowledge, there is no litigation or proceeding pending before any court, administrative agency or governmental body, that challenges: the organization or existence of Lessee; the authority of its officers; the proper authorization, approval and execution of any of the Agreements or any documents relating thereto; the appropriation of monies to make payments under the Agreements for the current fiscal year; or the ability of Lessee otherwise to perform its obligations under the Agreements and the transactions contemplated thereby.
6. Lessee is a political subdivision of the State as referred to in Section 103 of the Internal Revenue Code of 1986, as amended, and the related regulations and rulings thereunder.

Lessor, its Assignee and any of their assigns may rely upon this opinion.

Very truly yours,

Attorney

**PROCEEDS DISBURSEMENT AUTHORIZATION**

**JPMORGAN CHASE BANK, N.A.**  
**1111 Polaris Parkway, Suite N4 (OH1-1085)**  
**Columbus, Ohio 43240**

Date: **November 29, 2019**

Re: Disbursements Of Proceeds Under The MASTER LEASE PURCHASE AGREEMENT Referred To Below

Reference is made to that certain Master Lease Purchase Agreement dated November 29, 2019 between **LEHI CITY CORPORATION**, ("Lessee") and **JPMORGAN CHASE BANK, N.A.** (the "Lessor") and it's lease schedule **1000145887**.

I hereby instruct you and authorize you to disburse **\$2,200,000.00** to the account number(s) as specified below:

**Payee #1**

**Wire:**

Name of Bank:	<u>Deutsche Bank Trust Company Americas</u>
ABA No.:	<u>021001033</u>
Account Number:	<u>01419647</u>
Account Name:	<u>Deutsche Bank Trust Company Americas</u>
Amount:	<u>\$2,200,000.00</u>
Re:	<u>_____</u>

By signing below, Lessee authorizes Lessor to issue checks or direct fund transfers to the payees, in the amounts, and per the instructions (if applicable) set forth above. Lessee also acknowledges that it may be responsible for paying other fees directly to third parties, such as Lessor's counsel, and making other disbursements in connection with the lease transaction per the terms of the lease documents. Lessor may rely and act on the instructions set forth herein and shall not be responsible for the use or application of the funds, and Lessee shall indemnify, defend and hold harmless Lessor from and against any and all losses, costs, expenses, fees, claims, damages, liabilities, and causes of action in any way relating to or arising from acting in accordance therewith. In the event of any conflict with any other instruction set forth herein, the ABA # and Account # shall control.

IN WITNESS WHEREOF, the Lessee has caused this Proceeds Disbursement Authorization to be executed as of the day and year first above written.

**LEHI CITY CORPORATION**

(Lessee)

By: \_\_\_\_\_

Title: \_\_\_\_\_



**LEASE-PURCHASE (TITLE VEHICLE) INSURANCE REQUEST LETTER  
PUBLIC SECTOR**

October 14, 2019

UTAH LOCAL GOVERNMENTS TRUST

55 SOUTH HIGHWAY 89

NORTH SALT LAKE , UT 84054

Phone #: \_\_\_\_\_

Email: \_\_\_\_\_

Dear Agent:

**JPMORGAN CHASE BANK, N.A.** (the "Bank") requires proof of acceptable insurance coverage before the transaction can close. The requirements identified below must be provided to us on a Certificate of Insurance and stay in full effect throughout the term of the transaction.

1. The certificate of insurance must be issued directly to JPMorgan Chase Bank, N.A. and shall be issued by a company having an A.M. Best Rating of at least A- with a Financial Size Category of at least VIII.
2. The certificate of insurance must be executed.
3. The insurance must be primary and without right of contribution and any insurance maintained by the Bank or any other additional insured or loss payee will be in excess and non-contributory.
4. Policies must include a Waiver of Subrogation in favor of "JPMorgan Chase Bank, N.A., its parent and affiliates, successors or assigns".
5. Policies must include a Severability of Interest and Cross-Liability clause.
6. Policies must include written Notice of Cancellation to the Certificate Holder/Additional Insured pursuant to the terms of the policy. Such notice must be directed by certified mail to: JPMorgan Chase Bank, N.A., 1111 Polaris Parkway, Suite N4 (OH1-1085), Columbus, Ohio 43240, Attn: Insurance Dept.
7. **PHYSICAL DAMAGE**
  - a. Full Coverage Physical Damage for the equipment identified on the attached Schedule A-1, which is estimated to be **\$2,200,000.00**.
  - b. "JPMorgan Chase Bank, N.A., its parent and affiliates, successors or assigns" shall be named as Lenders Loss Payee.
8. **LIABILITY**
  - a. Auto liability coverage must be provided in the amount of **\$1,000,000.00**.
  - b. "JPMorgan Chase Bank, N.A., its parent and affiliates, successors or assigns" shall be named as Additional Insured.

Please immediately send proof of the above insurance requirements **VIA EMAIL TO: meron.gola@chase.com**.

Sincerely,

**LEHI CITY CORPORATION**

By: \_\_\_\_\_

**ESCROW AGREEMENT**  
(Gross Fund-Earnings to Lessee)

**Dated as of: November 29, 2019**

This Escrow Agreement together with all addenda, riders and attachments hereto, as the same may from time to time be amended, modified or supplemented ("Agreement") is made and entered as of the date set forth above by and among the Escrow Agent identified below ("Escrow Agent"), the Lessee identified below ("Lessee") and JPMorgan Chase Bank, N.A. ("Lessor"). As used herein, "Party" shall mean any of Lessee, Lessor or Escrow Agent, and "Parties" shall mean all of Lessee, Lessor and Escrow Agent. The Parties hereby authorize the Escrow Agent to act as escrow agent hereunder. All references to Escrow Agent shall mean Deutsche Bank Trust Company Americas in its capacity as escrow agent only, and all references to Lessor shall mean JPMorgan Chase Bank, N.A. in its capacity as lessor only.

**Escrow Agent:** Deutsche Bank Trust Company Americas

**Lessee:** LEHI CITY CORPORATION

For good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto agree as follows:

**SECTION 1. RECITALS.**

1.01 Lessor and Lessee have entered into the Lease identified below whereby Lessor has agreed to lease and sell certain property generally described in the attached Schedule A-1 (the "Equipment") to Lessee, and Lessee has agreed to lease and purchase the Equipment from Lessor, in the manner and on the terms set forth in the Lease.

1.02 "Lease" means, collectively, the Lease Schedule identified below and the Master Lease-Purchase Agreement identified in said Lease Schedule (to the extent that it relates to said Lease Schedule) together with all exhibits, schedules, addenda, riders and attachments thereto. The Escrow Agent shall neither be responsible for, nor chargeable with, knowledge of, nor have any requirements to comply with, the terms and conditions of any other agreement, instrument or document between Lessee and Lessor, in connection herewith, if any, including without limitation the Lease, nor shall the Escrow Agent be required to determine if any person or entity has complied with any such agreements, nor shall any such obligations of the Escrow Agent be inferred from the terms of such agreements, even though reference thereto may be made in this Agreement. In the event of any conflict between the terms and provisions of this Agreement, those of the Lease, any schedule or exhibit attached to the Agreement, or any other agreement among the Parties, the terms and conditions of this Agreement shall control.

**Lease Schedule No. 1000145887**

1.03 **LESSOR'S DEPOSIT: \$2,200,000.00** Lessor shall pay or cause to be paid to the Escrow Agent the amount of the Lessor's Deposit. The date that the Lessor's Deposit is paid to the Escrow Agent shall be referred to as the "Lessor's Deposit Date". Escrow Agent shall credit the Lessor's Deposit to the Equipment Acquisition Fund established in Section 2 hereof on the Lessor's Deposit Date. To the extent that the purchase price of the Equipment exceeds the Lessor's Deposit, Lessee shall either notify Escrow Agent and then deposit with Escrow Agent funds which will be credited to the Equipment Acquisition Fund and used to pay the balance of the purchase price of the Equipment or Lessee shall pay such balance directly to the suppliers.

1.04 **FUNDING EXPIRATION DATE: May 29, 2021** ("Funding Expiration Date"). Lessee and Lessor agree that all Equipment should be delivered and installed, and all funds disbursed from the Equipment Acquisition Fund, no later than the above Funding Expiration Date.

1.05 Under the Lease, Lessee will cause each item of Equipment to be ordered from the applicable suppliers. Lessee shall furnish to Lessor as soon as available, a copy of the purchase orders or purchase contracts for all Equipment ordered pursuant to the Lease, showing the supplier, the purchase price and the estimated delivery dates.

1.06 Subject to such control by Lessee and Lessor as is provided herein, Lessor and Lessee agree to appoint the Escrow Agent and the Escrow Agent accepts such appointment to receive, hold, invest and disburse the moneys deposited with the Escrow Agent as described in this Agreement. The Escrow Agent shall not be obligated to assume or perform any obligation of Lessee or Lessor under the Lease or of any supplier with respect to any Equipment by reason of anything contained in this Agreement. Escrow

Agent shall have only those duties as are specifically and expressly provided herein, which shall be deemed purely ministerial in nature, and no other duties shall be implied. Any funds in the Equipment Acquisition Fund not needed to pay the purchase price of Equipment will be paid to Lessor or Lessee, all as hereinafter provided.

1.07 This Agreement is not intended to alter or change in any way the rights and obligations of Lessor and Lessee under the Lease, but is entirely supplemental thereto. The provisions of this Agreement may be waived, altered, amended or supplemented, in whole or in part, only by a writing signed by all Parties.

1.08 Each of the Parties hereto has authority to enter into this Agreement, and has taken all actions necessary to authorize the execution of this Agreement by the officers whose signatures are affixed hereto. Where, however, the conflicting provisions of any such applicable law may be waived, they are hereby irrevocably waived by the Parties hereto to the fullest extent permitted by law, to the end that this Agreement shall be enforced as written.

## **SECTION 2. EQUIPMENT ACQUISITION FUND.**

2.01 The Escrow Agent's sole responsibility prior to the Lessor's Deposit Date shall be to establish an escrow account designated as the Equipment Acquisition Fund (the "Equipment Acquisition Fund"). Escrow Agent shall keep such funds deposited into the escrow account separate and apart from all other funds and money held by it, and shall administer such funds as provided in this Agreement. Escrow Agent's rights and responsibilities under this Agreement, other than establishment of the Equipment Acquisition Fund, shall begin on the Lessor's Deposit Date, which may be on or after the date of this Agreement.

2.02 The Lessor's Deposit and any funds deposited by Lessee under Section 1.03 hereof shall be credited to the Equipment Acquisition Fund on the Lessor's Deposit Date and shall be used to pay the balance of the purchase price of each item of Equipment subject to the Lease. The Escrow Agent shall pay to the suppliers of the Equipment the payment amounts then due and payable with respect thereto upon receipt of a written request executed by an Authorized Representative (as defined in Section 7) of the Lessor, delivered to the Escrow Agent in accordance with Section 9.02, and after the Escrow Agent has satisfied any applicable security procedures as required by Section 7. The written request will specify the supplier/beneficiary, its address or wire instructions and the applicable portion of the Equipment Acquisition Fund to be paid (the "Receipt Certificate/Payment Request"). As between Lessee and Lessor only, Lessee agrees that it will submit to Lessor for Lessor's signature a Receipt Certificate/Payment Request that has been executed by Lessee together with (a) the suppliers' invoices specifying the applicable portion of the purchase price of the items of Equipment described in said Receipt Certificate, (b) if the item of Equipment is a titled vehicle, a copy of the Manufacturer's Statement of Origin (MSO) covering such item showing Lessor as first and sole lienholder, and (c) any other documents required by the Lease, and Lessee agrees that Lessor shall not be obligated to execute any such Receipt Certificate until all of the foregoing have been submitted to Lessor.

2.03 If an Authorized Representative of the Lessor delivers to the Escrow Agent written notice of the occurrence of an event of default under the Lease or of a termination of the Lease due to a non-appropriation event or non-renewal event under the Lease, then the Escrow Agent shall immediately remit to Lessor the remaining balance of the Equipment Acquisition Fund. After its receipt of a notice of an event of default under the Lease, the Escrow Agent shall comply with all written instructions from an Authorized Representative of Lessor without further consent from Lessee or any other person. After its receipt of a notice of an event of default under the Lease, the Escrow Agent shall not accept or act upon any instruction from Lessee nor shall it permit any distribution or release of any part of the Equipment Acquisition Fund without written authorization from an Authorized Representative of the Lessor.

2.04 Upon the Escrow Agent's receipt of a Full Funding Notice (as defined below), the Escrow Agent shall apply the balance remaining in the Equipment Acquisition Fund:

first, to all reasonable fees and expenses incurred by the Escrow Agent in connection herewith as evidenced by its statement forwarded to Lessee and Lessor; and

second, to Lessor to be applied by Lessor for benefit of Lessee either: (a) toward the principal and interest portion of the Rent Payment next coming due under the Lease; or (b) to reimburse the Lessee for the interest portion of their Rental Payments previously made within the past 18 months; or (c) toward a partial prepayment of the principal amount remaining due under the Lease and thereupon Lessor shall prepare and deliver to Lessee a revised Payment Schedule reflecting such partial prepayment of principal.

"Full Funding Notice" means written notification by an Authorized Representative of the Lessor to the Escrow Agent of the Lessor's receipt of the Final Receipt Certificate/Payment Request which confirms that all Equipment covered by the Lease has been delivered to and accepted by Lessee under the Lease and that the full amount of the Lessor's Deposit has been paid to the applicable suppliers.

2.05 Upon the Funding Expiration Date stated in Section 1.04 above, the Escrow Agent shall apply the remaining balance in the Equipment Acquisition Fund:



first, to all reasonable fees and expenses incurred by the Escrow Agent in connection herewith as evidenced by its statement forwarded to Lessee and Lessor; and

second, to Lessor to be applied by Lessor for benefit of Lessee either: (a) toward the principal portion of the Rent Payment next coming due under the Lease; or (b) to reimburse the Lessee for the interest portion of their Rental Payments previously made within the past 18 months; or (c) toward a partial prepayment of the principal amount remaining due under the Lease and thereupon Lessor shall prepare and deliver to Lessee a revised Payment Schedule reflecting such partial prepayment of principal.

Upon the Funding Expiration Date stated in Section 1.04 above, the Escrow Agent shall apply the interest earnings on the Equipment Acquisition Fund as set forth in Section 2.04 above.

2.06 The Escrow Agent shall not be responsible for the sufficiency of the moneys credited to the Equipment Acquisition Fund to make the payments herein required.

2.07 This Agreement shall terminate upon disbursement by the Escrow Agent of all money held by it hereunder, subject to the provisions of Section 4.

### **SECTION 3. MONEY IN EQUIPMENT ACQUISITIONS FUND; INVESTMENT.**

3.01 The money and investments held by the Escrow Agent under this Agreement are irrevocably held in escrow for the benefit of Lessee and Lessor, and such money, together with any income or interest earned thereon, shall be expended only as provided in this Agreement, and shall not be subject to any security interest or lien, by or for the benefit of any creditor of either Lessee or Lessor; provided, that the money and investments held by the Escrow Agent under this Agreement shall be subject to the security interests provided in Sections 3.07 and 4.03 hereof and further shall be subject to Section 12.04.

3.02 Money held by the Escrow Agent hereunder shall be invested and reinvested by the Escrow Agent at the written direction executed by an Authorized Representative of Lessee in Qualified Investments (as defined below). Such investments shall be registered in the name of the Escrow Agent and held by the Escrow Agent. The Escrow Agent may purchase or sell to itself or any affiliate, as principal or agent, investments authorized by this Section. Such investments and reinvestments shall be made giving consideration for the time at which funds are required to be available. No investment instruction shall be given that would cause the Agreement to be deemed an "arbitrage bond" within the meaning of Section 148(a) of the Internal Revenue Code of 1986, as amended.

3.03 The Escrow Agent shall have no discretion whatsoever with respect to the management, disposition or investment of the Equipment Acquisition Fund. Lessee acknowledges and agrees that all investments made pursuant to this section shall be for the account and risk of Lessee and any losses associated with investments shall be borne solely by Lessee. Escrow Agent shall from time to time invest and reinvest the funds held in the Equipment Acquisition Fund account, as and when instructed by an Authorized Representative of Lessee, in writing, in any one or more of the following (hereinafter, "Qualified Investments"): (a) obligations of the United States of America or any agency created thereby; (b) general obligations of any State of the United States of America; (c) general obligations of any political subdivision of a State of the United States of America, if such obligations are rated by at least two recognized rating services as at least AA; (d) certificates of deposit of any national bank or banks (including, if applicable, Escrow Agent or an affiliate of Escrow Agent) insured by the Federal Deposit Insurance Corporation (FDIC) with a net worth in excess of \$100,000,000.00 ("Acceptable Bank"); (e) obligations of State or Municipal Public Housing Authorities chartered by the United States of America and guaranteed by the United States of America; (f) demand interest bearing accounts of Escrow Agent or an affiliate of Escrow Agent if Escrow Agent or an affiliate of Escrow Agent is an Acceptable Bank; (g) money market funds whose assets are solely invested in obligations listed in (a) through (f) above, including repurchase agreements secured by such obligations and which money market funds are rated in either of the two highest categories of any Rating Agency at the time of purchase, including, without limitation, the Deutsche Bank Trust Company Americas Funds, or any other mutual fund for which the Escrow Agent or an affiliate of the Escrow Agent serves as investment manager, administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (1) the Escrow Agent or an affiliate of the Escrow Agent receives fees from such funds for services rendered, (2) the Escrow Agent charges and collects fees for services rendered pursuant to this Agreement, which fees are, separate from the fees received from such funds and (3) services performed for such funds and pursuant to this Agreement may at times duplicate those provided to such funds by the Escrow Agent or its affiliates; and (h) any other obligations approved in writing by Lessor. Unless otherwise directed in writing by an Authorized Representative of the Lessee, the Escrow Agent shall invest the Equipment Acquisition Fund, including all income earnings, as selected by the Lessee on schedule 1 hereto ("Schedule 1") upon the execution of this Agreement. In the event that no election is made by an Authorized Representative of Lessee by the Lessor's Deposit Date, Escrow Agent shall invest the Equipment Acquisition Fund in an investment available through the Escrow Agent's Trust Platform or in an interest bearing account that the Escrow Agent has agreed to and upon written direction to the Escrow Agent.

3.04 If any of the above-described Qualified Investments are **not** legal investments of Lessee, then an Authorized Representative of the Lessee shall immediately notify Escrow Agent which of said Qualified Investments are not legal investments of Lessee, and shall provide Escrow Agent with direction to invest funds in accordance with Section 3.03. It is the sole responsibility of the Lessee to ascertain that all investments comply with all applicable federal, state, and local laws, statutes, and policies.

3.05 The Escrow Agent shall, without further direction, sell such investments as and when required to make any payment from the Equipment Acquisition Fund. Any income received on such investments shall be credited to the Equipment Acquisition Fund.

3.06 The Escrow Agent shall furnish a monthly statement listing all investments to Lessor and to Lessee. The Escrow Agent shall not be responsible or liable for any loss suffered in connection with any investments of moneys made by it in accordance with this Section. Market values, exchange rates and other valuation information (including without limitation, market value, current value or notional value) of any Qualified Investment furnished in any report or statement may be obtained from third party sources and is furnished for the exclusive use of the Parties. The Escrow Agent has no responsibility whatsoever to determine the market or other value of any Qualified Investment and makes no representation or warranty, express or implied, as to the accuracy of any such valuations or that any values necessarily reflect the proceeds that may be received on the sale of a Qualified Investment.

3.07 Lessee hereby grants Lessor a security interest in the money and investments held by the Escrow Agent under this Agreement as collateral security for the payment and performance of all of Lessee's obligations under the Lease, this Agreement and any agreement, contract or instrument related to the Lease or this Agreement. Lessee represents and warrants to Lessor that the money and investments held by the Escrow Agent under this Agreement are free and clear of any liens, security interests or encumbrances other than the security interests created under this Agreement. Escrow Agent hereby acknowledges that it holds the money and investments held by the Escrow Agent under this Agreement subject to such security interest created by Lessee as bailee for Lessor; provided, that Escrow Agent's security interest in such money and investments as created under Section 4.03 hereof shall be superior to Lessor's security interest therein. It is understood that Escrow Agent has no responsibility with respect to the validity or perfection of the security interest other than to act in accordance with the terms of this Agreement.

#### **SECTION 4. ESCROW AGENT'S AUTHORITY; INDEMNIFICATION.**

4.01 The Escrow Agent may: act in reliance upon any writing, notice, certificate, instruction, instrument or signature which it, in good faith, believes to be genuine and to have been signed by an Authorized Representative of the applicable Party or Parties; assume the validity and accuracy of any statement or assertion contained in such a writing, notice, certificate, instruction or instrument; and assume that any person purporting to give any such writing, notice, certificate, instruction or instrument in connection with the provisions hereof has been duly authorized to do so. Except as expressly provided otherwise in this Agreement, the Escrow Agent shall not be liable in any manner for the sufficiency or correctness as to form of, the manner of execution of, or the validity, accuracy or authenticity of any writing, notice, certificate, instruction or instrument deposited with it, nor as to the identity, authority or right of any person executing the same. The Escrow Agent shall not be liable for any action taken, suffered or omitted to be taken by it except to the extent that a final adjudication of a court of competent jurisdiction determines that the Escrow Agent's gross negligence or willful misconduct was the primary cause of any loss to either Party. The Escrow Agent's duties hereunder (including, without limitation, its duties as to the safekeeping, investment and disbursement of moneys in the Equipment Acquisition Fund) shall be limited to those specifically provided herein.

4.02 Lessee and Lessor jointly and severally shall indemnify, defend and save harmless the Escrow Agent from any and all claims, liabilities, losses, damages, fines, penalties and expenses (including out-of pocket and incidental expenses and fees and expenses of in house or outside counsel) ("Losses") arising out of or in connection with (i) its execution and performance of this Agreement, except to the extent and that such Losses are determined by a court of competent jurisdiction through a final order to have been caused by the gross negligence or willful misconduct of the Escrow Agent, or (ii) its following any instructions or other directions from Lessee or the Lessor, except to the extent that its following any such instruction or direction is expressly forbidden by the terms hereof. The provisions of this Section 4.02 shall survive the termination of this Agreement and the resignation or removal of the Escrow Agent for any reason. The indemnifications set forth herein are intended to and shall include the indemnification of all affected agents, directors, officers and employees of the Escrow Agent. In no event shall the Escrow Agent be liable for special, incidental, punitive, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Escrow Agent has been advised of the likelihood of such loss or damage and regardless of the form of action.

4.03 Lessee and Lessor hereby grant Escrow Agent a first priority security interest in the money and investments held by the Escrow Agent under this Agreement as collateral security for the costs and expenses of the foregoing of Section 4.02 and for any other expenses, costs, fees or charges of any character or nature which may be incurred by the Escrow Agent (including reasonable attorneys' fees and court costs) relating to any suit (interpleader or otherwise) or other dispute arising between Lessee and Lessor as to the correct interpretation of the Lease, this Agreement or any instructions given to the Escrow Agent hereunder, with the right of the Escrow Agent, regardless of the instructions aforesaid, to hold the said property until and unless said expenses, costs, fees and charges shall be fully paid.

4.04 Except as otherwise provided in accordance with Section 2.03 above, if Lessee or Lessor disagree about the interpretation of the Lease or this Agreement, about their rights and obligations under the Lease or this Agreement, or about the propriety of any action contemplated by the Escrow Agent hereunder, then the Escrow Agent may, but shall not be required to, file an appropriate civil action to resolve the disagreement. Lessee and Lessor shall pay all costs, including reasonable attorneys' fees, in connection with such action. Unless the Escrow Agent has received a notice of an event of default under the Lease in accordance with Section 2.03 above, if Escrow Agent receives conflicting instructions from the Parties, the Escrow Agent shall be entitled and fully protected in (a) suspending all or any part of its activities under this Agreement until it shall be given a joint written direction executed by Authorized Representatives of the Parties which eliminates such conflict or by a final court order or (b) file an action in interpleader. Lessor and Lessee agree to pursue any redress or recourse in connection with any dispute without making the Escrow Agent a party to the same.

4.05 Escrow Agent may execute any of its powers and perform any of its duties hereunder directly or through affiliates or agents.

4.06 The Escrow Agent may consult with counsel of its own choice and shall have full and complete authorization and protection with the opinion of such counsel. The Escrow Agent shall otherwise not be liable for any mistakes of facts or errors of judgment, or for any acts or omissions of any kind unless caused by the Escrow Agent's gross negligence or willful misconduct. None of the provisions contained in this Agreement shall require the Escrow Agent to use or advance its own funds in the performance of any of its duties or the exercise of any of its rights or powers hereunder.

#### **SECTION 5. CHANGE OF ESCROW AGENT.**

5.01 Upon agreement of the parties hereto, a national banking association or a state bank having capital (exclusive of borrowed capital) and surplus of at least \$10,000,000.00, qualified as a depository of public funds, may be substituted to act as Escrow Agent under this Agreement. Such substitution shall not be deemed to affect the rights or obligations of the parties hereto. Upon any such substitution, the Escrow Agent agrees to assign to such substitute Escrow Agent all of its rights under this Agreement.

5.02 The Escrow Agent may resign and be discharged from its duties hereunder at any time by giving thirty (30) calendar days' prior written notice of such resignation to the Lessee and Lessor. The Lessee and Lessor may remove the Escrow Agent at any time by giving thirty (30) calendar days' prior written notice to the Escrow Agent. Upon such notice, a successor escrow agent shall be appointed by the Lessor and Lessee, who shall provide written notice of such to the resigning Escrow Agent. Such successor escrow agent shall become the escrow agent hereunder upon the resignation or removal date specified in such notice. If the Lessor and Lessee are unable to agree upon a successor escrow agent within thirty (30) days after such notice, the Escrow Agent may, in its sole discretion, deliver the Equipment Acquisition Fund to the Lessor at the address provided herein or may apply to a court of competent jurisdiction for the appointment of a successor escrow agent or for other appropriate relief. The costs and expenses (including its attorneys' fees and expenses) incurred by the Escrow Agent in connection with such proceeding shall be paid by the Lessee and Lessor. Upon receipt of the identity of the successor escrow agent, the Escrow Agent shall either deliver the Escrow Property then held hereunder to the successor Escrow Agent, less the Escrow Agent's fees, costs and expenses or other obligations owed to the Escrow Agent to be paid from any interest earned in respect of the Escrow Property, or hold any interest earned in respect of the Escrow Property (or any portion thereof), pending distribution, until all such fees, costs and expenses or other obligations are paid. Upon its resignation and delivery of the Escrow Property as set forth in this Section, the Escrow Agent shall be discharged of and from any and all further obligations arising in connection with the Escrow Property or this Agreement.

5.03 The Escrow Agent may appoint an agent to exercise any of the powers, rights or remedies granted to the Escrow Agent under this Agreement, to hold title to property or to take any other action which may be desirable or necessary hereunder.

5.04 Any corporation, association or other entity into which the Escrow Agent may be converted or merged, or with which it may be consolidated, or to which it may sell or otherwise transfer all or substantially all of its corporate trust assets and business to any corporation, association or other entity resulting from any such conversion, sale, merger consolidation or other transfer to which it is a party, ipso facto, shall be and become successor escrow agent hereunder, vested with all other matters as was its predecessor, without the execution or filing of any instrument or any further act on the part of the parties hereto, notwithstanding anything herein to the contrary.

#### **SECTION 6. ADMINISTRATIVE PROVISIONS.**

6.01 The Escrow Agent shall keep complete and accurate records of all money received and disbursed under this Agreement, which shall be available for inspection by Lessee or Lessor, or the agent of either of them, at any time during regular business hours.

6.02 This Agreement shall be construed and governed in accordance with the laws of the State where Lessee is located. Each Party irrevocably waives any objection on the grounds of venue, forum non-conveniens or any similar grounds and irrevocably consents to service of process by mail or in any other manner permitted by applicable law and consents to the jurisdiction of the courts located in the State where the Lessee is located. To the extent that in any jurisdiction either Party may now or hereafter be entitled to claim for itself or its assets, immunity from suit, execution, attachment (before or after judgment) or other legal process, such Party shall not claim, and hereby irrevocably waives, such immunity.

6.03 The Parties represent, warrant and covenant that each document, notice, instruction or request provided by such Party to Escrow Agent shall comply with applicable laws and regulations. Any provision of this Agreement found to be prohibited by law shall be ineffective only to the extent of such prohibition, and shall not invalidate the remainder of this Agreement.

6.04 This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns. Any entity into which the Escrow Agent may be merged or converted or with which it may be consolidated, or any entity to which all or substantially all the escrow business may be transferred, shall be the Escrow Agent under this Agreement without further act. Specifically, the term "Lessor" as used herein means any person or entity to whom Lessor has assigned its right to receive Rent Payments under the Lease and any other payments due to Lessor hereunder from and after the date when a written notice of such assignment is filed with the Escrow Agent. Neither this Agreement nor any right or interest hereunder may be assigned by any Party without the prior consent of Escrow Agent and the other Party; unless the assignment is to JPMorgan Chase & Co., then consent will not be required.

6.05 This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same Agreement. Except as expressly provided in Section 4 above, nothing in this Agreement, whether express or implied, shall be construed to give to any person or entity other than Escrow Agent and the Parties any legal or equitable right, remedy, interest or claim under or in respect of the Equipment Acquisition Fund or this Agreement.

6.06 All signatures of the Parties to this Agreement may be transmitted by a Portable Document Format ("PDF"), and PDF will, for all purposes, be deemed to be the original signature of such Party whose signature it reproduces, and will be binding upon such Party.

#### **SECTION 7. SECURITY PROCEDURES.**

In the event funds transfer instructions are given (whether in writing or by PDF), executed by the appropriate Party or Parties as evidenced by the signatures of the person or persons signing this Agreement or one of their designated persons as set forth in Schedule 2 (each an "Authorized Representative"), and delivered to the Escrow Agent in accordance with Section 9.02, the undersigned is authorized to certify that the signatories on Schedule 2 are specimen signatures of each of their respective Authorized Representatives. The Escrow Agent and the beneficiary's bank in any funds transfer may rely solely upon any account numbers or similar identifying numbers provided by the Lessee or Lessor to identify (i) the beneficiary, (ii) the beneficiary's bank, or (iii) an intermediary bank. The Escrow Agent may apply any of the escrowed funds for any payment order it executes using any such identifying number, even where its use may result in a person other than the beneficiary being paid, or the transfer of funds to a bank other than the beneficiary's bank or an intermediary bank designated. The Lessor and Lessee acknowledge that these security procedures are commercially reasonable.

#### **SECTION 8. ESCROW AGENT FEES.**

**\$1,500** ("Administration Fee"). As compensation for Escrow Agent's services hereunder, Lessee agrees to pay Escrow Agent the above Administration Fee. If the Administration Fee is payable by Lessee, then Lessee authorizes Escrow Agent either to deduct said Administration Fee from the interest and earnings otherwise payable to Lessee under this Agreement or to bill and collect said Administration Fee at any time. In addition, Lessee agrees to reimburse Escrow Agent for its reasonable out-of-pocket costs and expenses and any extraordinary fees and expenses for performing its obligations hereunder (including, but not limited to, attorney's fees and expenses) and to pay all other amounts expressly due and payable to Escrow Agent hereunder. The Escrow Agent may impose, charge, pass-through and modify fees and/or charges for any account established and services provided by the Escrow Agent, including but not limited to, transactions, maintenance, balance-deficiency, and service fees, agency or trade execution fees, and other charges, including those levied by any governmental authority.

#### **SECTION 9. NOTICES.**

9.01 Notwithstanding anything to the contrary as set forth Section 9.02, any notices and demands under or related to this document shall be in writing and delivered to the intended Party at its address stated herein. Notice shall be deemed sufficiently given or made (a) upon receipt if delivered by hand, (b) on the Delivery Day after the day of deposit with a nationally recognized courier service, (c) on the third Delivery Day after the day of deposit in the United States mail, sent certified, postage prepaid with return receipt requested, (d) only if to Lessee, on the third Delivery Day after the notice is deposited in the United States mail, postage prepaid, and (e) upon receipt if delivered by confirmed facsimile. "Delivery Day" means a day other than a Saturday, a Sunday, or any

other day on which national banking associations are authorized to be closed. Any Party may change its address for the purposes of the receipt of notices and demands by giving notice of such change in the manner provided in this provision.

9.02 Any instructions setting forth, claiming, containing, objecting to, or in any way related to the transfer or distribution of funds, including but not limited to any such funds transfer instructions that may otherwise be set forth in a written instruction permitted pursuant to Section 2 of this Agreement, shall be given to the Escrow Agent in writing, be executed by an Authorized Representative and sent as a PDF attached to an email only. No instruction for or related to the transfer or distribution of the Equipment Acquisition Fund shall be deemed delivered and effective unless Escrow Agent actually shall have received it on a Delivery Day as a PDF attached to an email only at the email address set forth in this Section 9.02 and as evidenced by a confirmed transmittal to the Party's or Parties email address and Escrow Agent has been able to satisfy any applicable security procedures as may be required hereunder. The Escrow Agent shall not be liable to any Party or other person for refraining from acting upon any instruction for or related to the transfer or distribution of the Equipment Acquisition Fund if delivered to any other fax number or email address, including but not limited to a valid email address of any employee of the Escrow Agent. The Lessor and Lessee acknowledge that there are certain security, corruption, transmission error and access availability risks associated with using open networks such as the internet and the Parties hereby expressly assume such risks.

Notices shall be addressed as follows:

- (i) If to the Lessee:  
LEHI CITY CORPORATION  
153 N 100 EAST  
LEHI, UT 84043  
Attn: [slundell@lehi-ut.gov](mailto:slundell@lehi-ut.gov)  
Telephone: 385-201-2289  
Email: [lalsabbagh@cityofdenison.com](mailto:lalsabbagh@cityofdenison.com)
  
- (ii) If to the Lessor:  
JPMORGAN CHASE BANK, N.A.  
1111 POLARIS PARKWAY, SUITE 4N  
MAIL CODE OH1-1085  
COLUMBUS, OHIO 43240  
Attention: GNPH Operations Manager  
Email: [cefi.escrow.disbursement.request@jpmchase.com](mailto:cefi.escrow.disbursement.request@jpmchase.com)
  
- (iii) If to the Escrow Agent:  
DEUTSCHE BANK TRUST COMPANY AMERICAS  
60 WALL STREET, 16<sup>th</sup> Floor  
NEW YORK, NY 10005  
Attn: DBNY MP Escrow  
Telephone: 212-250-6647  
Email: [dbny-mpescrow@list.db.com](mailto:dbny-mpescrow@list.db.com)

#### **SECTION 10. FORCE MAJEURE.**

Notwithstanding any other provision of this Agreement, no Party to this Agreement is liable to any other Party for losses due to, or if it is unable to perform its obligations under the terms of this Agreement because of acts of God, war, terrorism, fire, floods, strikes, electrical outages, equipment or transmission failures, or other causes reasonably beyond its control.

#### **SECTION 11. JURY WAIVER.**

ALL PARTIES TO THIS AGREEMENT WAIVE ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTER CLAIM BROUGHT BY ANY PARTY AGAINST ANOTHER PARTY ON ANY MATTER WHATSOEVER ARISING OUT OF, IN CONNECTION WITH OR IN ANY WAY RELATED TO THIS AGREEMENT.

#### **SECTION 12. MISCELLANEOUS.**

12.01 **Patriot Act Section 326 Customer Identification Program.** In order to comply with the laws, rules, regulations and executive orders in effect from time to time applicable to banking institutions, including, without limitation, those relating to the funding of terrorist activities and money laundering, including Section 326 of the USA PATRIOT Act of the United States ("Applicable Law"), the Escrow Agent are required to obtain, verify, record and update certain information relating to individuals and

entities which maintain a business relationship with the Escrow Agent. Accordingly, each of the parties agree to provide to the Escrow Agent, upon their request from time to time such identifying information and documentation as may be available for such party in order to enable the Escrow Agent to comply with Applicable Law.

12.02 **Taxpayer Identification Numbers ("TINs").** The other Parties have provided the Escrow Agent with their respective fully executed Internal Revenue Service ("IRS") Form W-8, or W-9 and/or other required documentation. The other Parties each represent that its correct TIN assigned by the IRS, or any other taxing authority, is set forth in the delivered forms.

12.03 **Tax Reporting.** All interest or other income earned under the Agreement shall be allocated to the Lessee and reported by the Escrow Agent to the IRS, or any other taxing authority, on IRS Form 1099 or 1042S (or other appropriate form) as income earned from the Equipment Acquisition Fund by the Lessee whether or not said income has been distributed during such year. The Lessor and Lessee hereby represent to the Escrow Agent that no other tax reporting of any kind is required given the underlying transaction giving rise to this Agreement. Escrow Agent shall withhold any taxes it deems appropriate, including but not limited to required withholding, in the absence of proper tax documentation or as required by law, and shall remit such taxes to the appropriate authorities.

12.04 **Court Orders.** In the event that any of the Equipment Acquisition Fund shall be attached, garnished, levied upon, or otherwise be subject to any court order, or the delivery thereof shall be stayed or enjoined by an order of a court, the Escrow Agent is hereby expressly authorized, in its sole discretion, to obey and comply with all such orders so entered or issued, which it is advised by legal counsel of its own choosing is binding upon it, whether with or without jurisdiction, and in the event that the Escrow Agent obeys or complies with any such order it shall not be liable to any of the Parties hereto or to any other person by reason of such compliance notwithstanding such order be subsequently reversed, modified, annulled, set aside or vacated.

[The next page is the signature page.]

IN WITNESS WHEREOF, the parties have executed this Agreement.

**LEHI CITY CORPORATION**

(Lessee)

By: \_\_\_\_\_

Title: \_\_\_\_\_

**JPMORGAN CHASE BANK, N.A.**

(Lessor)

By: \_\_\_\_\_

Title: Authorized Officer

**DEUTSCHE BANK TRUST COMPANY AMERICAS**, as

escrow agent

(Escrow Agent)

By: \_\_\_\_\_

Title: \_\_\_\_\_

**DEUTSCHE BANK TRUST COMPANY AMERICAS**, as

escrow agent

(Escrow Agent)

By: \_\_\_\_\_

Title: \_\_\_\_\_

**Attachments:**    **Schedule 1 (Investment Authorization)**

**Schedule 2 (Name/telephone # of call-back person(s) designated by Section 7 above)**

## Schedule 1

### Investment Authorization

**Lessee:** LEHI CITY CORPORATION

**Lease No.:** 1000145887

**Investment:** SELECT QUALIFIED INVESTMENT BELOW

During the term of this Agreement, the Equipment Acquisition Fund shall remain in a Non-Interest Bearing Account.

A money market mutual fund, including without limitation a JPMorgan Money Market Mutual Fund (collectively, "MMMF"), as selected by Lessee below.

Check One (if the money market mutual fund option is selected above):

- JPMorgan 100% U.S. Treasury Securities Money Market Fund (675)
- JPMorgan U.S. Government Money Market Fund Morgan Shares (3916)
- JPMorgan U.S. Treasury Plus Money Market Fund Morgan Shares (3919)
- JPMorgan Federal Money Market Fund Morgan Shares (353)
- JPMorgan 100% U.S. Treasury Money Market Fund Morgan Shares (677)
- JPMorgan Tax Free Money Market Fund Morgan Shares (2)
- Federated U.S. Treasury Cash Reserves Money Market Fund Institutional Service Shares (632)
- Federated Government Obligations Tax-Managed Money Market Fund Institutional Service Shares (637)
- Federated Treasury Obligations Money Market Fund Institutional Service Shares (398)
- Federated Government Obligations Money Market Fund Institutional Service Shares (395)

Notes related to MMMFs:

- 1) An investment in any of the above investment options is subject to the availability of such money market mutual fund. If the selected investment is not available at the present time you will be contacted by a Deutsche Bank Trust Company Americas representative.
- 2) Each investment instrument above has a rating not lower than the highest rating category from both Standard & Poor's and Moody's.
- 3) Lessee acknowledges that an affiliate of Escrow Agent, Deutsche Bank Trust Company Americas, serves as investment manager for the selected MMMF and receives fees from the invested funds for services rendered separate from the fees for services rendered by Escrow Agent as further provided within this Agreement. MMMFs have rates of compensation that may vary from time to time based upon market conditions. The Escrow Agent shall not be responsible or liable for any loss suffered in connection with any investments of moneys made by it in accordance with Section 3 of the Agreement.
- 4) The Lessee, hereby acknowledges and confirms that it makes its own investment decisions and has not been offered any advice or recommendation on investing in any MMMF and if selected above, is based upon Lessee's independent review of prospectuses previously delivered to Lessee. The Lessee recognizes and agrees that the Escrow Agent has not and will not provide supervision, recommendations or advice relating to either the investment of moneys held in the Equipment Acquisition Fund account or the purchase, sale, retention or other disposition of any Qualified Investment.
- 5) Market values, exchange rates and other valuation information (including without limitation, market value, current value or notional value) of any MMMF furnished in any report or statement may be obtained from third party sources and is furnished for the exclusive use of the Lessee and Lessor. Escrow Agent has no responsibility whatsoever to determine the market or other value of any MMMF or other non-cash Qualified Investments and makes no representation or warranty, express or implied, as to the accuracy of any such valuations or that any values necessarily reflect the proceeds that may be received on the sale of an MMMF or such Qualified Investments.
- 6) SHAREHOLDER SERVICES FEES: Lessee acknowledges that the Fund is authorized to make payments from its



management fee or any other source available to parties such as banks or broker-dealers ("Service Organizations") that provide shareholder support services to the Fund and that Service Organizations currently are compensated at a rate of up to the Maximum Rate of .50% annually of the average net assets of each Fund with respect to which they provide or have provided shareholder support services. Lessee further acknowledges that Deutsche Bank Trust Company Americas is a Service Organization and is paid, and hereby consents to such payment, by the Fund up to the Maximum Rate annually of the average daily balance of the Account invested in the Fund for shareholder support services rendered to the Fund by Deutsche Bank Trust Company Americas, which services may include, without limitation, answering client's inquiries regarding the Fund, assistance to clients in changing dividend options, account designations and addresses, processing purchase and redemption transactions, providing periodic statements showing a client's account balance and the integration of such statement with other transactions, arranging for Deutsche Bank Trust Company Americas wires, and providing such other information and services as the Fund's distributor or Lessee reasonably may request. Lessee further acknowledges that the Fund may purchase securities from or through Deutsche Bank Trust Company Americas or its affiliates, may engage in repurchase transactions with Deutsche Bank Trust Company Americas or its affiliates, may place funds on deposit in accounts with Deutsche Bank Trust Company Americas or its affiliates and receive interest income thereon and may obtain other services from Deutsche Bank Trust Company Americas for which Deutsche Bank Trust Company Americas is paid a fee.

This investment authorization and direction will remain in effect until and unless expressly revoked or superseded in writing and shall specify the type and identity of the investments to be purchased and/or sold.

**SCHEDULE 2**

Telephone Number(s) and Signature(s) for Person(s) Designated to Give Funds Transfer Instructions

If from Lessee:

<u>Name</u>	<u>Telephone Number</u>	<u>Signature</u>
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____

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If from Lessor:

<u>Name</u>	<u>Telephone Number</u>	<u>Signature</u>
1. Stacey R. Roth	614-213-1537	(Standing Signature on File)
2. Mary Heubach	614-213-1557	(Standing Signature on File)
3. Anastasia L. McClellan	614-213-4876	(Standing Signature on File)
4. Terri E. Sayers	614-213-4521	(Standing Signature on File)
5. Cherie L. Oliveto	614-213-3246	(Standing Signature on File)
6. Mary T. Short	614-213-4881	(Standing Signature on File)
7. Kris Hewitt	614-213-8581	(Standing Signature on File)
8. Latrice M. McDonald	614-213-4458	(Standing Signature on File)
9. Kelsey A. Bruck	614-213-9516	(Standing Signature on File)
10. Meron Gola	614-217-4670	(Standing Signature on File)
11. Teri L. Fancelli	614-213-2270	(Standing Signature on File)
12. Ruhe, Nathaniel J.	614-213-3859	(Standing Signature on File)
13. Mullennix, Debbie J.	614-213-5797	(Standing Signature on File)

All instructions, including but not limited to funds transfer instructions, whether transmitted by facsimile or set forth in a PDF attached to an email, must include the signature of the Authorized Representative authorizing said funds transfer on behalf of the Party.

**SCHEDULE A-1**  
(Equipment List)

**Expected Equipment Purchase Price: \$2,200,000.00**

**Net Amount Financed: \$2,200,000.00**

**Equipment Location:**

**153 N 100 EAST  
LEHI, UT 84043**

**Equipment Description:**

**FIRE ENGINE AND LADDER TRUCK**

TOGETHER WITH ALL ATTACHMENTS, ADDITIONS, ACCESSIONS, PARTS, REPAIRS, IMPROVEMENTS, REPLACEMENTS AND SUBSTITUTIONS THERETO.

This Schedule A-1 is attached to the Lease Schedule **1000145887** or a Receipt Certificate/Payment Request relating to the Lease Schedule.

**ESCROW FUNDING SCHEDULE ADDENDUM  
AND ARBITRAGE CERTIFICATE**

**Dated as of:**            **NOVEMBER 29, 2019**

**Lease Schedule No.:** **1000145887**

**Lessee:**                **LEHI CITY CORPORATION**

**Escrow Agent:**        **DEUTSCHE BANK TRUST COMPANY AMERICAS**

**Escrow Agreement dated as of:**        **NOVEMBER 29, 2019**

**Amount To Be Deposited Into Escrow:** **\$2,200,000.00 ("Lessor's Deposit")**

Reference is made to the above Lease Schedule ("Schedule") to the Master Lease-Purchase Agreement identified in the Schedule ("Master Lease") by and between **JPMORGAN CHASE BANK, N.A.** ("Lessor") and the above lessee ("Lessee"). As used herein, "Lease" shall mean the Schedule and the Master Lease, but only to the extent that the Master Lease relates to the Schedule. This Addendum amends and modifies the terms and conditions of the Lease and is hereby made a part of the Lease. Unless otherwise defined herein, capitalized terms defined in the Master Lease shall have the same meaning when used herein.

NOW, THEREFORE, as part of the valuable consideration to induce the execution of the Lease, Lessor and Lessee hereby agree to amend the Lease as follows:

1. Lessee and Lessor together with the above Escrow Agent ("Escrow Agent") have entered into the above Escrow Agreement ("Escrow Agreement") establishing a fund ("Equipment Acquisition Fund") from which the Purchase Price of the Equipment will be paid.

2. Lessor shall deposit such amount into escrow as is required by the Escrow Agreement, which amount shall be credited to the Equipment Acquisition Fund. Lessee shall pay the balance of the Purchase Price of the Equipment, either by deposit in escrow to the Equipment Acquisition Fund or by direct payment to the Suppliers of the Equipment.

3. The Lease Term of the Lease shall commence on the earlier of the date specified in the Payment Schedule to the Schedule or the date of Lessor's deposit of funds into the Equipment Acquisition Fund. Notwithstanding the statements regarding delivery and acceptance of the Equipment in the Schedule, the parties acknowledge that the Equipment will be accepted as provided in the Escrow Agreement.

4. The delivery of documents and the satisfaction of any other conditions required by the Escrow Agreement or this Addendum shall be additional Funding Conditions for the Lease.

5. Upon Lessee's execution of the Escrow Agreement, Lessee hereby represents and warrants to Lessor that: (a) Lessee has full power, authority and legal right to execute and deliver the Escrow Agreement and to perform its obligations under the Escrow Agreement, and all such actions have been duly authorized by appropriate findings and actions of Lessee's governing body; (b) the Escrow Agreement has been duly executed and delivered by Lessee and constitutes a legal, valid and binding obligation of Lessee, enforceable in accordance with its terms; and (c) the Escrow Agreement is authorized under, and the authorization, execution and delivery of the Escrow Agreement complies with, all applicable federal, state and local laws and regulations (including, but not limited to, all open meeting, public bidding and public investment laws) and all applicable judgments and court orders.

6. The opinion of Lessee's legal counsel will include statements to the same effect as the representations of Lessee in paragraph 5 above.

7. It shall be an additional event of default under the Lease if Lessee fails to pay or perform any of its obligations under the Escrow Agreement or this Addendum or if any of the representations of Lessee in the Escrow Agreement or this Addendum prove to be false, misleading or erroneous in any material respect.

8. **ARBITRAGE CERTIFICATE.** The authorized representative of Lessee who executes this Addendum hereby certifies that he/she is the duly qualified and acting representative of Lessee with the title set forth below his/her signature hereon; that Lessee has executed and delivered the Schedule and the Master Lease (collectively, the "Lease"); that Lessee is a political subdivision of the State identified in the Lease; and that in his/her official capacity as such officer he/she is responsible for executing and delivering, on

behalf of the Lessee, the Lease and this Addendum. This paragraph of this Addendum (hereinafter, this paragraph shall be identified as the "Arbitrage Certificate") is being issued by Lessee as a "no arbitrage certificate" pursuant to Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and Treasury Regulations, Sections 1.148-0 through 1.148.11 (the "Regulations"). Lessee represents and warrants to Lessor that the following facts, estimates and circumstances are in existence on the date of this Arbitrage Certificate or are reasonably expect to occur hereafter.

(a) The Lease provides for the lease of the Equipment described in the Lease by Lessor to Lessee. Under the Lease, Lessee is required to make Rent Payments with respect to the Equipment, comprising principal and interest, on the dates and in the amounts stated in the Payment Schedule to the Lease.

(b) Pursuant to the Lease and for the purpose of meeting its obligations thereunder and assuring the Lessee of the availability of monies needed to pay the cost of the Equipment when due, Lessee, Lessor and the Escrow Agent have executed the Escrow Agreement.

(c) Contracts or purchase orders providing for the acquisition and delivery of the Equipment have been issued by Lessee to Equipment Vendors therefor and the Equipment will be acquired and installed with due diligence. Based upon the provisions of the contracts or purchase orders, the Equipment will be acquired and installed no later than **eighteen (18) months** from the date of the Escrow Agreement ("Funding Expiration Date").

(d) The Escrow Agreement provides that Lessor shall deposit the Lessor's Deposit into escrow to be credited to the Equipment Acquisition Fund created by the Escrow Agreement and utilized to pay for the Equipment as provided therein. It is presently expected that all such funds initially credited to the Equipment Acquisition Fund shall be disbursed to pay for the Equipment, but any such amounts ultimately determined not to be needed for such purposes and the interest earnings on the amounts held in escrow shall be utilized on or after the Funding Expiration Date to pay part of the principal due under the Lease, as provided in the Escrow Agreement.

(e) All of the spendable proceeds of the Lease will be expended on the Equipment and related expenses on or before the Funding Expiration Date.

(f) The original proceeds of the Lease, and interest to be earned thereon, do not exceed the amount necessary for the purpose for which the Lease is issued.

(g) The interest of Lessee in the Equipment has not been and is not expected during the term of the Lease to be sold or disposed of by Lessee.

(h) No sinking fund is expected to be created by Lessee with respect to the Lease and Rental Payments.

(i) Lessee represents, warrants and covenants to one of the following statements of this clause (i) as is initialed by Lessee below [and if Lessee fails to initial its selection, then subclause (A) shall be deemed to have been selected by Lessee]:

\_\_\_\_\_ (A) 100% of the proceeds of the Lease shall be paid for the acquisition of the Equipment within 18 months of the date of the Escrow Agreement in accordance with the following schedule:

No less than 15% within 6 months of the date of the Escrow Agreement;  
No less than 60% within 12 months of the date of the Escrow Agreement; and  
No less than 100% within 18 months of the date of the Escrow Agreement.

\_\_\_\_\_ (B) 100% of the proceeds of the Lease shall be paid for the acquisition of the Equipment within 6 months of the date of the Escrow Agreement.

\_\_\_\_\_ (C) Lessee qualifies for the "small issuer" exemption in section 148(f)(4)(D) of the Code because all of the following are true: (1) Lessee is a governmental unit with general taxing powers, and (2) the Lease is not a "private activity bond" as defined in Section 141 of the Code, and (3) 95% or more of the proceeds of the Lease shall be used for the governmental activities of Lessee, and (4) the aggregate face amount of all tax exempt bonds and other tax exempt obligations (other than "private activity bonds") issued by Lessee (and any subordinate entities of Lessee as contemplated by Section 148(f) of the Code) during the calendar year in which the Lease is issued is not reasonably expected to exceed \$5,000,000.00.

(j) Lessee hereby covenants that Lessee shall comply with all of the requirements of the Code and Regulations relating to the rebate of arbitrage profit to the United States of America (including, without limitation Section 148(f) of the Code) and will rebate to the United States of America all arbitrage profit required thereby.

(k) To the best of the knowledge and belief of the undersigned, the expectations of Lessee, as set forth above, are reasonable; and there are no present facts, estimates and circumstances which would change the foregoing expectations.

(l) Lessee has not been notified of the listing or proposed listing of it by the Internal Revenue Service as an issuer whose arbitrage certificates may not be relied upon.

9. If there is a partial prepayment of principal pursuant to the terms of either clause (c) of Section 2.04 second of the Escrow Agreement or clause (c) of Section 2.05 second of the Escrow Agreement, then in addition to the payment of the Partial Principal Amount, a Break Funding Charge (as defined below) shall be due and payable if (i) exceeds (ii) where (i) equals the interest portion of each of the Rent Payments which would have been paid if such prepayment had not occurred calculated at the interest rate swap including any forward rate swap, if any, which Lessor shall be deemed to have entered into on the earlier of (a) the date the Lease was originally funded or (b) the date a rate lock letter was signed, if any, and (ii) equals the interest portion of each of the Rent Payments which would have been paid if such prepayment had not occurred calculated at the interest rate swap which Lessor shall be deemed to have entered into on the date of prepayment (the "Replacement Swap"). The "Break Funding Charge" equals the present value of the difference between (i) and (ii) for each interest period discounted to a net present value as of the date of prepayment using the fixed interest rate of the Replacement Swap. Lessee acknowledges that (i) Lessor might not fund or hedge its fixed-rate loan portfolio or any prepayment thereof on a loan-by-loan basis at all times, and agrees that the Break Funding Charge is a reasonable and appropriate method of calculating liquidated damages for any prepayment irrespective of whether any of the foregoing hedging transactions have in fact occurred or occurred precisely as stated with respect to the Lease and (ii) all calculations and determinations by the Lessor of the Break Funding Charge or of any element thereof, if made in accordance with its then standard procedures for so calculating or determining such amounts, shall be conclusive absent manifest arithmetic error.

10. Except as expressly amended by this Addendum and other modifications signed by Lessor, the Lease remains unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Addendum as of the date first referenced above.

**LEHI CITY CORPORATION**  
(Lessee)

**JPMORGAN CHASE BANK, N.A.**  
(Lessor)

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: Authorized Officer

ESCROW RECEIPT CERTIFICATE/PAYMENT REQUEST

Dated: \_\_\_\_\_, 20\_\_

Lease Schedule No: 1000145887 dated NOVEMBER 29, 2019

Escrow Agreement Dated: NOVEMBER 29, 2019

1. The undersigned Lessee of the above Lease Schedule and its Master Lease-Purchase Agreement (collectively, the "Lease") hereby acknowledges receipt in good condition of all of the Equipment described on Schedule A-1 to this Receipt Certificate/Payment Request as of the following Acceptance Date and hereby confirms that the Equipment has been installed at the following location:

Acceptance Date: \_\_\_\_\_

Equipment Location: See Attached Schedule A-1

\*\*\*\*\* **FINAL REQUEST: Yes OR No (Please Circle Choice)** \*\*\*\*\*

If this is the **FINAL REQUEST** Lessee hereby confirms that said Equipment together with all other property covered by Receipt Certificates delivered prior to this Receipt Certificate represents **all** of the Equipment to be subject to the Lease.

2. Lessee agrees that (a) the undersigned Lessor has not selected, manufactured, sold or supplied any of the Equipment, (b) Lessee has selected all of the Equipment and its suppliers, and (c) Lessee has received a copy of, and approved, the purchase orders or purchase contracts for the Equipment.

3. **AS BETWEEN LESSEE AND LESSOR, LESSEE AGREES THAT: (a) LESSEE HAS RECEIVED, INSPECTED AND APPROVED ALL OF THE EQUIPMENT; (b) ALL EQUIPMENT IS IN GOOD WORKING ORDER AND COMPLIES WITH ALL PURCHASE ORDERS OR CONTRACTS AND ALL APPLICABLE SPECIFICATIONS; (c) LESSEE IRREVOCABLY ACCEPTS ALL EQUIPMENT FOR PURPOSES OF THE LEASE "AS-IS, WHERE-IS" WITH ALL FAULTS; AND (d) LESSEE UNCONDITIONALLY WAIVES ANY RIGHT THAT IT MAY HAVE TO REVOKE ITS ACCEPTANCE OF THE EQUIPMENT.**

4. Lessee and Lessor hereby request that the Escrow Agent identified in the above Escrow Agreement pay from the Equipment Acquisition Fund established under the Escrow Agreement to each party designated below as Payee, the amount stated below in payment of all or part of the Purchase Price (as such term is used in the Escrow Agreement) as stated below. Lessee hereby confirms that said amount is due and payable under a purchase order or contract relating to the Equipment described herein and has not formed the basis of any prior request for payment.

**Payee #1:**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Invoice Number: \_\_\_\_\_ Date: \_\_\_\_\_

Amount: \$ \_\_\_\_\_

**WIRE INSTRUCTIONS:**

Name of Bank: \_\_\_\_\_

ABA No: \_\_\_\_\_

Account Number: \_\_\_\_\_

Account Name: \_\_\_\_\_

---

**Payee #2:**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Invoice Number: \_\_\_\_\_ Date: \_\_\_\_\_

Amount: \$ \_\_\_\_\_

**WIRE INSTRUCTIONS:**

Name of Bank: \_\_\_\_\_

ABA No: \_\_\_\_\_

Account Number: \_\_\_\_\_

Account Name: \_\_\_\_\_

---

**Payee #3:**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Invoice Number: \_\_\_\_\_ Date: \_\_\_\_\_

Amount: \$ \_\_\_\_\_

**WIRE INSTRUCTIONS:**

Name of Bank: \_\_\_\_\_

ABA No: \_\_\_\_\_

Account Number: \_\_\_\_\_

Account Name: \_\_\_\_\_

5. If this is a Final Request, then this Receipt Certificate/Payment Request shall constitute a Full Funding Notice and if any funds remain in the Equipment Acquisition Fund established pursuant to the Escrow Agreement (including any remaining amount of the Lessor's Deposit and/or any earnings thereon; collectively referred to as the "Escrow Balance"), then Lessee hereby directs Escrow Agent to pay the Escrow Balance as follows: (a) to Lessee if the Escrow Balance is less than \$500.01; and (b) otherwise to Lessor and Lessor is hereby authorized to apply the Escrow Balance as follows: (i) If Escrow Balance is less than interest paid on the Lease during the previous 18 months the Escrow Balance will be reimbursed to the Lessee (ii) if the Escrow Balance is equal to or less than the next Rent Payment due under the Lease, apply the Escrow Balance to said Rent Payment; or (iii) if the Escrow Balance is greater than the next Rent Payment due under the Lease, apply the Escrow Balance as a partial prepayment of principal under the Lease and Lessor is authorized to send a revised Payment Schedule for the Lease that reflects said prepayment.



6. Lessee will confirm wire instructions by telephone (if required by Lessor) by designating an Authorized Contact ("Contact") for Lessee below. This Contact must be someone who has the requisite knowledge to verify the instructions outlined above AND must be someone other than the authorized signer hereto. Lessee should consider designating more than one Contact to avoid funding delays.

**LEHI CITY CORPORATION**

(Lessee)

By: \_\_\_\_\_

Title: \_\_\_\_\_

**JPMORGAN CHASE BANK, N.A.**

(Lessor)

By: \_\_\_\_\_

Title: Authorized Officer

Contact #1:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Direct Telephone: \_\_\_\_\_

General Telephone: \_\_\_\_\_

Contact Signature: \_\_\_\_\_

Contact #2:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Direct Telephone: \_\_\_\_\_

General Telephone: \_\_\_\_\_

Contact Signature: \_\_\_\_\_

**SCHEDULE A-1**

Equipment Description

(This Schedule A-1 is attached to a Receipt Certificate/Payment Request relating to the Lease Schedule.)

**Lease Schedule No: 1000145887 dated NOVEMBER 29, 2019**

The Equipment described below includes all attachments, additions, accessions, parts, repairs, improvements, replacements and substitutions thereto.

Equipment Location: \_\_\_\_\_

\_\_\_\_\_

Equipment Description: \_\_\_\_\_

\_\_\_\_\_

## INSTRUCTIONS FOR SUBMITTING ESCROW DISBURSEMENT REQUESTS

Thank you for choosing **JPMORGAN CHASE BANK, N.A.** to meet your equipment financing needs. To ensure that you receive the quality service you expect from JPMorgan Chase Bank, N.A., we ask that you refer to the following instructions when submitting escrow disbursement requests in the future:

- All Escrow Disbursement Requests should be sent to us at the following email address:

[cefi.escrow.disbursement.request@jpmchase.com](mailto:cefi.escrow.disbursement.request@jpmchase.com)

or to

JPMorgan Chase Bank, N.A.  
Attn: Escrow Specialist  
1111 Polaris Parkway, Suite N4 (OH1-1085)  
Columbus, Ohio 43240

- Our Escrow Specialists are prepared to answer your questions regarding anticipated or previous disbursement requests and can be reached at 1-800-678-2601.
- **A complete disbursement request should include the following information to ensure prompt processing:**
  1. Completed and signed Receipt Certificate/Payment Request Form. **PLEASE NOTE:** Escrow Disbursement Requests must bear the original signature by an individual who has been authorized to execute the lease documentation. If you have questions regarding who can sign escrow disbursements, please contact an Escrow Specialist.
  2. Vendor Invoice for the equipment being purchased. (Proof of Payment will also be required if we are reimbursing you)
  3. Insurance will be required on all delivered equipment at the time the disbursements are being processed.
  4. When the Equipment is Motor Vehicles, one of the following must be provided with items 1, 2 and 3 above: (A) the original, or a copy, of the Vehicle Title showing JPMorgan Chase Bank, N.A. as first lienholder or (B) if the original title has not yet been received, a copy (front and back) of the Manufacturer's Statement of Origin (MSO) or Title Application showing JPMorgan Chase Bank, N.A. as lienholder.
- Please clearly indicate on the vendor's invoice whether you wish to pay the vendor by check or by wire transfer. If a wire transfer is requested, please provide wire instructions for each payee. Wire instructions must include the bank name, ABA routing number, account number.
- Certain Wire transfers will require that a callback is performed on a recorded line to verify the information that has been provided to us. In order to expedite this process, please provide Contact information on Page 3 of the request form.

When the **FINAL** disbursement from the escrow account is requested, please complete, sign and send the Receipt Certificate/Payment Request form marked as final so we can disburse funds and close the escrow account.

**SIGN UP . . . FOR AUTOMATED BILL PAYMENT**

**Please complete ALL Sections and return this form:**

I authorize **JPMORGAN CHASE BANK, N.A.** to make withdrawals from the account listed below. I understand that I control my withdrawals for payments on leases and loans. If at any time I decide to discontinue this payment service, I will notify the biller. **I also understand that any future leases and loans will automatically be set up with auto debit withdrawals unless JPMorgan Chase Bank, N.A. elects to the contrary. All assessments and other fees payable under the leases and loans will be withdrawn with rental/installment payments unless otherwise instructed.**  
**(PLEASE PRINT)**

**Customer Information:**

**Financial Institution:**

Name:	<b>LEHI CITY CORPORATION</b>		Name:			
Address:	<b>153 NORTH 100 EAST</b>		Address:			
City:	<b>LEHI</b>		City:			
State:	<b>UT</b>	Zip: <b>840430255</b>	State:		Zip:	

Account Type (check one)     Checking                       Savings  
 Routing /ABA Number \_\_\_\_\_ Account Number \_\_\_\_\_

**(Please enclose a voided check)**

**Billers Information:**

Your JPMorgan Chase Bank, N.A. Account Number(s) as Shown on Agreement or Invoice.  
 (A sign up form is required for each unique financial institution account and routing/ABA number.)

**1000145887 AS WELL AS ANY EXITING ACCOUNTS**

**Notice to Customer** - This agreement authorizes the periodic transfer of funds from your account at the financial institution listed on this sign up form by electronic means. Your rights and liabilities under this agreement are governed in part by federal laws and regulations dealing with electronic fund transfers. You should consult your agreement with the financial institution, which holds your account for a more complete disclosure of your legal rights. Withdrawal amount may change to reflect the payment schedule defined in the agreement. This authorization and change of payment method will not modify or amend the agreement, including any rights or remedies of JPMorgan Chase Bank, N.A. The biller reserves the right to discontinue this payment service at biller's discretion and upon notice to the customer.

\_\_\_\_\_  
 Authorized Signature                      Date                      Telephone No.

**Do Not Enclose Payment!**

**Mail to: JPMorgan Chase Bank, N.A.  
 1111 Polaris Parkway, Suite N4 (OH1-1085)  
 Columbus, Ohio 43240  
 Phone: 1-800-678-2601 Option #2  
 Or  
 Email: JPMEF.Portfolio.Service@JPMORGAN.com**

**THINGS YOU NEED TO KNOW ABOUT AUTOMATED BILL PAYMENT**

**Q. How do I sign up?**

A. Complete all sections of this form, sign, enclose a voided check and mail or email to [JPMEF.Portfolio.Service@JPMORGAN.com](mailto:JPMEF.Portfolio.Service@JPMORGAN.com).

**Q. Once I have enrolled in the automated bill payment will JPMorgan Chase Bank, N.A. give me notice of when my automated bill payment will begin?**

A. Yes. You will be notified by mail in advance of your actual start date. Typically, it will take 4 to 6 weeks before you will begin. Please continue to pay until notification is received.

**Q. When will the payment amounts be taken out of my checking or savings account?**

A. The periodic payment will be deducted from your checking or savings account automatically by JPMorgan Chase Bank, N.A. on the payment due date. If the payment due date falls on a weekend or holiday the payment will be deducted on the next business day.

**Q. What if I have a question about my bill payment or want to stop the automated payment plan?**

A. Simply call us at **1-800-678-2601 Option #2**.

**Q. How can I be sure my bill has been paid?**

A. Your payment will be clearly itemized on your bank's monthly account statement.

**Q. Is there a charge for this service?**

A. No. You are a valued customer and we offer this service free of charge.

**Q. If I've already signed up, must I complete the form again?**

A. Only if you are adding or changing the financial institution account and/or routing/ABA numbers.

**Q. How will I be billed for assessments?**

A. Assessments such as personal property tax and fees will be deducted with your rental payment unless otherwise instructed by you in writing.

## City Council Agenda Item Report

Meeting Date: October 22, 2019

Submitted by: Jacob Curtis

Submitting Department: Planning Division

Item Type: Action Item

Agenda Section:

---

### **Subject:**

Consideration of Final subdivision approval for the Z-Act, a 10 lot residential development located at 1385 West 700 South.

Petitioner: Temple Olayan

### **Suggested Action:**

### **Attachments:**

[CCR Z-Act Final Subdivision 10.22.19.docx](#)

[Z-Act final subdivision DRC 10.09.19.docx](#)

[Z-Act final sub aerial.pdf](#)

[Z-Act final sub gp.pdf](#)

[Z-Act final sub zoning.pdf](#)

[Z-Act Final Subdivision plans.pdf](#)

## Z-ACT FINAL SUBDIVISION CITY COUNCIL REPORT

<b>Applicant</b>	Temple Olayan		
<b>Meeting Date</b>	October 22, 2019		
<b>Requested Action/Purpose</b>	Approval of a final subdivision		
<b>Location</b>	1385 West 825 South		
<b>Existing Land Use</b>	Agricultural		
<b>Existing Zoning</b>	R-1-22		
<b>General Plan Land Use Designation</b>	VLDR (Very Low-Density Residential Agriculture)		
<b>Number of Lots/Units</b>	10 lots		
<b>Adjacent Zoning and Land Use</b>	<i>North</i>	RA-1	Single-family residential
	<i>South</i>	C	Undeveloped/Pioneer Crossing
	<i>East</i>	R-1-22	Eddington Estates
	<i>West</i>	R-1-22	Holladay Acres
<b>Date of DRC Review</b>	October 9, 2019		
<b>Assigned Planner</b>	Jacob Curtis		
<b>REQUIRED ACTION</b>			
<b>City Council</b>	Final approval		

## APPLICABLE DEVELOPMENT CODE REGULATIONS

**Section 11.180.** Effective Period of Final Subdivision Plat Approval.

The approval of a final subdivision plat shall be effective for a period of two (2) years from the date the final plat is approved and signed by the City Council, at the end of which time such final subdivision plat shall have been recorded in the office of the Utah County Recorder.

**Section 37.030.** Connectivity Standards

A. Residential Connectivity Standards. All new residential subdivisions with ten or more units or more than one acre shall meet the following connectivity index, block length, and cul-de-sac length standards for private and public roads.

1. Required Connectivity Index. The minimum required connectivity index shall be required based on the project density as identified in the following table of minimum connectivity index scores:

Density	Index Score
0-2.5 DU/AC	1.5
2.6-4 DU/AC	1.6
4.1+ DU/AC	1.75

- a. Reduction in Required Connectivity Index. The required connectivity index may be reduced if the applicant provides clear and convincing evidence that it is impracticable to achieve due to:
- i. road grades that exceed ten percent
  - ii. Jordan River;
  - iii. Utah Lake;
  - iv. delineated wetlands;
  - v. other significant natural or historic features;
  - vi. existing adjacent development;
  - vii. rail corridors; or

- viii. limited access roadways.
- b. Reductions in the required connectivity index will be reviewed on a case-by-case basis and shall require positive recommendations from the reviewing departments and Planning Commission and approval by the City Council.
- c. The total allowed reduction to the required connectivity index shall be based on an analysis of existing conditions that prevent connections. As part of the analysis, City staff shall ensure the internal connectivity of the subdivision meets the required connectivity index and that connectivity is provided to adjacent properties where possible.

## PROPERTY HISTORY

**March 10, 2004** – Part of this property was annexed into Lehi as the Maupin Annexation.

**July 8, 2008** – Part of this property was brought into Lehi as the Stan Lewis Annexation.

**March 12, 2019:** The City Council approved a concept plan for Z-Act.

**April 23, 2019:** The City Council approved a zone change for Z-Act, changing the zoning from TH-5 to R-1-22.

**August 27, 2019:** The City Council approved a preliminary subdivision for Z-Act.

## REPORT ANALYSIS

The applicant is requesting final subdivision approval of Z-Act, a 10-lot residential development located at a 1385 West 825 South in an approved R-1-22 zone. This report will discuss the proposed layout, connectivity standards, and the DRC comments.

### Proposed Layout

The residential subdivision will consist of 10 single family lots on approximately 6.26 acres. The lots range in size from 0.248 to 0.693 acres. There is a density of 1.598 units per acre for this subdivision which is consistent with the goals of the General Plan designation and current zoning. The R-1-22 zone establishes a maximum density of 1.75 units per acre with the possibility of other design and density considerations in lieu of reimbursement for master planned roads and trails. Total open space in the proposed subdivision is comprised of Parcel A and B which are being dedicated to Lehi City and make up 1.102 acres.

Three lots of bonus density are being granted in lieu of payment for property and the construction of segments of the Dry Creek Trail, the Power Line Trail, and a new pedestrian bridge over Dry Creek for the trail.

### Connectivity Standards

The proposed project has a connectivity index score of 3, and for the density present in the proposed subdivision the Lehi City Development Code typically requires a minimum connectivity index score of 1.5. The proposed subdivision includes connections to the stubbed 950 S and 825 S streets. Additionally, the proposed subdivision would connect the Holladay Acres and Eddington Estates subdivisions, and provide a stub road to the north for a future connection to 700 S.

### DRC Comments

The DRC had nine comments including the following:

1. Work with the City to get the trail and ROW to connect to the UDOT undercrossing.



2. Add note to detention easement on plat "Permanent detention facility to be owned and maintained by the owners of this property not to be altered without approval by Lehi City Council and City Engineer"

Please include all DRC comments in the motion.

## PLANNING DIVISION RECOMMENDATION

Planning Staff recommends **APPROVAL** of the proposed Z-Act final subdivision including the DRC comments from October 9, 2019. This recommendation is based on the following findings:

1. The proposed subdivision is consistent with the approved preliminary subdivision.
2. The proposed subdivision is not detrimental to the public health, safety, and welfare of Lehi City.
3. The proposed subdivision meets the requirements of the Development Code.
4. Other findings based upon information presented at the public meeting.

**Z-Act Final Subdivision  
DRC Redline Comments**

Temple Olayan- requests final subdivision review for **Z-Act**, a 10-lot residential development located at 1385 West 700 South.

DRC Members Present: Glade Kirkham, Kerry Evans, Greg Allred, Kim Struthers, Gary Smith, Joshua Bunnell, Ross Dinsdale, Trent Dyer

Representatives of the Applicant Present: Temple Olayan

Date of Plans Reviewed: 10/02/19

Time Start: 10:35 am

Time End: 10:55 am

**DRC REDLINE COMMENTS:**

**Glade – Power:** No comments (Power plan will be inserted into plan set at preconstruction.)

**Kerry – Fire:** No comments

**Greg – Water/Sewer:**

- 1. Water service meters for lot 108 must be moved to opposite of the lot, current location will conflict with mechanical bends and thrust blocks
- 2. Put note on plat that driveway access must come off of 825 S

**Kim – Planning:**

- 3. Work with the City to get the trail and ROW to connect to the UDOT undercrossing.
- 4. On the final plat, fix the dedication note for Parcel A to indicate Parcel A, not B.
- 5. Fix labels for Owner’s Dedication and under Planning Commission Approval to be consistent with project name. (Z-Act)

**Gary – Building/Inspections:** No comments

**JD – Streets:**

- 6. Label asphalt depth

**Ross – Engineering:**

- 7. Add note to detention easement on plat "Permanent detention facility to be owned and maintained by the owners of this property not to be altered without approval by Lehi City Council and City Engineer"

**Trent – Parks:**

- 8. Change note 7 on CSP.01 to "LEHI STD TRAIL-2"
- 9. Landscape plans to be included with each submittal (include parcel B landscape).

General Comment

- 1. No parking will be allowed in the temporary turnaround.

**PRIOR TO PRECONSTRUCTION MEETING:**

- 1. Provide an engineer’s cost estimate for the cost of all improvements.
- 2. 10% Warranty Escrow Bond or Letter of Credit and Public/Private Improvement Agreement for all public and private improvements must be in place (from a financial institution with a branch in Utah).
- 3. Pay all necessary inspection fees and any up-front supply costs required by the City for power supplies, water system supplies, public signs (stop signs, address signs, etc.) and any other associated costs so that the City can order all necessary supplies for the development.
- 4. Required water dedication must be completed.
- 5. Reimbursement Agreement for any reimbursable improvement items must be in place.
- 6. Include surveyor’s and engineer’s stamps and signatures on the construction drawings.
- 7. Show lot addresses on the final plat (must coordinate with Planning Division).
- 8. New property line adjacent to existing roads and any new trails must be staked and reviewed by the City.
- 9. Irrigation Company signature on the construction drawings for the irrigation piping.
- 10. Provide a recordable easement document for all necessary off-site easements (temp. turnarounds, utilities, power, etc).
- 11. Submit a copy of all required licenses (railroad, UDOT, UTA, aqueduct, canal, etc).
- 12. Provide a signed development agreement (prepared by Lehi City Planning Department).

**Note:** This list of corrections and deficiencies should not be considered as an all-inclusive or final list. The items listed need to be corrected and resolved and a new set of information submitted for review by the DRC. Further corrections and deficiencies may still be noted as the DRC further reviews the resubmitted information.

13. Provide a Rocky Mountain Power agreement and cost estimate for the relocation of the RMP power poles which shall be included in the bond. The developer is responsible to pay all costs for relocation at the time the bond is posted.
14. Submit Storm Water Pollution Prevention Plan (SWPPP) through ComplianceGo.com for review by Lehi Public Works (call Rochelle with Public Works at 385-201-1900 with questions).
15. Schedule a SWPPP inspection through Lehi City Water Dept. (call 385-201-1900). This should be the last item completed prior to scheduling a preconstruction meeting.
16. Provide a Long Term Storm Water Management Plan and Agreement to Planning Division for review and approval (signed by Mayor). Final Agreement to be recorded by developer.
17. Address any comments or conditions from City Council approval.

**PRIOR TO RECORDING OF PLAT:**

1. Provide a Mylar of the final plat for recording with the owners notarized signature(s).
2. Include surveyor's and engineer's stamps and signatures on the plat.
3. Submit a title report to be reviewed by Lehi City Attorney.
4. Developer shall provide a letter with an exhibit of the property covered from their title company guaranteeing that the property taxes including rollback/greenbelt taxes have been paid of open space or right of way is being dedicated.
5. Provide a signed easement verification sheet (for proposed public utility easements on the plat).
6. Warranty deed/title insurance (open space, detention, City park property, City trails, some road dedication). Title insurance policies on each to be obtained through Marnae at Vanguard Title 801-610-1670
7. All City utilities/infrastructure has been accepted and signed off by all Lehi City Inspectors.

**DRC GENERAL COMMENTS:**

1. Please note that ALL of the DRC Redline and Prior to Recording of Plat comments MUST be completed before a preconstruction meeting can be scheduled.
2. Once approved by the Planning Commission or City Council (whichever is applicable) plans may be submitted for check-off. Check-off plans consist of one set of 24x36-inch plans submitted to the Planning Division office. When changes need to be made to a check set, revise the affected sheets only. Each new submittal will require a revision date on each new sheet. It is the responsibility of the applicant to follow through with completing the check-off items.
3. Prior to the pre-construction meeting, Lehi City Staff will make copies of plans for the meeting from the check-off set and the developer will pay fees for the copies.
4. On the power, developer will install conduit; Lehi City Power will install all other required power infrastructure shown on the plans and charge the developer for the costs. These costs are separate from power impact fees that are paid with the building permit.
5. Developer is responsible to furnish adequate rights of way or easements for construction of off-site power line extensions.
6. Residential developments shall complete all required private improvements prior to commencing construction on units totaling more than 80% of the allowed units in the development.
7. The approval of a development shall be effective for a period of two (2) years from the date the development is approved by the Planning Commission or City Council, whichever is applicable.
8. Approved vehicle access for firefighting shall be provided to all construction or demolition sites. Vehicle access shall be provided to within 100 feet of temporary or permanent fire department connections. Vehicle access shall be provided by either a twenty (20) foot minimum width temporary or permanent road, capable of supporting vehicle loading under all weather conditions. Vehicle access shall be kept clear of all fencing, barricades, dumpsters, vehicles, construction materials and debris and maintained until permanent fire apparatus access roads are available.

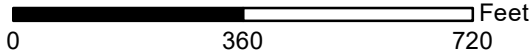
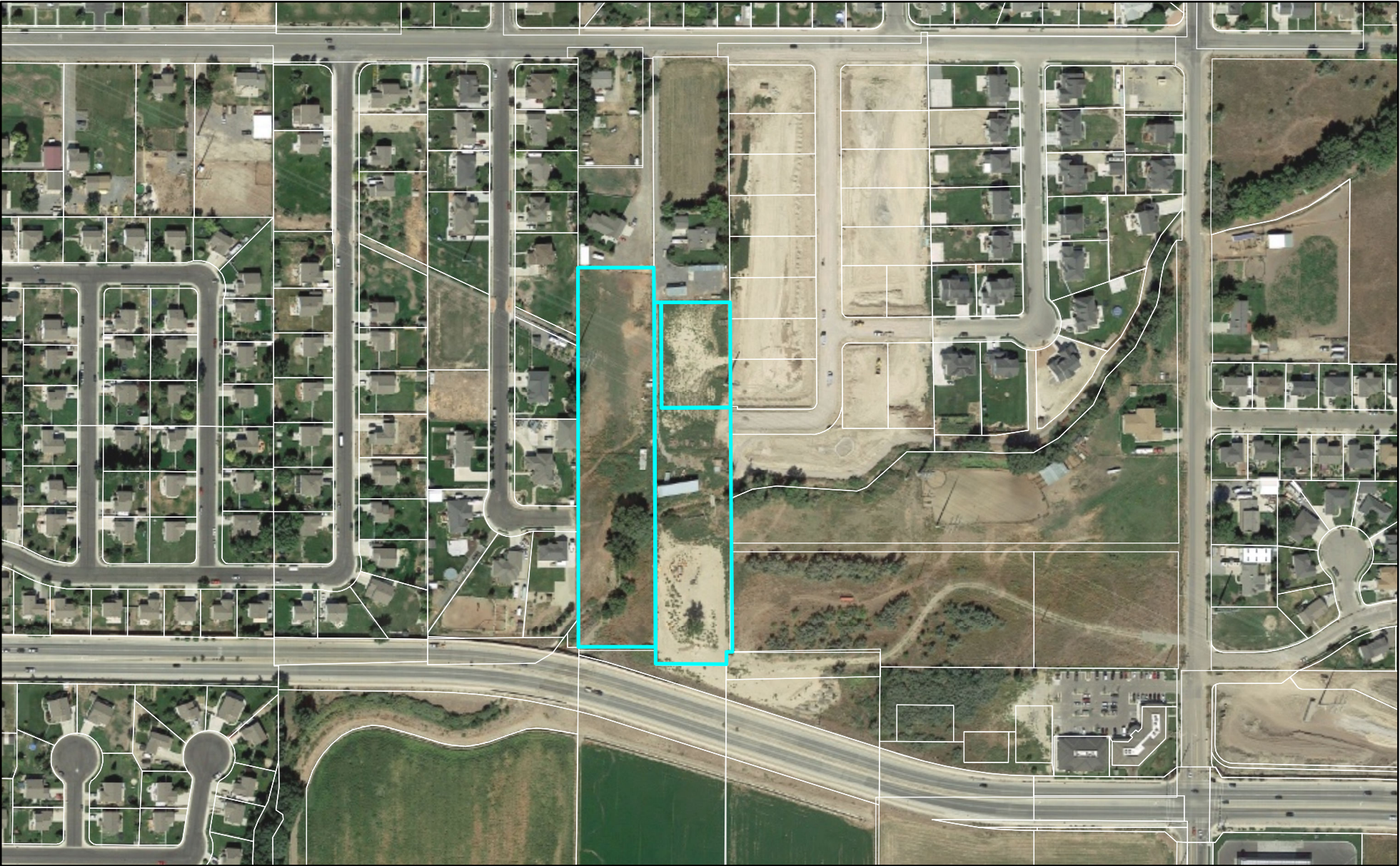
THIS ITEM WILL BE SCHEDULED FOR CITY COUNCIL ON OCTOBER 22, 2019

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**Note: This list of corrections and deficiencies should not be considered as an all-inclusive or final list. The items listed need to be corrected and resolved and a new set of information submitted for review by the DRC. Further corrections and deficiencies may still be noted as the DRC further reviews the resubmitted information.**

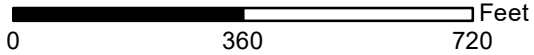
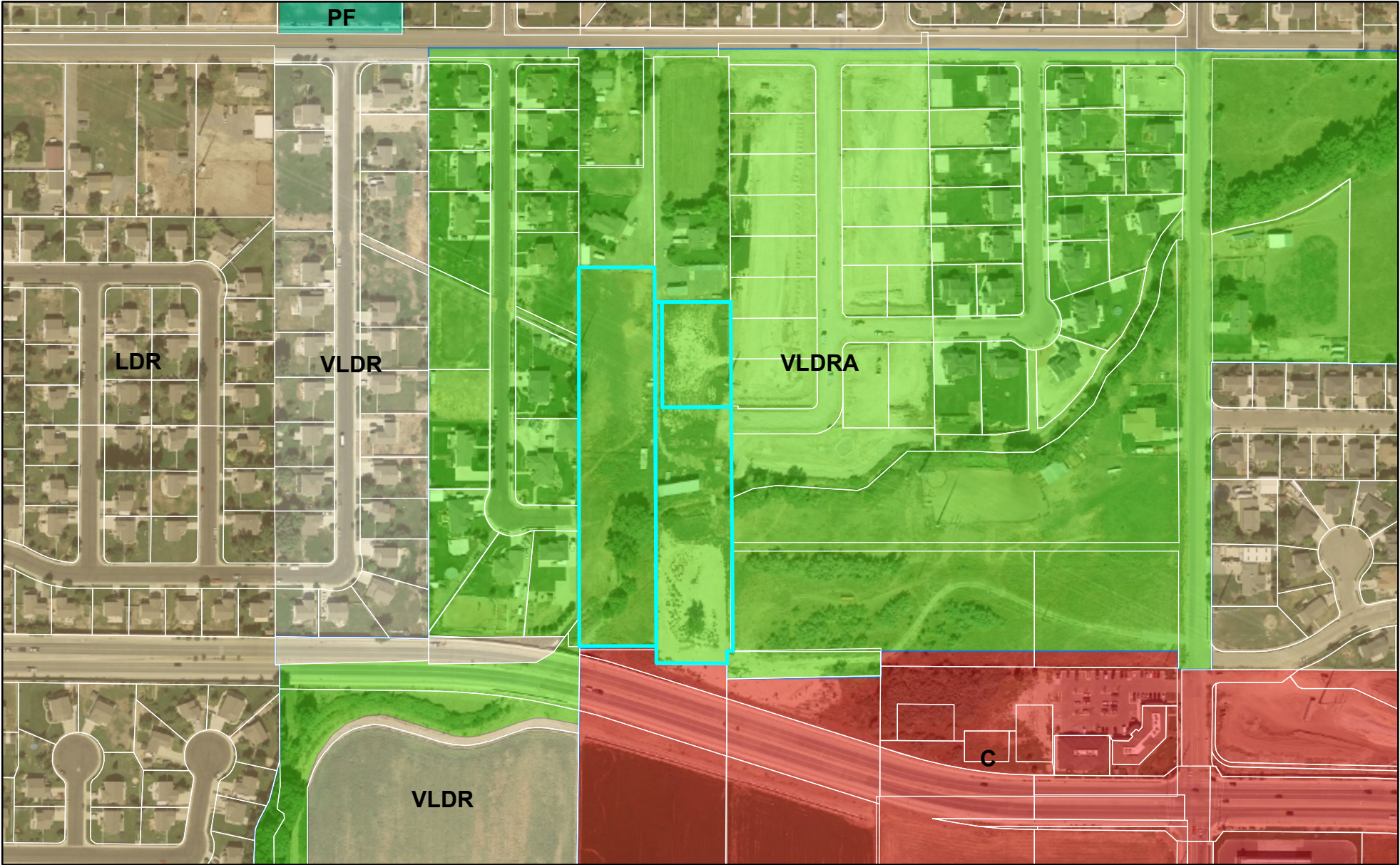
# Z-Act Final Subdivision

## Aerial



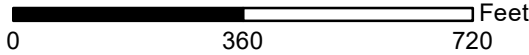
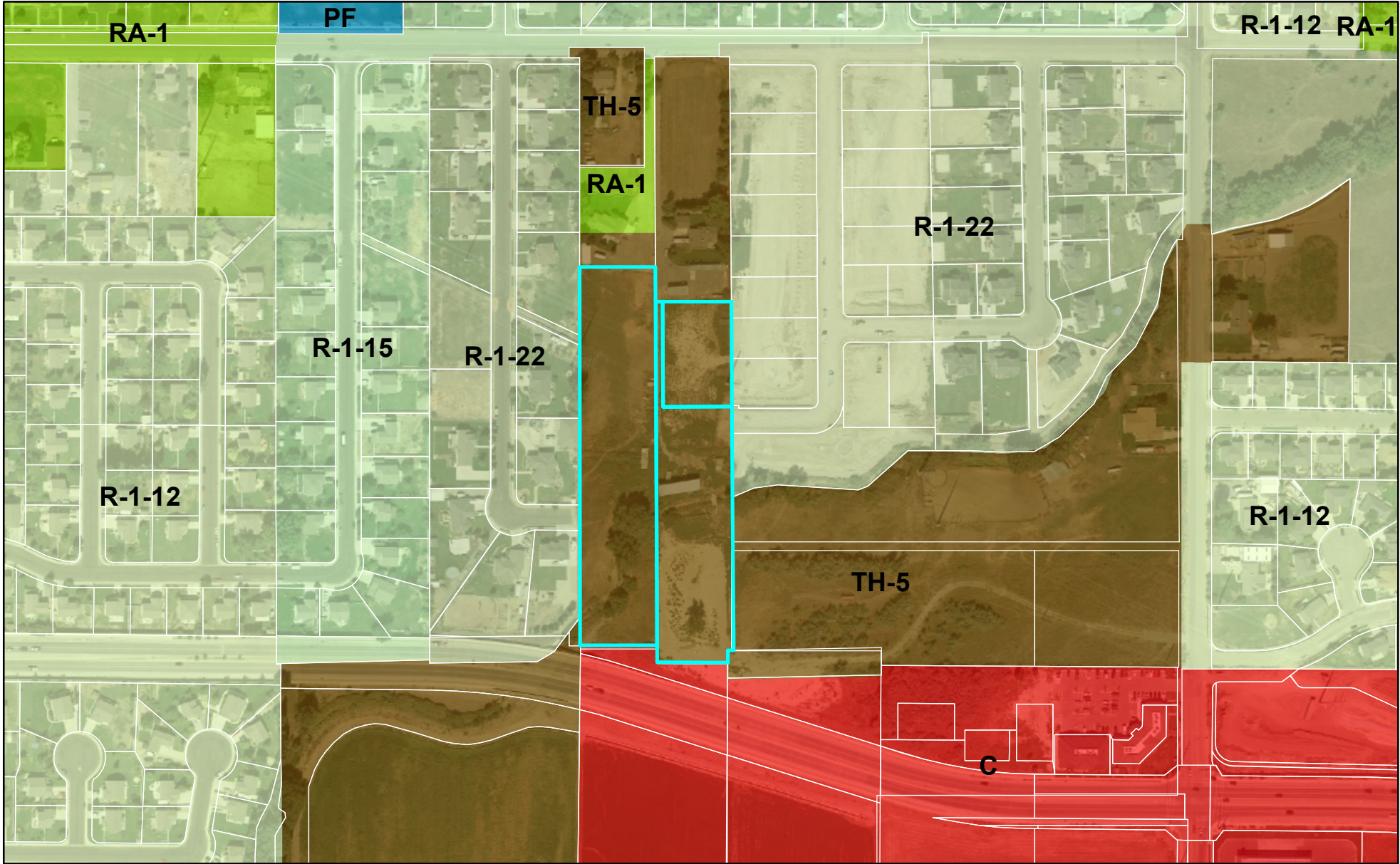
# Z-Act Final Subdivision

## General Plan



# Z-Act Final Subdivision

## Zoning



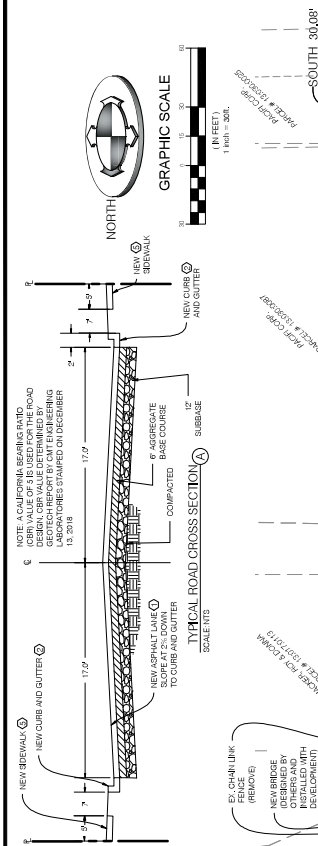
NO.	DATE	DESCRIPTION
1	05/16/2019	PRELIMINARY
2	05/16/2019	REVISED PER PLAN COMMENTS
3	05/16/2019	REVISED PER PLAN COMMENTS
4	05/16/2019	REVISED PER PLAN COMMENTS
5	05/16/2019	REVISED PER PLAN COMMENTS
6	05/16/2019	REVISED PER PLAN COMMENTS
7	05/16/2019	REVISED PER PLAN COMMENTS
8	05/16/2019	REVISED PER PLAN COMMENTS
9	05/16/2019	REVISED PER PLAN COMMENTS
10	05/16/2019	REVISED PER PLAN COMMENTS



**BENCHMARK**  
LAND SURVEYING & ENGINEERING  
1385 WEST 700 SOUTH  
LEHI, UTAH 84043  
WWW.BENCHMARKCIVIL.COM

**Z-ACT LLC SUBDIVISION**  
**(RESIDENTIAL SUBDIVISION)**  
1385 WEST 700 SOUTH  
LEHI, UTAH

**SITE PLAN**  
CSP 01  
3 OF 15



**NOTE:** ALL WORK WITHIN THE ACCESSIBLE PARKING STALLS & ACCESSIBLE DRIVEWAY SHALL NOT EXCEED 1.5" HIGHER THAN THE FINISHED GRADE. THE DRIVEWAY PORTION SHALL NOT EXCEED A SLOPE OF 1:20 (5.0%) & CURBS SHALL BE 18" HIGH AND THE DRIVEWAY SHALL BE 48" WIDE WITH A SLOPE NOT EXCEEDING A 1:48 (2.1%) SLOPE.

**CIRCULATION NOTE:** NEW BRIDGE HAS 3.0' TYP. AND 1.0' SIDEWALK. ALLOWABLE BLOCK LENGTH IS 800 FEET, THE LONGEST BLOCK LENGTH IS 437.60 FEET.

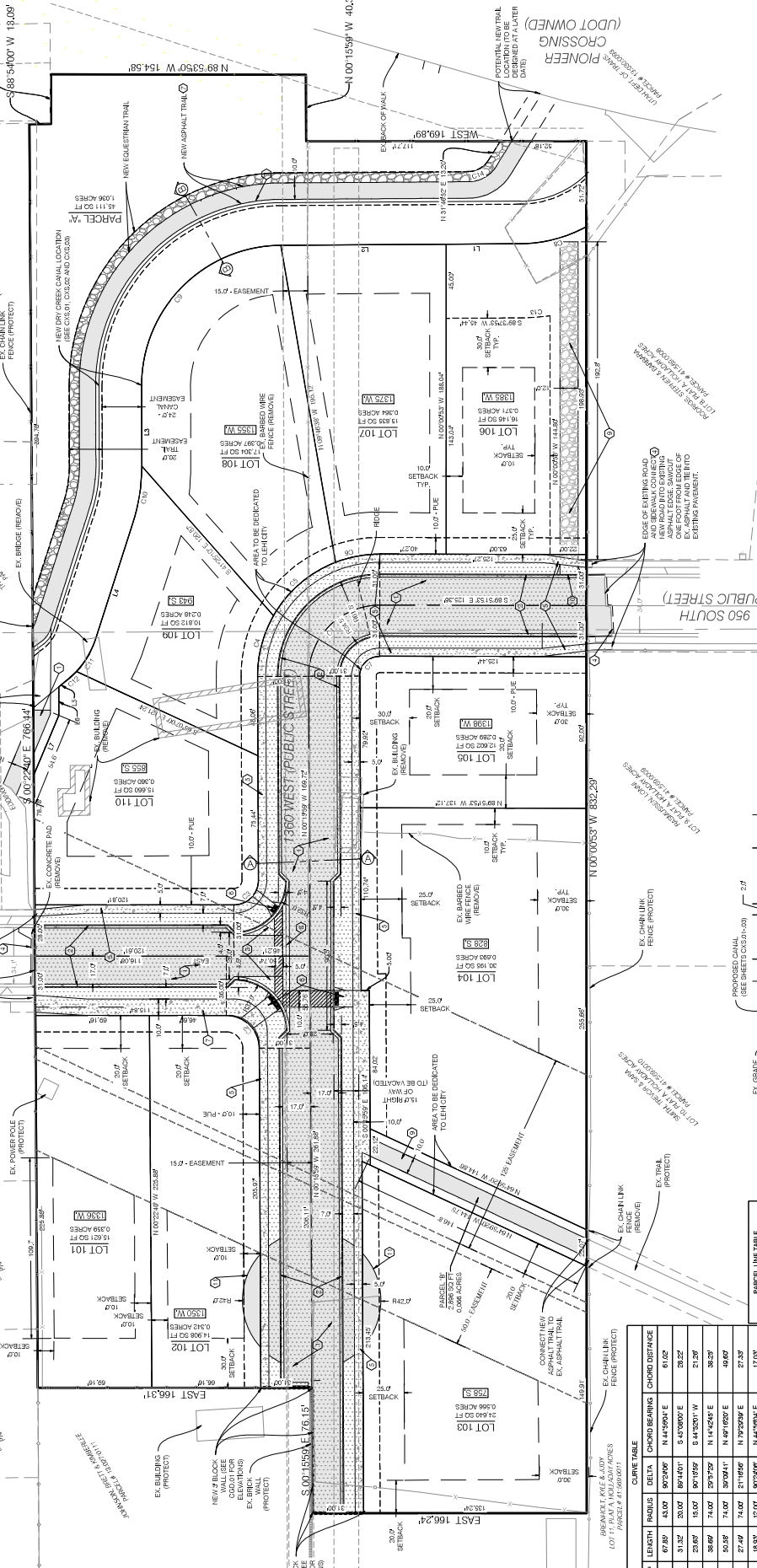
TOTAL AREA TABLE		
PARTICULARS	S.F.	%
BUILDING	50,000.02 ACRES	12.8
LANDSCAPE	150,881.01 ACRES	30.9
LANDSCAPE	180,700.41 ACRES	66.3
TOTAL	381,581.44 ACRES	100

USAGE TABLE		
LOTS	10	
DWELLING	10	
TOTAL AREA	6.29	
DWELLING/ACRE	1.59	

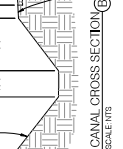
  

CONSTRUCTION KEY NOTES REFERENCE	
NO.	DESCRIPTION
1	ASPHALT PAVEMENT WITH GRANULAR BASE
2	CONCRETE CURB AND GUTTER PER LEH STD. ROAD-5
3	WATERWAY TRANSITION STRUCTURE PER APWA #213
4	SAWTOOTH AND RESTORE ASPHALT PER APWA #236
5	1/4" BIKERWALK PER LEH STD. ROAD-9
6	PERESTRIMA RAMP PER LEH STD. ROAD-9
7	1" UTILITY PER LEH STD. TRAIL-1
8	#4 WATERWAY PER APWA #211
9	12" WIDE ALL TRAIL ACCESS
10	DRAIN APPROACH PER LEH STD. ROAD-11
11	12" RETURN ROAD PER LEH STD. ROAD-14



**CALL BEFORE YOU DIG.**  
BLUE STATES OF UTAH  
UTILITY NOTIFICATION CENTER  
1-800-862-1111  
www.bluestates.org

**NOTE:** THE UTILITY LOCATIONS AND THE ELEVATIONS IN EXISTING AERIAL PHOTOGRAPHY ARE APPROXIMATE. CONTRACTOR TO FIELD VERIFY LOCATION AND EXTENT OF EXISTING UTILITIES PRIOR TO CONSTRUCTION. NOTIFY CH2M HILL ENGINEERING PRIOR TO ANY UTILITIES BEING CUT OR COVERED.



CURVE #	LENGTH	RADIUS	DELTA	CHORD BEARING	CHORD DISTANCE
C1	67.69	43.00	90.2306°	N 44.5904° E	61.02
C2	31.52	20.00	89.0001°	S 47.9009° E	28.22
C3	23.07	10.00	90.1859°	S 41.2601° W	21.20
C4	38.89	71.00	59.9729°	N 42.2405° E	38.29
C5	50.89	71.00	59.9641°	N 49.1050° E	49.00
C6	27.49	71.00	51.1160°	N 79.9709° E	27.29
C7	18.87	10.00	90.2306°	N 44.5904° E	17.20
C8	14.67	83.50	29.9111°	N 73.2218° E	11.17
C9	133.20	83.50	69.9729°	N 44.4912° E	119.89
C10	35.91	113.30	18.9927°	N 68.2708° E	33.78
C11	22.29	50.40	29.1655°	N 52.3300° E	21.11
C12	10.29	50.40	14.1432°	N 49.9514° E	10.29
C13	17.65	126.89	75.918°	S 68.4214° W	17.61

PARCEL LINE #	BEARING	DISTANCE
L1	N 89.2735° E	45.19'
L2	N 89.2735° E	100.29'
L3	N 00.5612° W	68.87'
L4	N 17.7535° E	73.89'
L5	N 89.2735° E	4.00'

**SURVEYORS CERTIFICATE**

I, BENJAMIN J. JIMENEZ, DO HEREBY CERTIFY THAT I AM A REGISTERED PROFESSIONAL LAND SURVEYOR OF THE STATE OF UTAH. I HAVE PERSONALLY CONDUCTED THE SURVEY AND HAVE BEEN PROVIDED WITH ALL NECESSARY RECORDS AND INFORMATION TO COMPLETE THIS SURVEY. I HAVE REVIEWED THE RECORDS AND INFORMATION PROVIDED TO ME AND HAVE DETERMINED THAT THE INFORMATION IS TRUE AND CORRECT. I HAVE REVIEWED THE RECORDS AND INFORMATION PROVIDED TO ME AND HAVE DETERMINED THAT THE INFORMATION IS TRUE AND CORRECT. I HAVE REVIEWED THE RECORDS AND INFORMATION PROVIDED TO ME AND HAVE DETERMINED THAT THE INFORMATION IS TRUE AND CORRECT.

**Z-ACT SUBDIVISION**

THE Z-ACT SUBDIVISION IS A SUBDIVISION OF LAND IN THE SOUTHEAST QUARTER OF SECTION 18, TOWNSHIP 5 SOUTH, RANGE 1 EAST, SALT LAKE BASE AND MERIDIAN, LEHI CITY, UTAH COUNTY, UTAH. THE SUBDIVISION IS BEING CREATED FOR THE PURPOSE OF DEVELOPING A COMMUNITY OF HOMES. THE SUBDIVISION IS BEING CREATED FOR THE PURPOSE OF DEVELOPING A COMMUNITY OF HOMES. THE SUBDIVISION IS BEING CREATED FOR THE PURPOSE OF DEVELOPING A COMMUNITY OF HOMES.

**BOUNDARY DESCRIPTION**

THE BOUNDARY DESCRIPTION OF THE SUBDIVISION IS AS FOLLOWS: BEGIN AT THE SOUTHWEST CORNER OF SECTION 18, TOWNSHIP 5 SOUTH, RANGE 1 EAST, SALT LAKE BASE AND MERIDIAN, LEHI CITY, UTAH COUNTY, UTAH. FROM SAID CORNER, RUN NORTH 89°58'55" WEST 100.00 FEET TO THE POINT OF BEGINNING. FROM SAID POINT OF BEGINNING, RUN NORTH 89°58'55" WEST 100.00 FEET TO THE POINT OF BEGINNING. FROM SAID POINT OF BEGINNING, RUN NORTH 89°58'55" WEST 100.00 FEET TO THE POINT OF BEGINNING. FROM SAID POINT OF BEGINNING, RUN NORTH 89°58'55" WEST 100.00 FEET TO THE POINT OF BEGINNING.

**OWNERS DEDICATION**

KNOW ALL MEN BY THESE PRESENTS THAT THE UNDERSIGNED OWNER, OF THE ABOVE DESCRIBED PROPERTY, HAS CAUSED SAID TO BE SUBMITTED INTO LOTS AND STREETS TO BE HEREAFTER KNOWN AS THE

**A-ACT SUBDIVISION**

DO HEREBY DEDICATE FOR PERPETUAL USE OF THE PUBLIC ALL EASEMENTS AND PARCELS OF LAND SHOWN ON THIS PLAT AS INTERFERED FOR PUBLIC USE. IN WITNESS WHEREOF I HAVE HEREUNTO SET MY HAND AND SEAL OF OFFICE, THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, A.D. 20\_\_\_\_.

**CORPORATE ACKNOWLEDGMENT**

STATE OF UTAH  
County of Utah  
I, \_\_\_\_\_, S.S.,  
DO HEREBY DULY SWORN DO SO, I HEREBY CERTIFY THAT THE ABOVE DESCRIBED PERSONALLY APPEARED BEFORE ME, A NOTARY PUBLIC, AND THAT HE IS THE PERSON AUTHORIZED TO DO SO. I HAVE READ THE INSTRUMENT AND HE HAS ACKNOWLEDGED TO ME THAT HE SIGNED IT FREELY AND VOLUNTARILY, AND FOR THE PURPOSES THEREIN INTENDED.

MY COMMISSION NUMBER: \_\_\_\_\_  
MY COMMISSION EXPIRES: \_\_\_\_\_  
PRINT NAME: \_\_\_\_\_  
NOTARY PUBLIC  
RESIDING IN UTAH COUNTY

**APPROVAL BY LEGISLATIVE BODY**

THE CITY COUNCIL OF THE CITY OF LEHI, COUNTY OF UTAH, APPROVES THE SUBDIVISION SUBJECT TO THE CONDITIONS AND RESTRICTIONS STATED HEREIN, AND HEREBY ACCEPTS THE DEDICATION OF THE PERPETUAL USE OF SAID PUBLIC PARCELS OF LAND SHOWN ON THIS PLAT FOR THE PURPOSES OF SAID PUBLIC USE.

THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, A.D. 20\_\_\_\_

CITY MAYOR \_\_\_\_\_  
CITY ENGINEER (SEE SEAL BELOW) \_\_\_\_\_  
ATTORNEY (SEE SEAL BELOW) \_\_\_\_\_  
CLERK-RECORDER (SEE SEAL BELOW) \_\_\_\_\_

**PLANNING COMMISSION APPROVAL**

APPROVED BY THE PLANNING COMMISSION ON \_\_\_\_\_ DAY OF \_\_\_\_\_, A.D. 20\_\_\_\_ BY THE LEHI CITY PLANNING COMMISSION

DIRECTOR-SECRETARY \_\_\_\_\_  
CHAIRMAN PLANNING COMMISSION \_\_\_\_\_

**Z/ACT SUBDIVISION**

LOCATED IN THE SOUTHEAST QUARTER OF SECTION 18 AND THE NORTHEAST QUARTER OF SECTION 19, TOWNSHIP 5 SOUTH, RANGE 1 EAST, SALT LAKE BASE AND MERIDIAN, LEHI CITY, UTAH COUNTY, UTAH

**NOTARY PUBLIC SEAL**

LEHI CITY ENGINEER SEAL  
LEHI CITY RECORDER SEAL

**SURVEYORS SEAL**

BENCHMARK ENGINEERING & LAND SURVEYING  
BENCHMARK CIVIL

**SECTION CORNER DETAIL**

SECTION CORNER DETAIL IS BASED ON THE FOLLOWING INFORMATION:  
SOUTHWEST CORNER SECTION 18, TOWNSHIP 5 SOUTH, RANGE 1 EAST, SALT LAKE BASE AND MERIDIAN (FOUND BRASS CUP)  
SOUTHWEST CORNER SECTION 19, TOWNSHIP 5 SOUTH, RANGE 1 EAST, SALT LAKE BASE AND MERIDIAN (FOUND BRASS CUP)

**PARCEL LINE TABLE**

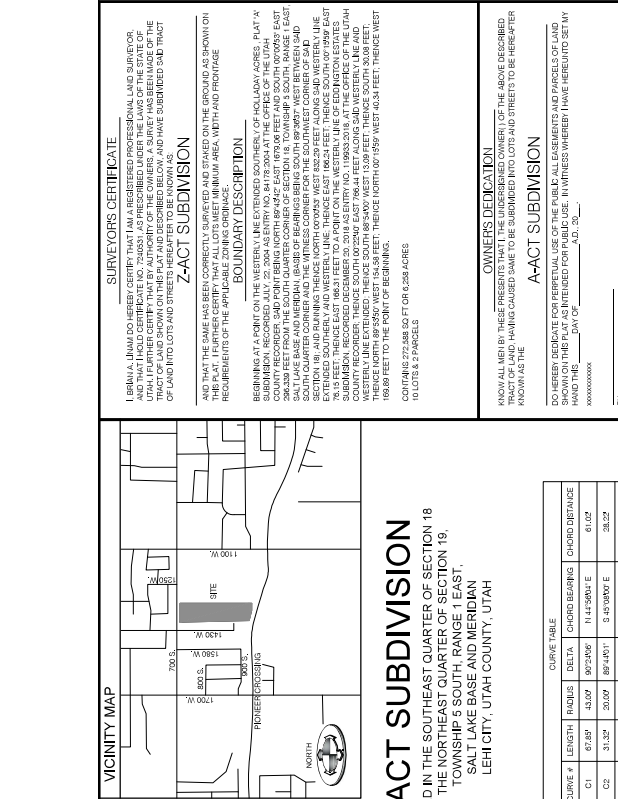
LINE #	BEARING	DISTANCE
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L2	N 89°58'55" E	100.00'
L3	N 0°00'00" W	40.00'
L4	N 17°58'00" E	70.00'
L5	N 17°58'00" E	1.20'

**NOTARY PUBLIC SEAL**

LEHI CITY ENGINEER SEAL  
LEHI CITY RECORDER SEAL

**SURVEYORS SEAL**

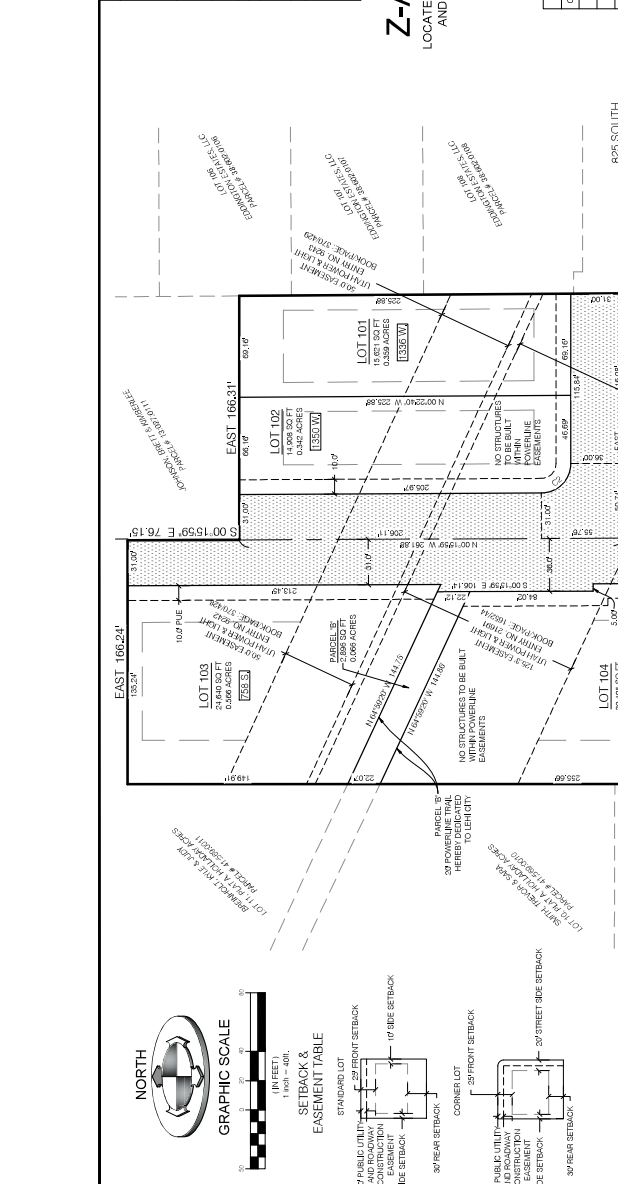
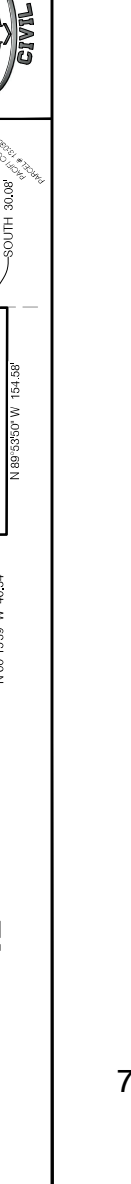
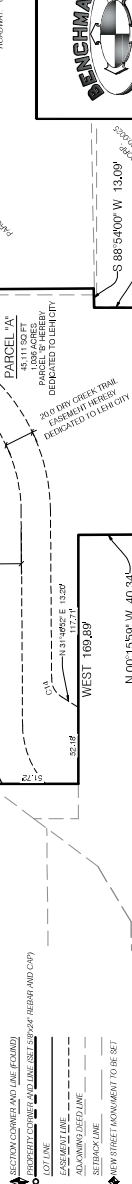
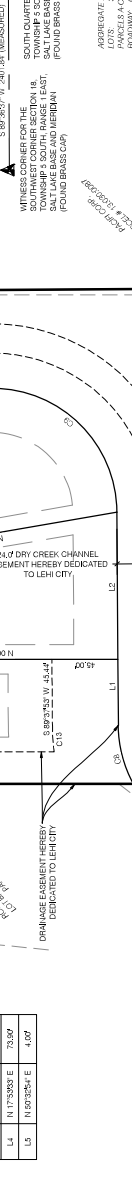
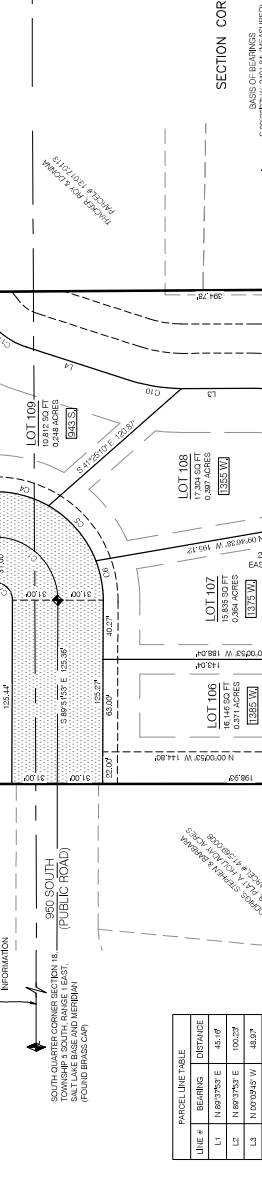
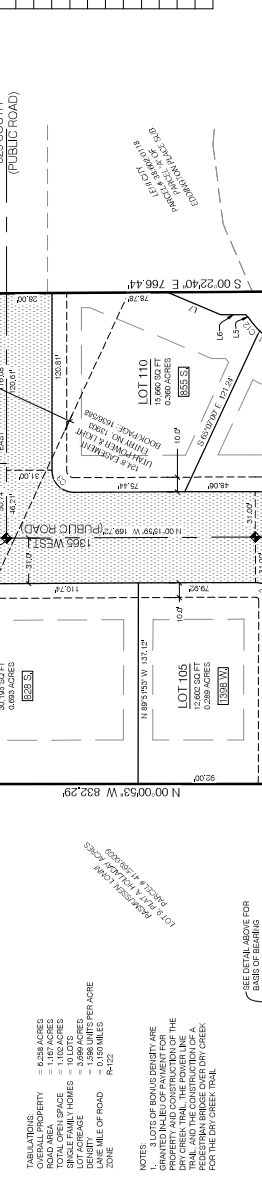
BENCHMARK ENGINEERING & LAND SURVEYING  
BENCHMARK CIVIL



**Z-ACT SUBDIVISION**

LOCATED IN THE SOUTHEAST QUARTER OF SECTION 18 AND THE NORTHEAST QUARTER OF SECTION 19, TOWNSHIP 5 SOUTH, RANGE 1 EAST, SALT LAKE BASE AND MERIDIAN, LEHI CITY, UTAH COUNTY, UTAH

CURVE #	LENGTH	RADIUS	DELTA	CHORD BEARING	CHORD DISTANCE
C1	63.56'	43.00'	89°21'08"	N 44°59'01" E	61.02'
C2	31.25'	20.67'	89°41'01"	S 42°30'00" E	28.22'
C3	23.89'	15.69'	90°15'59"	S 42°30'01" W	21.59'
C4	38.69'	24.00'	39°17'39"	N 11°42'45" E	38.29'
C5	50.59'	31.00'	39°09'41"	N 11°49'00" E	48.00'
C6	27.49'	17.00'	21°19'06"	N 19°25'00" E	27.39'
C7	18.00'	12.00'	90°27'00"	N 44°59'01" E	17.00'
C8	41.00'	26.00'	20°31'11"	N 72°20'18" E	41.17'
C9	133.00'	85.00'	89°17'23"	N 44°59'01" E	119.88'
C10	30.01'	19.32'	10°27'21"	N 05°31'56" E	29.78'
C11	22.59'	14.00'	31°12'55"	N 19°25'00" E	22.11'
C12	10.29'	5.00'	11°43'02"	N 40°03'14" E	10.29'
C13	17.65'	10.83'	7°51'18"	S 88°42'14" W	17.61'
C14	15.15'	15.00'	27°19'01"	N 69°42'03" E	14.51'

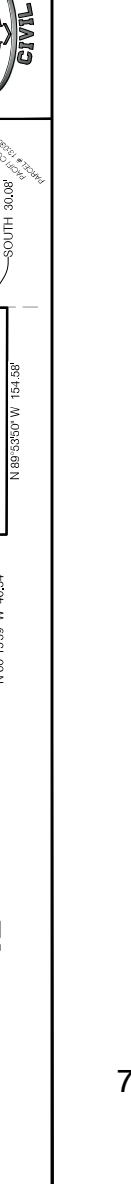
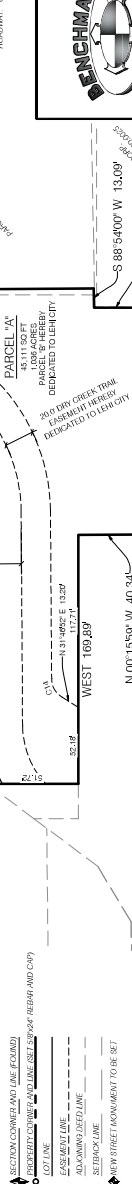
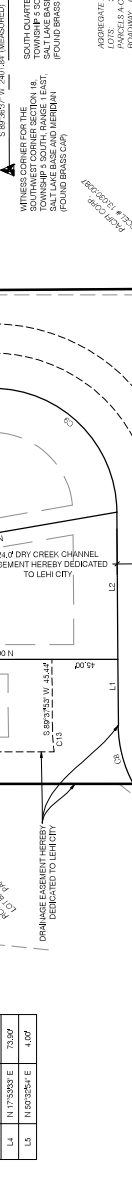
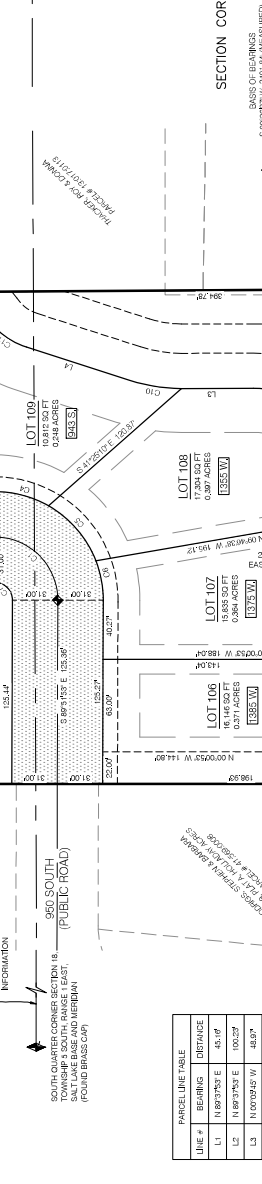


**TABLES:**

6,628 ACRES  
GROSS PROPERTY  
TOTAL OPEN SPACE  
= 1,102 ACRES  
TOTAL LOT AREA  
= 3,999 ACRES  
DENSITY  
= 1,398 UNITS PER ACRE  
TOTAL LOTS  
= 122

**NOTES:**

1. LOTS OF EQUAL SIZE ARE TO BE CONSTRUCTED.  
2. PROPERTY AND CONSTRUCTION OF THE TRAIL AND THE CONSTRUCTION OF A PERPETUAL BRIDGE OVER DRY CREEK FOR THE DRY CREEK TRAIL.





## City Council Agenda Item Report

Meeting Date: October 22, 2019

Submitted by: Sierra Pierson

Submitting Department: Planning Division

Item Type: Resolution

Agenda Section:

---

### **Subject:**

Consideration of Resolution #2019-64, a Resolution expressing intent to adjust the municipal boundary with Saratoga Springs.

Petitioner: Edge Homes

### **Suggested Action:**

### **Attachments:**

[CCR Lehi City Saratoga Springs Municipal Boundary Line Adjustment 10.22.19.docx](#)

[Res 2019-63.docx](#)

[Mclachlan-expanded FLEP.pdf](#)

# LEHI CITY SARATOGA SPRINGS MUNICIPAL BOUNDARY LINE ADJUSTMENT CITY COUNCIL REPORT

<b>Applicant</b>	Edge Homes		
<b>Meeting Date</b>	October 22, 2019		
<b>Requested Action/Purpose</b>	Acceptance of a resolution of intent to adjust a municipal boundary line		
<b>Location</b>	Saratoga Springs		
<b>Requested Zoning</b>	R-3, R-2, TH-5, LI, C		
<b>General Plan Land Use Designation</b>	High Density Residential, Medium Density Residential, Low Density Residential, Light Industrial, Commercial		
<b>Acreage</b>	90.0166 acres		
<b>Existing Land Use</b>	Saratoga Springs/Agriculture		
<b>Adjacent Zoning and Land Use</b>	<i>North</i>	Commercial	Agriculture
	<i>South</i>	Planned Community	Cold Spring Ranch
	<i>East</i>	R-3, R-2	The Exchange, Agriculture
	<i>West</i>	Saratoga Springs	Agriculture
<b>Assigned Planner</b>	Sierra Pierson		

## REQUIRED ACTION

<b>City Council</b>	Acceptance of municipal boundary line adjustment resolution
<b>Planning Commission</b>	Review and recommendation on proposed zoning
<b>City Council</b>	Final approval

## REPORT ANALYSIS

This municipal boundary line adjustment is being done by resolution because of Section 10-2-419 of Utah Municipal Code. This is the first step in the municipal boundary line adjustment process. If the City Council determines that they are willing to entertain the boundary adjustment between the two cities, they can adopt a resolution of intent. If the Resolution of Intent is adopted by the City Council, additional meetings and public notices will be held prior to final approval of the municipal boundary line adjustment.

The proposed municipal boundary line adjustment would bring approximately 90-acres of property currently located in Saratoga Springs into Lehi City's boundaries. The adjustment is being proposed due to utilities servicing issues due to the topography and canal in the area. The proposed adjustment includes multiple property owners and each property would need to be included in the adjustment in order to move forward in the process. Understanding this, Saratoga Springs and Lehi City have come to a determination that all the properties would need to be included in the adjustment or none of the properties will be brought into Lehi City. There have been two concept plans, Boyd Brown and Edge Homes M90, that have been submitted concurrently with this boundary line adjustment.

## PLANNING DIVISION RECOMMENDATION

The Planning Division staff recommends **ACCEPTANCE** of the Lehi City Saratoga Springs Municipal Boundary Line Adjustment resolution of intent. This recommendation is based on the following findings:

1. The proposed application conforms to the goals and policies of the General Plan.
2. The proposed application does not affect the health, safety, welfare, and morals of the City.
3. Other findings as determined by the public hearing.



**RESOLUTION NO. 2019-63**

**A RESOLUTION APPOINTING A NEW MEMBER REPRESENTATIVE TO THE NORTH POINTE SOLID WASTE SPECIAL SERVICES DISTRICT**

WHEREAS, North Pointe Solid Waste Special Service District was created to provide essential solid waste services for Utah County communities; and

WHEREAS, Lehi City is represented by appointing a member to the North Pointe Solid Waste Special Services District Board for a four-year term; and

WHEREAS, Lehi City has noticed the vacancy in accordance with the North Pointe Solid Waste Special Service District Bylaws, 6.4.3.

WHEREAS, Jason Walker was the only applicant that applied to serve on the North Pointe Solid Waste Special Services District Board.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF LEHI, UTAH, as follows:

1. Appoint Jason Walker, Lehi City Administrator, as Lehi City's representative to the North Point Solid Waste Special Services District Board.
2. The provisions of this resolution shall take effect immediately upon passage.

PASSED and APPROVED this 22<sup>th</sup> day of October 2019

Lehi City Corporation

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Mark Johnson, Mayor

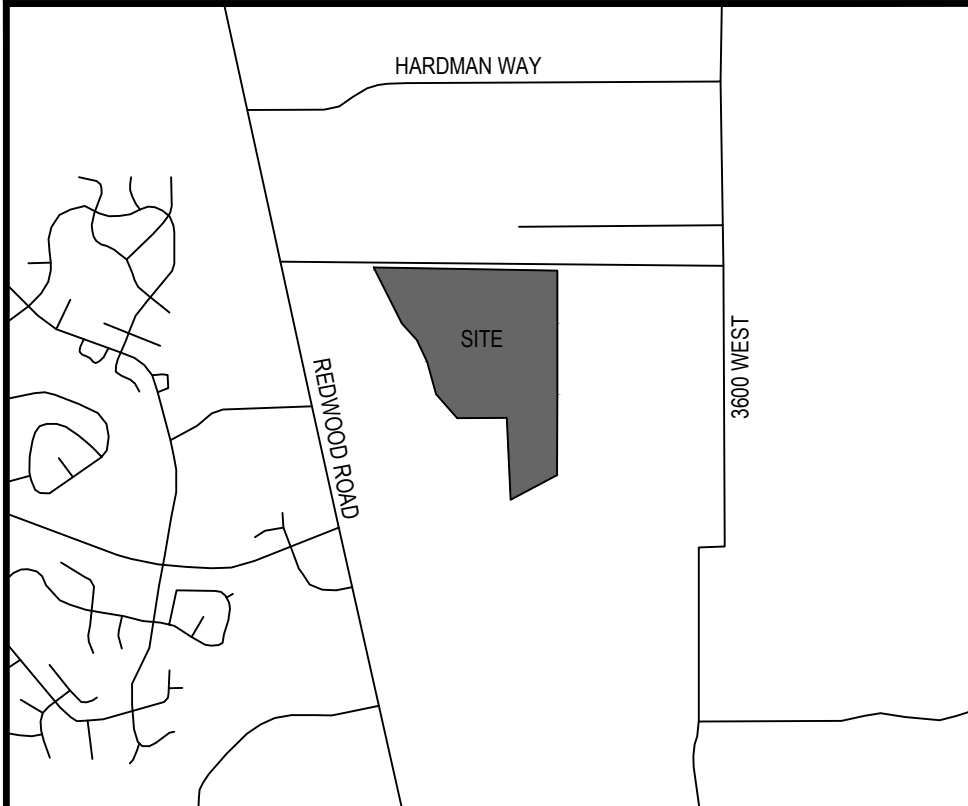
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Teisha Wilson, City Recorder

# FINAL LOCAL ENTITY PLAT

## ANNEXATION OF THE MCLACHLAN PROPERTY INTO LEHI CITY

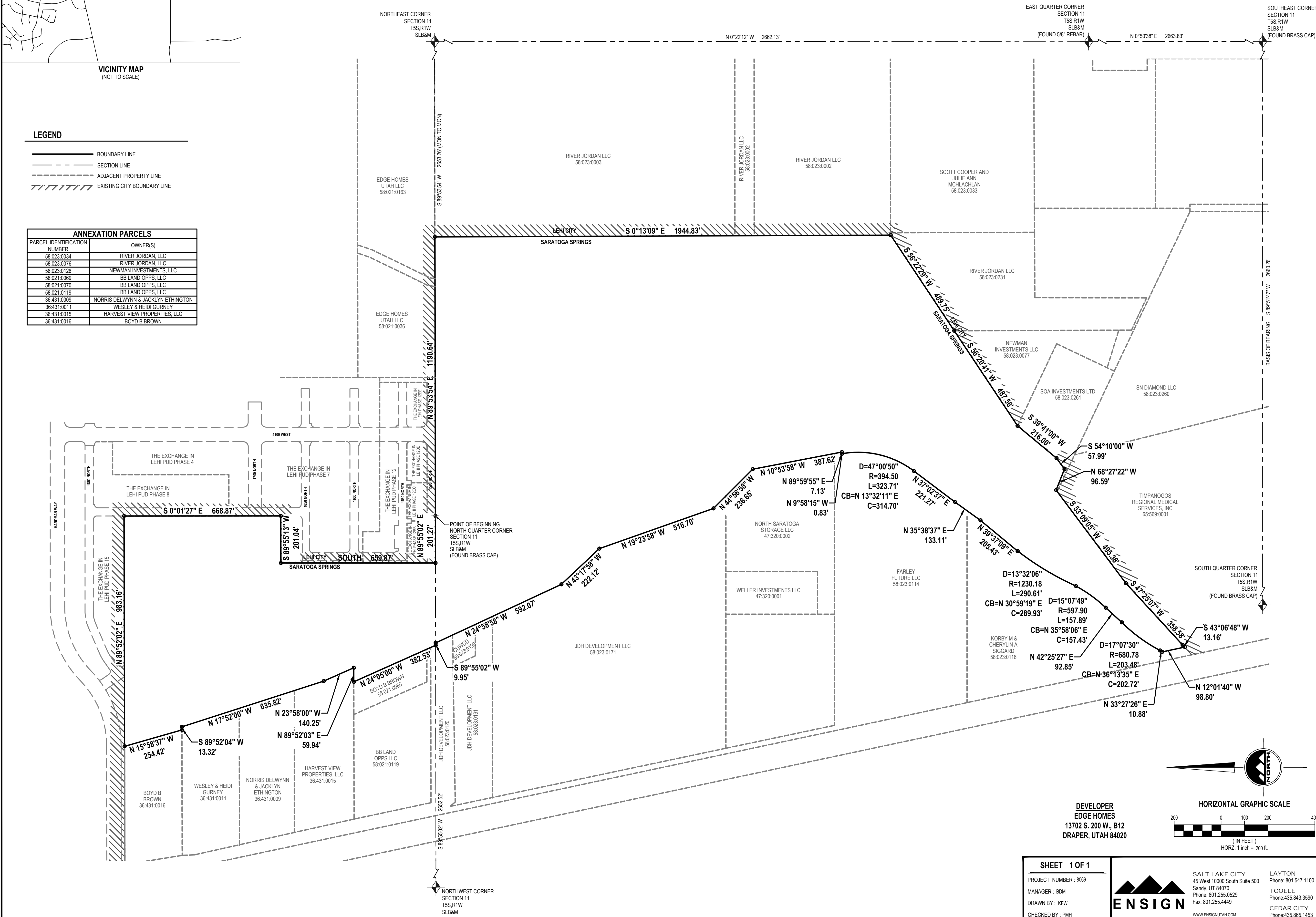
LOCATED WITHIN NORTHEAST QUARTER OF SECTION 11  
AND THE SOUTHEAST QUARTER OF SECTION 2,  
TOWNSHIP 5 SOUTH, RANGE 1 WEST, SALT LAKE BASE AND MERIDIAN  
UTAH COUNTY, UTAH



VICINITY MAP  
(NOT TO SCALE)

- LEGEND**
- BOUNDARY LINE
  - - - SECTION LINE
  - - - ADJACENT PROPERTY LINE
  - /// EXISTING CITY BOUNDARY LINE

ANNEXATION PARCELS	
PARCEL IDENTIFICATION NUMBER	OWNER(S)
58.023.0034	RIVER JORDAN, LLC
58.023.0076	RIVER JORDAN, LLC
58.023.0128	NEWMAN INVESTMENTS, LLC
58.021.0089	BB LAND OPPS, LLC
58.021.0070	BB LAND OPPS, LLC
58.021.0119	BB LAND OPPS, LLC
36.431.0009	NORRIS DELWYNN & JACKLYN ETHINGTON
36.431.0011	WESLEY & HEIDI GURNEY
36.431.0015	HARVEST VIEW PROPERTIES, LLC
36.431.0016	BOYD B BROWN



**SURVEYOR'S CERTIFICATE**

I, PATRICK H. HARRIS, a Professional Land Surveyor licensed under Title 58, Chapter 22, Professional Engineers and Land Surveyors Act, holding License No. 286882, do hereby certify that a Final Local Entity Plat, in accordance with Section 17-23-20 of Utah State Code, was made by me, or under my direction, and shown hereon is a true and correct representation of said Final Local Entity Plat. I further certify that by authority of the Owners, I have prepared this plat for the purpose of depicting those properties within UTAH COUNTY to be annexed into the LEHI CITY.

**BOUNDARY DESCRIPTION**

A parcel of land situate in the Northeast Quarter of Section 11 and the Southeast Quarter of Section 2, Township 5 South, Range 1 West, Salt Lake Base and Meridian, being more particularly described as follows:

Beginning at the North Quarter Corner of Section 11, Township 5 South, Range 1 West, Salt Lake Base and Meridian, and running

thence North 89°53'54" East 1,190.64 feet along the section line;  
 thence South 00°13'09" East 1,344.83 feet;  
 thence South 58°22'28" West 489.75 feet;  
 thence South 56°20'41" West 487.56 feet;  
 thence South 39°41'00" West 216.00 feet;  
 thence South 54°10'00" West 57.99 feet;  
 thence North 68°27'22" West 96.59 feet;  
 thence South 53°09'05" West 495.38 feet;  
 thence South 47°28'07" West 358.58 feet;  
 thence South 43°06'48" West 13.16 feet;  
 thence North 12°01'40" West 98.80 feet;  
 thence North 33°27'28" East 10.88 feet;  
 thence Northeasterly 203.48 feet along the arc of a 680.78 foot radius curve to the right (center bears South 62°20'10" East and the chord bears North 36°13'35" East 202.72 feet with a central angle of 17°07'30");  
 thence North 42°25'27" East 92.85 feet;  
 thence Northeasterly 157.89 feet along the arc of a 597.90 foot radius curve to the left (center bears North 46°28'00" West and the chord bears North 35°58'06" East 157.43 feet with a central angle of 15°07'49");  
 thence Northeasterly 290.61 feet along the arc of a 1,230.18 foot radius curve to the right (center bears South 65°46'44" East and the chord bears North 30°59'19" East 289.93 feet with a central angle of 13°32'06");  
 thence North 39°37'09" East 205.43 feet;  
 thence North 36°38'37" East 133.11 feet;  
 thence North 37°02'37" East 221.27 feet;  
 thence Northeasterly 323.71 feet along the arc of a 394.50 foot radius curve to the left (center bears North 52°57'24" West and the chord bears North 13°32'11" East 314.70 feet with a central angle of 47°00'50");  
 thence North 09°58'15" West 0.83 feet;  
 thence North 89°55'02" East 7.13 feet;  
 thence North 10°53'58" West 387.62 feet;  
 thence North 44°56'58" West 236.65 feet;  
 thence North 19°23'58" West 516.70 feet;  
 thence North 43°17'58" West 222.12 feet;  
 thence North 24°58'58" West 592.07 feet to the section line;  
 thence South 89°55'02" West 9.95 feet along the section line;  
 thence North 24°05'00" West 382.53 feet to the Southerly Boundary Line of Country Mile Subdivision, recorded November 3, 1992 as Entry No. 59381 and Map No. 4759;  
 thence North 89°52'03" East 59.94 feet along said Southerly Boundary Line to the Southeast Corner of said Country Mile Subdivision to the Easterly Line of the Utah Lake Canal;  
 thence North 23°58'00" West 140.25 feet along said Easterly Line of the Utah Lake Canal;  
 thence North 17°52'00" West 635.82 feet along said Easterly Line of the Utah Lake Canal;  
 thence South 89°52'04" West 13.32 feet along said Easterly Line of the Utah Lake Canal;  
 thence North 15°58'37" West 254.42 feet along said Easterly Line of the Utah Lake Canal to the Northerly Boundary Line of said Lot 1, said point also being on the Southerly Boundary Line of The Exchange in Lehi Phase 15 P.U.D. Subdivision Plat, recorded as November 6, 2018 as Entry No. 106267-2018 and Map No. 16317;  
 thence North 89°52'02" East 983.16 feet along the Southerly Boundary Line of said The Exchange in Lehi Phase 15 P.U.D. Subdivision Plat to the Westerly Boundary Line of The Exchange in Lehi Phase 8 P.U.D. Subdivision Plat, recorded January 18, 2018 as Entry No. 5686-2018 and Map No. 16565;  
 thence South 00°01'27" East 668.87 feet along said Westerly Boundary Line and the Westerly Boundary Line of The Exchange in Lehi Phase 7 P.U.D. Subdivision Plat, recorded December 29, 2017 as Entry No. 128939-2017 and Map No. 15832;  
 thence South 89°55'13" West 201.04 feet along the Westerly Boundary Line of said The Exchange in Lehi Phase 7 P.U.D. Subdivision Plat;  
 thence South 659.87 feet along the Westerly Boundary Line of said The Exchange in Lehi Phase 7 P.U.D. Subdivision Plat and the Westerly Boundary Line of The Exchange in Lehi Phase 12 P.U.D. Subdivision Plat, recorded November 9, 2018 as Entry No. 113142-2018 and Map No. 16348 and the Westerly Boundary Line of The Exchange in Lehi Phase 12BB Condominium Plat, recorded November 29, 2018 as Entry No. 113143-2018 and Map No. 16349 to the section line;  
 thence North 89°55'02" East 201.27 feet along the section line to the point of beginning.

Contains 3,927.652 Square Feet or 90.0166 Acres

DATE: \_\_\_\_\_ PATRICK M. HARRIS  
 LICENSE NO. 286882

**LEHI CITY**

APPROVED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_\_\_, BY THE LEHI CITY.

MAYOR: \_\_\_\_\_ ATTEST: \_\_\_\_\_  
CLERK/RECORDER (SEE SEAL BELOW)

**UTAH COUNTY SURVEYOR**

APPROVED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_\_\_, BY THE UTAH COUNTY SURVEYOR. THIS PLAT HAS BEEN REVIEWED BY THE COUNTY SURVEYOR AND IS HERE BY CERTIFIED AS A FINAL LOCAL ENTITY PLAT, PURSUANT TO SECTION 17-23-20 OF UTAH STATE CODE.

UTAH COUNTY SURVEYOR \_\_\_\_\_

**FINAL LOCAL ENTITY PLAT**  
**ANNEXATION OF THE MCLACHLAN PROPERTY**  
**INTO LEHI CITY**  
 LOCATED WITHIN NORTHEAST QUARTER OF SECTION 11  
 AND THE SOUTHEAST QUARTER OF SECTION 2,  
 TOWNSHIP 5 SOUTH, RANGE 1 WEST, SALT LAKE BASE AND MERIDIAN  
 UTAH COUNTY, UTAH

**DEVELOPER**  
**EDGE HOMES**  
 13702 S. 200 W., B12  
 DRAPER, UTAH 84020

**SHEET 1 OF 1**

PROJECT NUMBER: 8069  
 MANAGER: BDM  
 DRAWN BY: KFW  
 CHECKED BY: PMH  
 DATE: 10/8/19

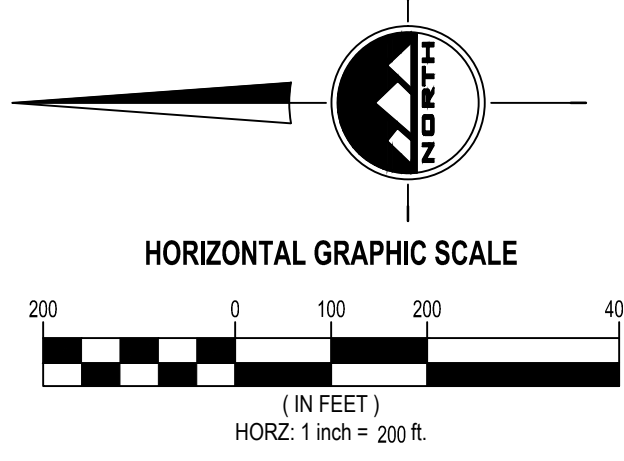
**ENSIGN**

SALT LAKE CITY  
 45 West 10000 South Suite 500  
 Sandy, UT 84070  
 Phone: 801.255.0529  
 Fax: 801.255.4449  
 WWW.ENSIGNUTAH.COM

LAYTON  
 Phone: 801.547.1100  
 TOOELE  
 Phone: 435.843.3590  
 CEDAR CITY  
 Phone: 435.865.1453

**SURVEYOR'S SEAL**  
 CITY ENGINEER'S SEAL  
 CLERK-RECORDER SEAL

**PROFESSIONAL LAND SURVEYOR**  
 No. 286882  
 PATRICK M. HARRIS  
 STATE OF UTAH



## City Council Agenda Item Report

Meeting Date: October 22, 2019

Submitted by: Brittney Harris

Submitting Department: Planning Division

Item Type: Action Item

Agenda Section:

---

### **Subject:**

Consideration of Preliminary and Final subdivision approval for the Ridge Office, a 4-lot commercial development located at approximately Triumph Blvd & Ridge Drive.

Petitioner: Trevor Evans

### **Suggested Action:**

### **Attachments:**

[Ridge 2.pdf](#)

[Ridge Office Preliminary and Final Subdivision DRC 09.04.19.docx](#)

[The Ridge Office Subdivision Civil Plans.pdf](#)

[zoning.pdf](#)

[Aerial.pdf](#)

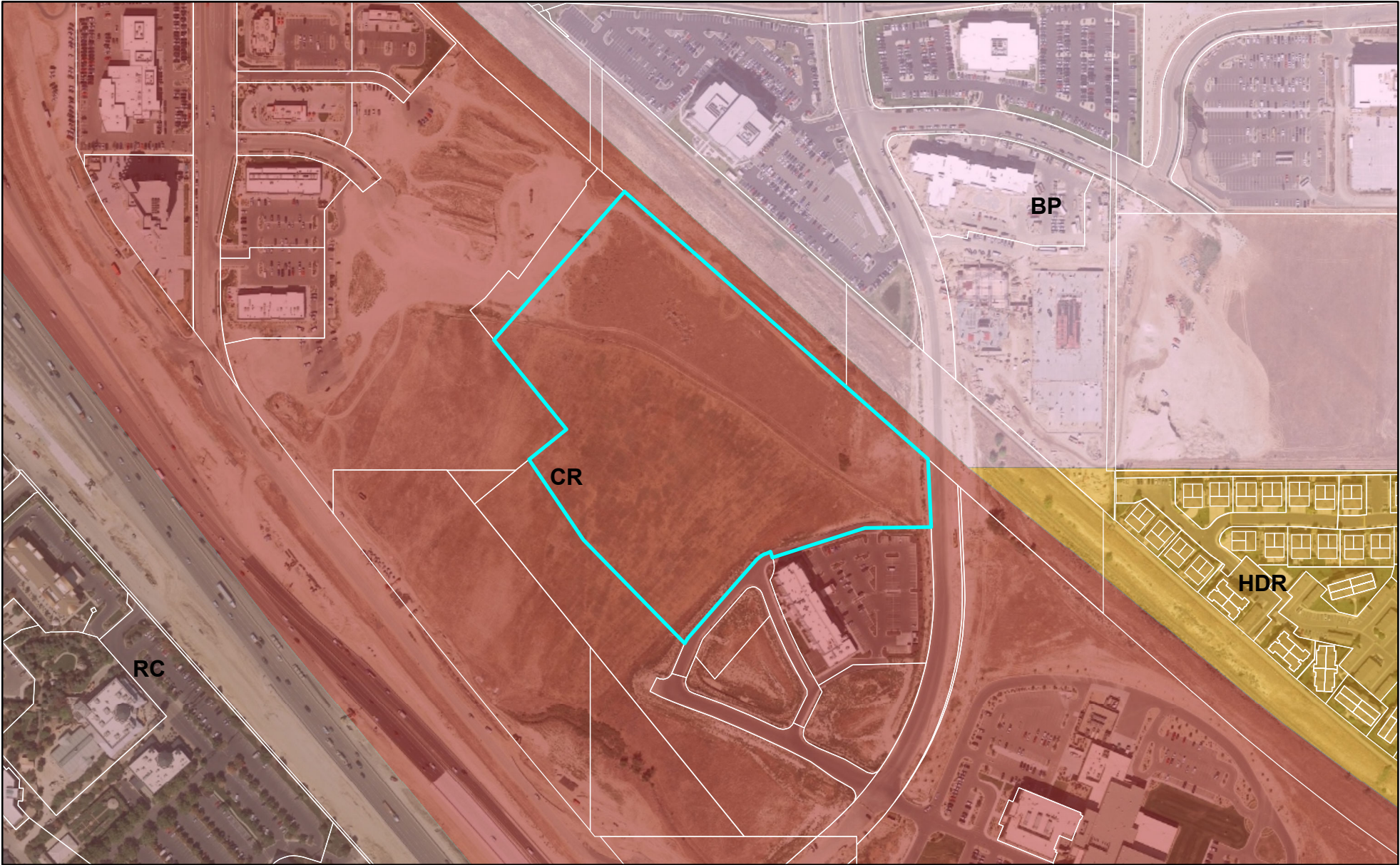
[CCR The Ridge Office Final Subdivision 10.22.19.docx](#)

[GP.pdf](#)

[Ridge 1.pdf](#)

# The Ridge Office Phase 2

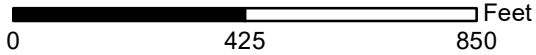
## Zoning



0 425 850 Feet

# The Ridge Office Phase 2

## Zoning



# The Ridge Office Phase 2

## Aerial



0 425 850 Feet

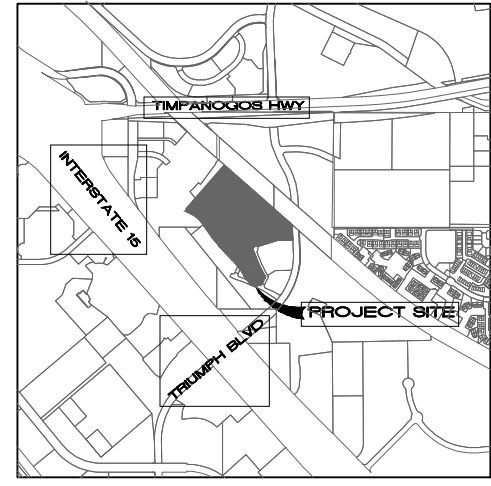
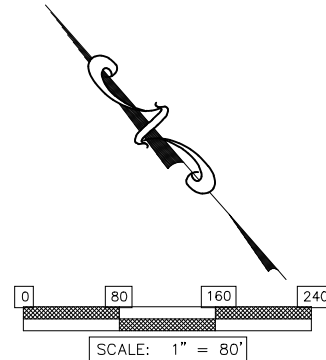


NOTE:  
ROADWAY ACCESS EASEMENT (EXTENSION OF HOTEL LOOP ROAD) WILL MEET THE REQUIREMENTS OF A STREET WITH ANGLED PARKING AND SIDEWALKS ON BOTH SIDES AT THE TIME OF ADDITIONAL DEVELOPMENT.

**THE RIDGE OFFICE**  
LOCATED IN THE WEST HALF OF  
SECTION 31, TOWNSHIP 4 SOUTH, RANGE 1 EAST,  
SALT LAKE BASE AND MERIDIAN

Curve #	Length	Radius	Delta	Chord	Chord Bearing
C1	29.24	54.00	31°01'43"	28.89	S56°46'38"W
C2	84.68	987.00	4°54'56"	84.65	S22°07'43"E
C3	257.68	1353.30	10°54'34"	257.29	S25°07'32"E
C4	24.98	24.00	59°38'03"	23.87	S03°32'39"E
C5	18.92	30.00	36°07'42"	18.60	S44°15'32"W
C6	75.99	2538.00	1°42'56"	75.99	N59°40'15"W
C7	22.70	15.00	86°41'36"	20.59	N77°50'25"E
C8	111.15	785.00	8°06'46"	111.06	N38°33'00"E
C9	26.64	15.00	101°44'48"	23.27	N08°16'01"W
C10	60.18	2460.00	1°24'06"	60.17	N59°50'28"W
C11	120.83	2468.00	2°48'18"	120.82	N63°38'42"W
C12	207.44	332.00	35°47'58"	204.08	S47°08'52"E
C13	227.04	868.00	14°59'13"	226.40	N36°44'30"W
C14	354.65	2032.00	10°00'00"	354.20	S39°14'06"E
C15	95.96	368.00	14°56'26"	95.69	N41°42'19"W
C16	60.66	368.00	9°26'41"	60.59	N53°53'52"W
C17	282.24	2500.00	6°28'07"	282.09	N61°48'48"W
C18	187.45	300.00	35°47'58"	184.41	S47°08'52"E

Curve #	Length	Radius	Delta	Chord	Chord Bearing
C19	235.41	900.00	14°59'13"	234.74	N36°44'30"W
C20	349.07	2000.00	10°00'00"	348.62	S39°14'06"E
C21	104.30	400.00	14°56'26"	104.01	N41°42'19"W
C22	65.69	400.00	9°24'33"	65.61	N53°52'49"W
C23	70.72	432.00	9°22'45"	70.64	N53°51'54"W
C24	112.65	432.00	14°56'26"	112.33	N41°42'19"W
C25	343.48	1968.00	10°00'00"	343.05	S39°14'06"E
C26	243.78	932.00	14°59'13"	243.09	N36°44'30"W
C27	167.45	268.00	35°47'58"	164.74	S47°08'52"E
C28	34.11	2532.00	0°46'19"	34.11	N64°39'42"W
C29	29.95	932.00	1°50'28"	29.95	N30°10'07"W
C30	213.84	932.00	13°08'45"	213.37	N37°39'43"W
C31	60.65	1968.00	1°45'57"	60.65	S43°21'08"E
C32	282.83	1968.00	8°14'03"	282.59	S38°21'08"E
C33	50.92	1353.30	2°09'22"	50.92	S20°44'56"E
C34	206.75	1353.30	8°45'12"	206.55	S26°12'13"E
C35	52.38	785.00	3°49'24"	52.37	N36°24'19"E
C36	58.77	785.00	4°17'22"	58.76	N40°27'42"E

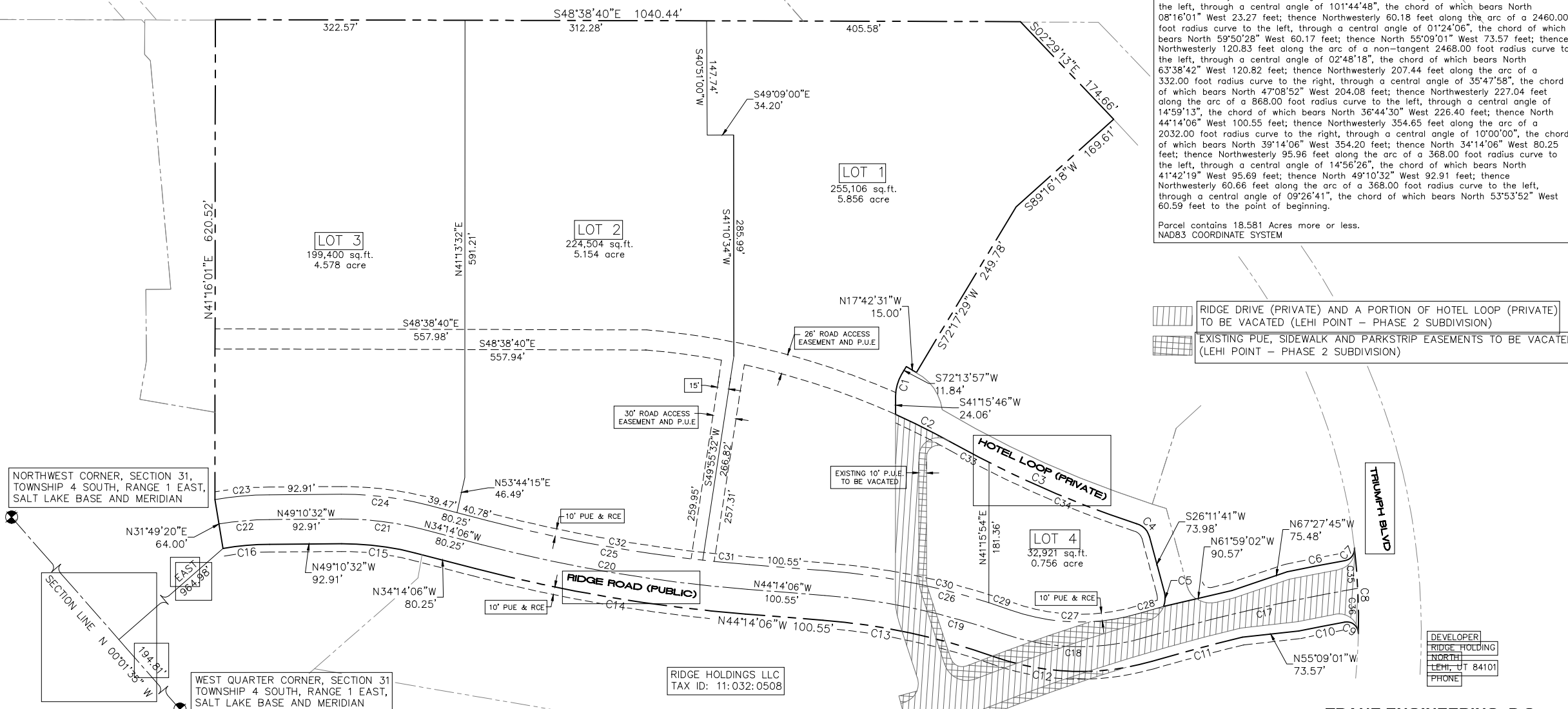


VICINITY MAP

BOUNDARY DESCRIPTION CONTINUED

thence South 61°59'02" East 90.57 feet; thence South 67°27'45" East 75.48 feet; thence Southeast 75.99 feet along the arc of a non-tangent 2538.00 foot radius curve to the right, through a central angle of 01°42'56", the chord of which bears South 59°40'15" East 75.99 feet; thence Northeast 22.70 feet along the arc of a 15.00 foot radius curve to the left, through a central angle of 86°41'36", the chord of which bears North 77°50'25" East 20.59 feet; thence Northwest 111.15 feet along the arc of a non-tangent 785.00 foot radius curve to the right, through a central angle of 08°06'46", the chord of which bears South 38°33'00" West 111.06 feet; thence Northerly 26.64 feet along the arc of a non-tangent 15.00 foot radius curve to the left, through a central angle of 101°44'48", the chord of which bears North 08°16'01" West 23.27 feet; thence Northwest 60.18 feet along the arc of a 2460.00 foot radius curve to the left, through a central angle of 01°24'06", the chord of which bears North 59°50'28" West 60.17 feet; thence North 55°09'01" West 73.57 feet; thence Northwest 120.83 feet along the arc of a non-tangent 2468.00 foot radius curve to the left, through a central angle of 02°48'18", the chord of which bears North 63°38'42" West 120.82 feet; thence Northwest 207.44 feet along the arc of a 332.00 foot radius curve to the right, through a central angle of 35°47'58", the chord of which bears North 47°08'52" West 204.08 feet; thence Northwest 227.04 feet along the arc of a 868.00 foot radius curve to the left, through a central angle of 14°59'13", the chord of which bears North 36°44'30" West 226.40 feet; thence North 44°14'06" West 100.55 feet; thence Northwest 354.65 feet along the arc of a 2032.00 foot radius curve to the right, through a central angle of 10°00'00", the chord of which bears North 39°14'06" West 354.20 feet; thence North 34°14'06" West 80.25 feet; thence Northwest 95.96 feet along the arc of a 368.00 foot radius curve to the left, through a central angle of 14°56'26", the chord of which bears North 41°42'19" West 95.69 feet; thence North 49°10'32" West 92.91 feet; thence Northwest 60.66 feet along the arc of a 368.00 foot radius curve to the left, through a central angle of 09°26'41", the chord of which bears North 53°53'52" West 60.59 feet to the point of beginning.

Parcel contains 18.581 Acres more or less.  
NAD83 COORDINATE SYSTEM



**SURVEYOR'S CERTIFICATE**  
I, TRAVIS TRANE, DO HEREBY CERTIFY THAT I AM A PROFESSIONAL LAND SURVEYOR AND THAT I HOLD LICENSE NO. 5152741, IN ACCORDANCE WITH TITLE 58, CHAPTER 22 OF THE PROFESSIONAL ENGINEERS AND LAND SURVEYORS LICENSING ACT. I FURTHER CERTIFY THAT BY AUTHORITY OF THE OWNERS, A SURVEY WAS COMPLETED IN ACCORDANCE WITH SECTION 17-23-17. I FURTHER CERTIFY THAT I HAVE VERIFIED ALL MEASUREMENTS AND THAT MONUMENTS HAVE BEEN PLACED AS SHOWN ON THIS PLAT. I HEREBY STATE THAT THIS PLAT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION, BELIEF AND IN MY PROFESSIONAL OPINION.

(SURVEYOR), P.L.S. \_\_\_\_\_ DATE \_\_\_\_\_

**BOUNDARY DESCRIPTION**  
Beginning at a point which is North 00°01'35" West 194.81 feet along the section line and East 964.98 feet from the West Quarter Corner of Section 31, Township 4 South, Range 1 East, Salt Lake Base and Meridian; thence North 31°49'20" East 64.00 feet; thence North 41°16'01" East 620.52 feet; thence South 48°38'40" East 1040.44 feet; thence South 02°29'13" East 174.66 feet; thence South 89°16'18" West 169.61 feet; thence South 72°17'29" West 249.78 feet; thence North 17°42'31" West 15.00 feet; thence South 72°13'57" West 11.84 feet; thence Southwesterly 29.24 feet along the arc of a non-tangent 54.00 foot radius curve to the left, through a central angle of 31°01'43", the chord of which bears South 56°46'38" West 28.89 feet; thence South 41°15'46" West 24.06 feet; thence Southeast 84.68 feet along the arc of a non-tangent 987.00 foot radius curve to the right, through a central angle of 04°54'56", the chord of which bears South 22°07'43" East 84.65 feet; thence Southeast 257.68 feet along the arc of a 1353.30 foot radius curve to the left, through a central angle of 10°54'34", the chord of which bears South 25°07'32" East 257.29 feet; thence South 24.98 feet along the arc of a 24.00 foot radius curve to the right, through a central angle of 59°38'03", the chord of which bears South 03°32'39" East 23.87 feet; thence South 26°11'41" West 73.98 feet; thence Southwesterly 18.92 feet along the arc of a 30.00 foot radius curve to the right, through a central angle of 36°07'42", the chord of which bears South 44°15'32" West 18.60 feet;

**OWNER'S DEDICATION**  
Know all men by these presents that the undersigned are the owners of the above described tract of land, and hereby cause the same to be divided into lots, parcels and streets, together with easements as set forth to be hereafter known as THE RIDGE OFFICE and do hereby dedicate for the perpetual use of the public all roads and other areas shown on this plat as intended for public use. The undersigned owners also hereby convey to any and all public utility companies a perpetual, non-exclusive easement over the public utility easements shown on this plat, the same to be used for the installation, maintenance and operation of utility lines and facilities.

IN WITNESS WHEREOF WE HAVE HEREUNTO SET OUR HANDS THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, A.D. 20\_\_\_\_

**ACKNOWLEDGEMENT**  
STATE OF UTAH )  
COUNTY OF UTAH ) S.S.  
ON THE \_\_\_\_\_ DAY OF \_\_\_\_\_, A.D. 20\_\_\_\_ PERSONALLY APPEARED BEFORE ME THE SIGNERS OF THE FOREGOING DEDICATION WHO DULY ACKNOWLEDGE TO ME THAT THEY DID EXECUTE THE SAME.

NOTARY \_\_\_\_\_ NOTARY PUBLIC SIGNATURE \_\_\_\_\_  
COMMISSION # \_\_\_\_\_  
MY COMMISSION EXPIRES \_\_\_\_\_  
A NOTARY PUBLIC COMMISSIONED IN UTAH

**ACCEPTANCE BY LEGISLATIVE BODY**  
THE \_\_\_\_\_ OF \_\_\_\_\_ COUNTY OF UTAH APPROVES THIS SUBDIVISION AND HEREBY ACCEPTS THE DEDICATION OF ALL STREETS, EASEMENTS, AND OTHER PARCELS OF LAND INTENDED FOR PUBLIC PURPOSES FOR THE PERPETUAL USE OF THE PUBLIC THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, A.D. 20\_\_\_\_

ATTEST \_\_\_\_\_ CLERK-RECORDER (See Seal-Back)  
PLANNING COMMISSION APPROVAL  
APPROVED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, A.D. 20\_\_\_\_ BY THE \_\_\_\_\_ PLANNING COMMISSION  
DIRECTOR-SECRETARY \_\_\_\_\_ CHAIRMAN, PLANNING COMMISSION \_\_\_\_\_

**THE RIDGE OFFICE**  
A COMMERCIAL SUBDIVISION  
INCLUDING A VACATION OF LOT 3  
OF LEHI POINTE-PHASE 2

LEHI UTAH COUNTY, UTAH  
SCALE: 1" = 80' FEET

DEVELOPER: RIDGE HOLDING NORTH, LEHI, UT 84101, PHONE: \_\_\_\_\_  
SURVEYOR SEAL: \_\_\_\_\_ NOTARY PUBLIC SEAL: \_\_\_\_\_ CITY-COUNTY ENGINEER SEAL: \_\_\_\_\_ CLERK-RECORDED SEAL: \_\_\_\_\_

**TRANE ENGINEERING, P.C.**  
CONSULTING ENGINEERS AND LAND SURVEYORS  
27 EAST MAIN LEHI, UTAH 84043 (801) 768-4544

**Ridge Office Preliminary and Final Subdivision  
DRC Redline Comments**

Trevor Evans – requests review of the Ridge Office Phase 1 Site Plan, a 6.29-acre commercial development located at approximately Triumph Blvd & Ridge Drive.

DRC Members Present: Glade Kirkham, Kerry Evans, Greg Allred, Kim Struthers, Gary Smith, Joshua Bunnell, Brad Kenison, Trent Dyer

Representatives of the Applicant Present: Trevor Evans, Andrew Bybee and Tony Trane

Date of Plans Reviewed: 8/29/19

Time Start: 10:28

Time End: 10:36

**DRC REDLINE COMMENTS:**

**Glade – Power:** General Information: Power infrastructure and street lighting will be installed with the road construction. Power will add a sheet to the approved set that shows the power infrastructure. (Replacing the power sheet included)

**Kerry – Fire:** No comments

**Greg – Water/Sewer:**

- 1. Move in line PI valves outside of intersection rather than clustered at the tee.

**Kim – Planning:** No comments

**Gary – Building/Inspections:** No comments

**JD – Streets:**

- 2. Showing 2 curb and gutters

**Brad – Engineering:**

- 3. Provide a traffic memo showing the amount of traffic generated with this building versus the overall development.
- 4. Provide the inside fire flow rate for each building.
- 5. Change note to read "Public Utility and Roadway Construction Easement"

**Trent – Parks:** No comments

**PRIOR TO PRECONSTRUCTION MEETING:**

- 1. Provide an engineer’s cost estimate for the cost of all improvements.
- 2. Escrow Bond or Letter of Credit and Public/Private Improvement Agreement for all public and private improvements must be in place (from a financial institution with a branch in Utah).
- 3. Reimbursement Agreement for any reimbursable improvement items must be in place.
- 4. Required water dedication must be completed.
- 5. Surveyor’s and engineer’s stamps on construction drawings.
- 6. Off-site easements (turnarounds, utilities, power, etc).
- 7. Provide a copy of any necessary boundary line agreement(s).
- 8. Provide required licenses (railroad, UDOT, UTA, aqueduct, canal, etc).
- 9. Submit Storm Water Pollution Prevention Plan (SWPPP) through ComplianceGo.com for review by Lehi Public Works (call Rochelle with Public Works at 385-201-1900 with questions).
- 10. Schedule a SWPPP inspection through Lehi City Water Dept. (call 385-201-1900). This should be the last item completed prior to scheduling a preconstruction meeting.
- 11. Provide a Long Term Storm Water Management Plan and Agreement to Planning Division for review and approval (signed by Mayor). Final Agreement to be recorded by developer.
- 12. The Ridge Office Subdivision and the Lehi Pointe Phase 3 Subdivision plats must be recorded.
- 13. Address comments from Planning Commission approval.

**DRC GENERAL COMMENTS:**

- 1. On the power, developer will install conduit; Lehi City Power will install all other required power infrastructure shown on the plans and charge the developer for the costs. These costs are separate from power impact fees that are paid with the building permit.
- 2. Developer is responsible to furnish adequate rights of way or easements for construction of off-site power line extensions.

**Note:** This list of corrections and deficiencies should not be considered as an all-inclusive or final list. The items listed need to be corrected and resolved and a new set of information submitted for review by the DRC. Further corrections and deficiencies may still be noted as the DRC further reviews the resubmitted information.

3. Once approved by the Planning Commission or City Council (whichever is applicable) plans may be submitted for check-off. Check-off plans consist of one 24x36 set of plans submitted to the Planning Department. When changes need to be made to a check-off set, revise the affected sheets only. Each new submittal will require a revision date on each new sheet.
4. Prior to the pre-construction meeting, Lehi City Staff will make copies of plans for the meeting from the check-off set and the developer will pay fees for the copies.
5. All signage will require a separate review and approval process
6. All required private improvements (except private landscaping) shall be completed prior to the certificate of occupancy being granted.
7. The approval of a development shall be effective for a period of two (2) years from the date the development is approved by the Planning Commission or City Council, whichever is applicable.
8. Approved vehicle access for firefighting shall be provided to all construction or demolition sites. Vehicle access shall be provided to within 100 feet of temporary or permanent fire department connections. Vehicle access shall be provided by either a twenty (20) foot minimum width temporary or permanent road, capable of supporting vehicle loading under all weather conditions. Vehicle access shall be kept clear of all fencing, barricades, dumpsters, vehicles, construction materials and debris and maintained until permanent fire apparatus access roads are available.
9. Continue to coordinate with power for circuit tie at west end of Ridge Road.

THIS ITEM WILL GO TO PLANNING COMMISSION ON SEPTEMBER 26, 2019

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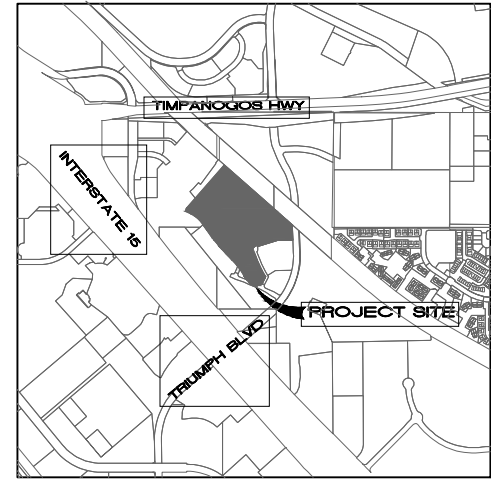
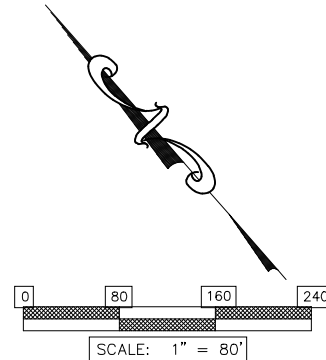
**Note: This list of corrections and deficiencies should not be considered as an all-inclusive or final list. The items listed need to be corrected and resolved and a new set of information submitted for review by the DRC. Further corrections and deficiencies may still be noted as the DRC further reviews the resubmitted information.**

NOTE:  
ROADWAY ACCESS EASEMENT (EXTENSION OF HOTEL LOOP ROAD) WILL MEET THE REQUIREMENTS OF A STREET WITH ANGLED PARKING AND SIDEWALKS ON BOTH SIDES AT THE TIME OF ADDITIONAL DEVELOPMENT.

**THE RIDGE OFFICE**  
LOCATED IN THE WEST HALF OF  
SECTION 31, TOWNSHIP 4 SOUTH, RANGE 1 EAST,  
SALT LAKE BASE AND MERIDIAN

Curve #	Length	Radius	Delta	Chord	Chord Bearing
C1	29.24	54.00	31°01'43"	28.89	S56°46'38"W
C2	84.68	987.00	4°54'56"	84.65	S22°07'43"E
C3	257.68	1353.30	10°54'34"	257.29	S25°07'32"E
C4	24.98	24.00	59°38'03"	23.87	S03°32'39"E
C5	18.92	30.00	36°07'42"	18.60	S44°15'32"W
C6	75.99	2538.00	1°42'56"	75.99	N59°40'15"W
C7	22.70	15.00	86°41'36"	20.59	N77°50'25"E
C8	111.15	785.00	8°06'46"	111.06	N38°33'00"E
C9	26.64	15.00	101°44'48"	23.27	N08°16'01"W
C10	60.18	2460.00	1°24'06"	60.17	N59°50'28"W
C11	120.83	2468.00	2°48'18"	120.82	N63°38'42"W
C12	207.44	332.00	35°47'58"	204.08	S47°08'52"E
C13	227.04	868.00	14°59'13"	226.40	N36°44'30"W
C14	354.65	2032.00	10°00'00"	354.20	S39°14'06"E
C15	95.96	368.00	14°56'26"	95.69	N41°42'19"W
C16	60.66	368.00	9°26'41"	60.59	N53°53'52"W
C17	282.24	2500.00	6°28'07"	282.09	N61°48'48"W
C18	187.45	300.00	35°47'58"	184.41	S47°08'52"E

Curve #	Length	Radius	Delta	Chord	Chord Bearing
C19	235.41	900.00	14°59'13"	234.74	N36°44'30"W
C20	349.07	2000.00	10°00'00"	348.62	S39°14'06"E
C21	104.30	400.00	14°56'26"	104.01	N41°42'19"W
C22	65.69	400.00	9°24'33"	65.61	N53°52'49"W
C23	70.72	432.00	9°22'45"	70.64	N53°51'54"W
C24	112.65	432.00	14°56'26"	112.33	N41°42'19"W
C25	343.48	1968.00	10°00'00"	343.05	S39°14'06"E
C26	243.78	932.00	14°59'13"	243.09	N36°44'30"W
C27	167.45	268.00	35°47'58"	164.74	S47°08'52"E
C28	34.11	2532.00	0°46'19"	34.11	N64°39'42"W
C29	29.95	932.00	1°50'28"	29.95	N30°10'07"W
C30	213.84	932.00	13°08'45"	213.37	N37°39'43"W
C31	60.65	1968.00	1°45'57"	60.65	S43°21'08"E
C32	282.83	1968.00	8°14'03"	282.59	S38°21'08"E
C33	50.92	1353.30	2°09'22"	50.92	S20°44'56"E
C34	206.75	1353.30	8°45'12"	206.55	S26°12'13"E
C35	52.38	785.00	3°49'24"	52.37	N36°24'19"E
C36	58.77	785.00	4°17'22"	58.76	N40°27'42"E

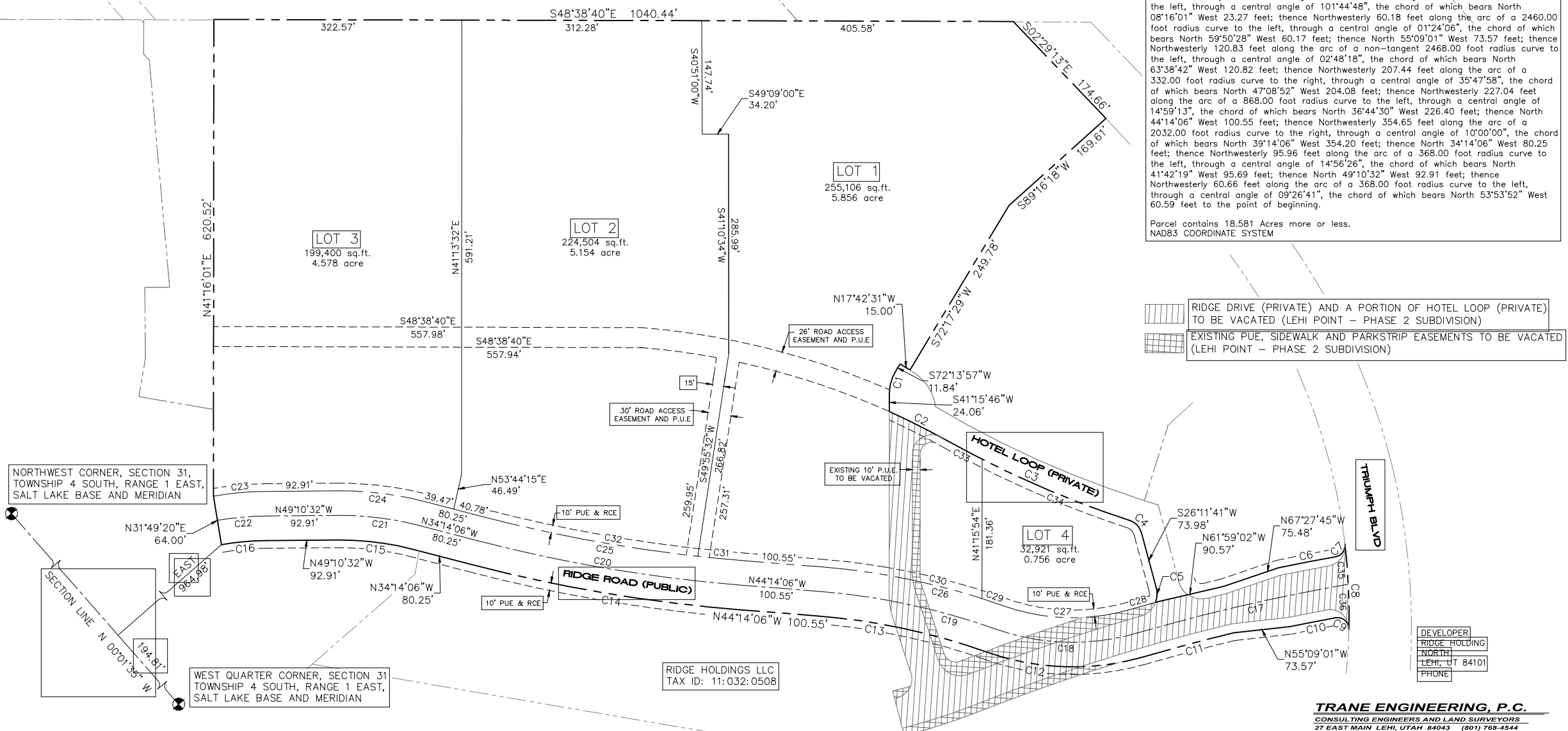


**VICINITY MAP**

**BOUNDARY DESCRIPTION CONTINUED**

thence South 61°59'02" East 90.57 feet; thence South 67°27'45" East 75.48 feet; thence Southeast 75.99 feet along the arc of a non-tangent 2538.00 foot radius curve to the right, through a central angle of 01°42'56", the chord of which bears South 59°40'15" East 75.99 feet; thence Northeast 22.70 feet along the arc of a 15.00 foot radius curve to the left, through a central angle of 86°41'36", the chord of which bears North 77°50'25" East 20.59 feet; thence Northwest 111.15 feet along the arc of a non-tangent 785.00 foot radius curve to the right, through a central angle of 08°06'46", the chord of which bears South 38°33'00" West 111.06 feet; thence Northerly 26.64 feet along the arc of a non-tangent 15.00 foot radius curve to the left, through a central angle of 101°44'48", the chord of which bears North 08°16'01" West 23.27 feet; thence Northwest 60.18 feet along the arc of a 2460.00 foot radius curve to the left, through a central angle of 01°24'06", the chord of which bears North 59°50'28" West 60.17 feet; thence North 55°09'01" West 73.57 feet; thence Northwest 120.83 feet along the arc of a non-tangent 2468.00 foot radius curve to the left, through a central angle of 02°48'18", the chord of which bears North 63°38'42" West 120.82 feet; thence Northwest 207.44 feet along the arc of a 332.00 foot radius curve to the right, through a central angle of 35°47'58", the chord of which bears North 47°08'52" West 204.08 feet; thence Northwest 227.04 feet along the arc of a 868.00 foot radius curve to the left, through a central angle of 14°59'13", the chord of which bears North 36°44'30" West 226.40 feet; thence North 44°14'06" West 100.55 feet; thence Northwest 354.65 feet along the arc of a 2032.00 foot radius curve to the right, through a central angle of 10°00'00", the chord of which bears North 39°14'06" West 354.20 feet; thence North 34°14'06" West 80.25 feet; thence Northwest 95.96 feet along the arc of a 368.00 foot radius curve to the left, through a central angle of 14°56'26", the chord of which bears North 41°42'19" West 95.69 feet; thence North 49°10'32" West 92.91 feet; thence Northwest 60.66 feet along the arc of a 368.00 foot radius curve to the left, through a central angle of 09°26'41", the chord of which bears North 53°53'52" West 60.59 feet to the point of beginning.

Parcel contains 18.581 Acres more or less.  
NAD83 COORDINATE SYSTEM



**SURVEYOR'S CERTIFICATE**  
I, TRAVIS TRANE, DO HEREBY CERTIFY THAT I AM A PROFESSIONAL LAND SURVEYOR AND THAT I HOLD LICENSE NO. 5152741, IN ACCORDANCE WITH TITLE 58, CHAPTER 22 OF THE PROFESSIONAL ENGINEERS AND LAND SURVEYORS LICENSING ACT. I FURTHER CERTIFY THAT BY AUTHORITY OF THE OWNERS, A SURVEY WAS COMPLETED IN ACCORDANCE WITH SECTION 17-23-17. I FURTHER CERTIFY THAT I HAVE VERIFIED ALL MEASUREMENTS AND THAT MONUMENTS HAVE BEEN PLACED AS SHOWN ON THIS PLAT. I HEREBY STATE THAT THIS PLAT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION, BELIEF AND IN MY PROFESSIONAL OPINION.

(SURVEYOR), P.L.S. \_\_\_\_\_ DATE \_\_\_\_\_

**BOUNDARY DESCRIPTION**  
Beginning at a point which is North 00°01'35" West 194.81 feet along the section line and East 964.98 feet from the West Quarter Corner of Section 31, Township 4 South, Range 1 East, Salt Lake Base and Meridian; thence North 31°49'20" East 64.00 feet; thence North 41°16'01" East 620.52 feet; thence South 48°38'40" East 1040.44 feet; thence South 02°29'13" East 174.66 feet; thence South 89°16'18" West 169.61 feet; thence South 72°17'29" West 249.78 feet; thence North 17°42'31" West 15.00 feet; thence South 72°13'57" West 11.84 feet; thence Southwesterly 29.24 feet along the arc of a non-tangent 54.00 foot radius curve to the left, through a central angle of 31°01'43", the chord of which bears South 56°46'38" West 28.89 feet; thence South 41°15'46" West 24.06 feet; thence Southeast 84.68 feet along the arc of a non-tangent 987.00 foot radius curve to the right, through a central angle of 04°54'56", the chord of which bears South 22°07'43" East 84.65 feet; thence Southeast 257.68 feet along the arc of a 1353.30 foot radius curve to the left, through a central angle of 10°54'34", the chord of which bears South 25°07'32" East 257.29 feet; thence Southerly 24.98 feet along the arc of a 24.00 foot radius curve to the right, through a central angle of 59°38'03", the chord of which bears South 03°32'39" East 23.87 feet; thence South 26°11'41" West 73.98 feet; thence Southwesterly 18.92 feet along the arc of a 30.00 foot radius curve to the right, through a central angle of 36°07'42", the chord of which bears South 44°15'32" West 18.60 feet;

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Know all men by these presents that the undersigned are the owners of the above described tract of land, and hereby cause the same to be divided into lots, parcels and streets, together with easements as set forth to be hereafter known as THE RIDGE OFFICE and do hereby dedicate for the perpetual use of the public all roads and other areas shown on this plat as intended for public use. The undersigned owners also hereby convey to any and all public utility companies a perpetual, non-exclusive easement over the public utility easements shown on this plat, the same to be used for the installation, maintenance and operation of utility lines and facilities.

IN WITNESS WHEREOF WE HAVE HEREUNTO SET OUR HANDS THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, A.D. 20\_\_\_\_

**ACKNOWLEDGEMENT**  
STATE OF UTAH )  
COUNTY OF UTAH ) S.S.  
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A NOTARY PUBLIC COMMISSIONED IN UTAH

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DIRECTOR-SECRETARY \_\_\_\_\_ CHAIRMAN, PLANNING COMMISSION \_\_\_\_\_

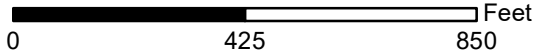
**THE RIDGE OFFICE**  
A COMMERCIAL SUBDIVISION  
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OF LEHI POINTE-PHASE 2

LEHI UTAH COUNTY, UTAH  
SCALE: 1" = 80' FEET  
DEVELOPER: RIDGE HOLDING NORTH, LEHI, UT 84011, PHONE: \_\_\_\_\_  
SURVEYOR SEAL: \_\_\_\_\_ NOTARY PUBLIC SEAL: \_\_\_\_\_ CITY-COUNTY ENGINEER SEAL: \_\_\_\_\_ CLERK-RECORDED SEAL: \_\_\_\_\_

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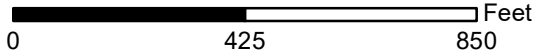
# The Ridge Office Phase 2

## Zoning



# The Ridge Office Phase 2

## Aerial



# THE RIDGE OFFICE PRELIMINARY AND FINAL SUBDIVISION CITY COUNCIL REPORT

<b>Applicant</b>	Trevor Evans		
<b>Meeting Date</b>	October 22, 2019		
<b>Requested Action/Purpose</b>	Approval of a preliminary and final subdivision		
<b>Location</b>	Approximately Triumph Boulevard and Ridge Drive		
<b>Existing Land Use</b>	Undeveloped		
<b>Existing Zoning</b>	Commercial		
<b>General Plan Land Use Designation</b>	Regional Commercial		
<b>Number of Lots/Units</b>	4 Lots		
<b>Adjacent Zoning and Land Use</b>	<i>North</i>	Commercial	Undeveloped
	<i>South</i>	Commercial	Undeveloped
	<i>East</i>	Business Park	Railroad Corridor
	<i>West</i>	Commercial	Undeveloped
<b>Date of DRC Review</b>	September 4, 2019		
<b>Assigned Planner</b>	Brittney Harris		

## REQUIRED ACTION

<b>City Council</b>	Final approval
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## APPLICABLE DEVELOPMENT CODE REGULATIONS

**Section 11.080.** Preliminary Plat Approval Process.

The review and approval process for a Preliminary Subdivision Plat is identified in the appendix of this code, including review by the Development Review Committee, review and recommendation following a public hearing by the Planning Commission and review and approval by the City Council.

**Section 11.100.** Effect of Preliminary Subdivision Plat Approval.

A preliminary subdivision plat shall not authorize the development of land. After a preliminary subdivision plat has been approved by the City Council, the applicant may file an application for final subdivision plat approval.

**Section 37.010.** Urban Tech Mixed Use District Design Standards

New office, housing, mixed-use, and hotel developments shall meet a minimum floor-to-area ratio (FAR) of 1.0 or higher (see Figures 101 and 102). Projects may be phased and a phasing plan shall be submitted to show how the site will ultimately be developed to meet the FAR requirement. The initial FAR shall be a minimum of 0.4 when project phasing is utilized. The FAR shall be calculated based on the net developable area which removes acreage from the calculation for area used for master planned roads, railroads, slopes greater than 20 percent, wetlands, power transmission line easements, natural gas line easements, or other feature inhibiting development.

Pedestrian circulation:

1. Sidewalk connections shall interconnect the building entrance, public and private street sidewalks, parking areas, master planned trails, and adjacent properties.
2. Sidewalks shall be a minimum five feet in width and may be constructed of concrete, asphalt, brick pavers, or other material as approved by the City Engineer.

3. Pedestrian walkways shall include ramps and crosswalks where they cross streets, internal roads, drive aisles, and parking areas. Crosswalks shall be painted or delineated with brick pavers, stamped and colored asphalt, or stamped and colored concrete.
4. Raised central median strips, bulb-outs and other traffic calming elements may be required by the City Engineer based on recommendations from a licensed traffic engineer.
5. Pedestrian access through a block shall be provided at a maximum spacing of 400 feet.

## PROPERTY HISTORY

**June 30, 1978:** This property was annexed into Lehi City as part of the Calvin G Fox Annexation

**September 12, 2019:** The Ridge Office Phase 2 Site Plan was approved by Planning Commission

## REPORT ANALYSIS

The applicant requests preliminary and final subdivision review and approval of The Ridge Office located at approximately Triumph Boulevard and Ridge Road. This report will discuss the proposed plat, street connectivity requirements, and the DRC comments.

The proposed subdivision consists of four commercial lots with space for three office buildings, a retail pad, and surface parking that can be built upon in the future. The three lots intended for office buildings range from approximately 4.5 acres to 5.8 acres in size, and the lot intended for a retail pad is approximately 0.7 acres. The plat shows road and access easements for the proposed private streets that allow for cross access, and these easements also serve as a public utility easement. In this subdivision, Ridge Road is proposed to be public which would meet the requirements of Section 2.02(I) of the Lehi City Design Standards to ensure that the subdivision abuts and has access to at least one paved public street.

This project meets sidewalk and roadway connectivity standards at the time of full build-out. The private roads internal to the development can be expanded with future development. The current private street to the east of Lot 2 includes angled on street parking and sidewalk connectivity which currently meets the requirements of a street. The private street to the north of the proposed buildings will function as a drive isle for the parking at this phase of the development; however, in the future it can be expanded to function as a through street with sidewalks on both sides. This future expansion would meet the requirement for street connectivity, and a note has been provided on the subdivision plat indicating this requirement.

The DRC has five comments:

1. Move in line PI valves outside of intersection rather than clustered at the tee.
2. Showing 2 curb and gutters
3. Provide a traffic memo showing the amount of traffic generated with this building versus the overall development.
4. Provide the inside fire flow rate for each building.
5. Change note to read "Public Utility and Roadway Construction Easement"

Please consider all DRC comments in the motion.

## PLANNING DIVISION RECOMMENDATION

Planning Staff recommends **APPROVAL** of the proposed The Ridge Office final subdivision including the DRC

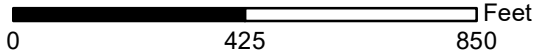
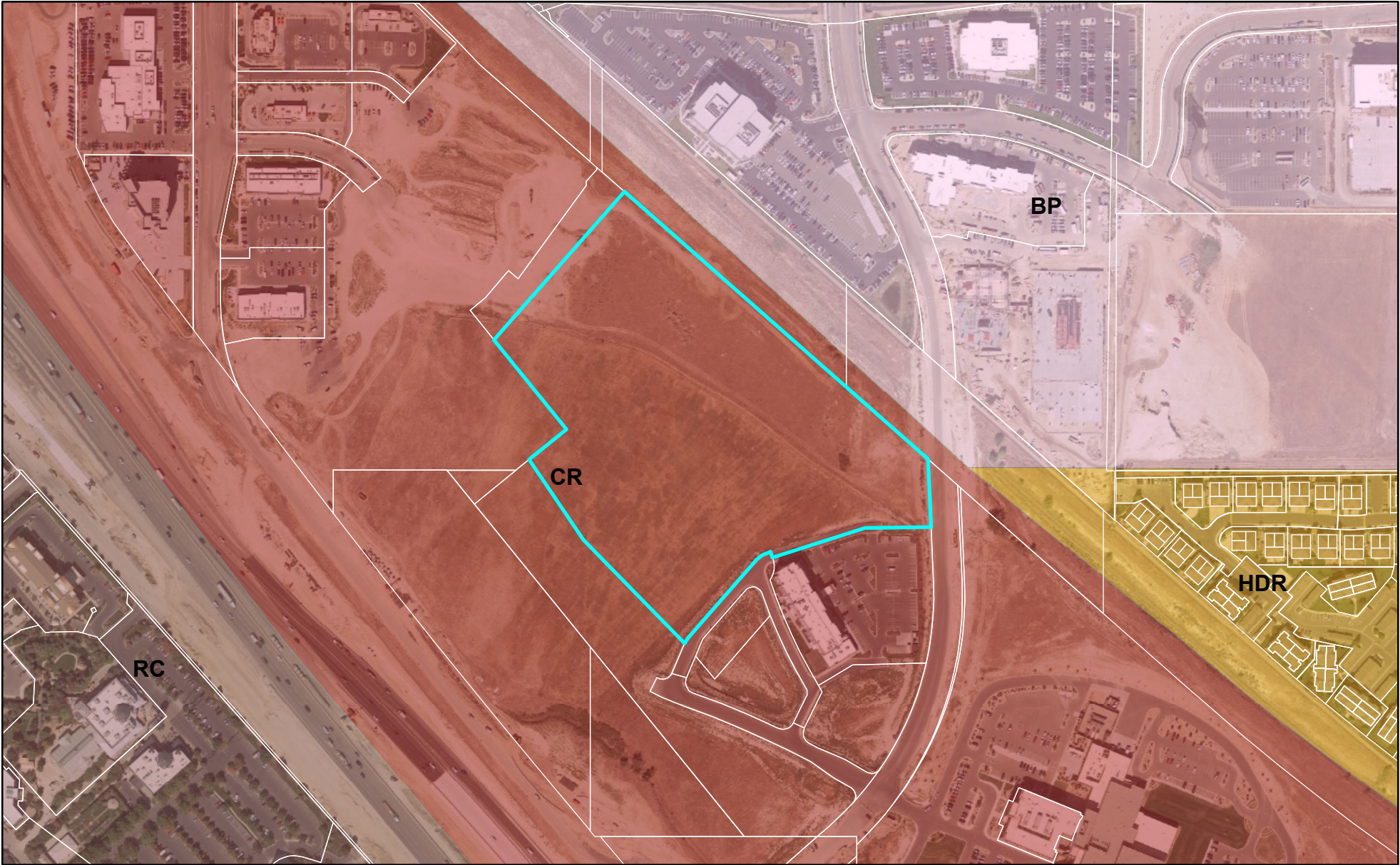


comments from September 4, 2019. This recommendation is based on the following findings:

1. The proposed subdivision meets connectivity standards.
2. The proposed subdivision is not detrimental to the public health, safety, and welfare of Lehi City.
3. The proposed subdivision meets the requirements of the Development Code for subdivision approvals.
4. Other findings based upon information presented at the public meeting.

# The Ridge Office Phase 2

## Zoning



## RIDGE OFFICE PRELIMINARY SUBDIVISION PLANNING COMMISSION REPORT

<b>Applicant</b>	Trevor Evans		
<b>Meeting Date</b>	September 26, 2019		
<b>Requested Action/Purpose</b>	Public hearing, review, and recommendation for a proposed preliminary subdivision		
<b>Decision Type</b>	Administrative		
<b>Location</b>	Approximately Triumph Boulevard & Ridge Drive		
<b>Existing General Plan Designation</b>	Regional Commercial		
<b>Existing Zoning</b>	Commercial		
<b>Existing Land Use</b>	Undeveloped		
<b>Number of Lots/Units</b>	4 Lots		
<b>Adjacent Zoning and Land Use</b>	<i>North</i>	Commercial	Undeveloped
	<i>South</i>	Commercial	Undeveloped
	<i>East</i>	Business Park	Railroad Corridor
	<i>West</i>	Commercial	Undeveloped
<b>Date of DRC Review</b>	September 4, 2019		
<b>Assigned Planner</b>	Brittney Harris		
<b>REQUIRED ACTION</b>			
<b>Planning Commission</b>	Public hearing, review, and recommendation		
<b>City Council</b>	Final approval		

## APPLICABLE DEVELOPMENT CODE REGULATIONS

**Section 11.080.** Preliminary Plat Approval Process.

The review and approval process for a Preliminary Subdivision Plat is identified in the appendix of this code, including review by the Development Review Committee, review and recommendation following a public hearing by the Planning Commission and review and approval by the City Council.

**Section 11.100.** Effect of Preliminary Subdivision Plat Approval.

A preliminary subdivision plat shall not authorize the development of land. After a preliminary subdivision plat has been approved by the City Council, the applicant may file an application for final subdivision plat approval.

**Section 37.010.** Urban Tech Mixed Use District Design Standards

New office, housing, mixed-use, and hotel developments shall meet a minimum floor-to-area ratio (FAR) of 1.0 or higher (see Figures 101 and 102). Projects may be phased and a phasing plan shall be submitted to show how the site will ultimately be developed to meet the FAR requirement. The initial FAR shall be a minimum of 0.4 when project phasing is utilized. The FAR shall be calculated based on the net developable area which removes acreage from the calculation for area used for master planned roads, railroads, slopes greater than 20 percent, wetlands, power transmission line easements, natural gas line easements, or other feature inhibiting development.

Pedestrian circulation:

1. Sidewalk connections shall interconnect the building entrance, public and private street sidewalks, parking areas, master planned trails, and adjacent properties.

2. Sidewalks shall be a minimum five feet in width and may be constructed of concrete, asphalt, brick pavers, or other material as approved by the City Engineer.
3. Pedestrian walkways shall include ramps and crosswalks where they cross streets, internal roads, drive aisles, and parking areas. Crosswalks shall be painted or delineated with brick pavers, stamped and colored asphalt, or stamped and colored concrete.
4. Raised central median strips, bulb-outs and other traffic calming elements may be required by the City Engineer based on recommendations from a licensed traffic engineer.
5. Pedestrian access through a block shall be provided at a maximum spacing of 400 feet.

## PROPERTY HISTORY

- June 30, 1978:** This property was annexed into Lehi City as part of the Calvin G Fox Annexation
- September 12, 2019:** The Ridge Office Phase 2 Site Plan was approved by Planning Commission

## REPORT ANALYSIS

The applicant requests preliminary subdivision review and recommendation of Ridge Office located at approximately Triumph Boulevard and Ridge Road. The proposed plan consists of three office buildings, and on street parking that can easily be built upon in the future. This report will discuss density, street frontage requirements, and connectivity in addition to DRC comments.

This project does not currently meet the 1.0 FAR required by City Code. However, the layout allows for future buildings to be added allowing for the required 1.0 FAR in the future.

All three proposed buildings meet the street frontage requirement and have access to the building from the sidewalk both from Ridge Drive and the private drive in the interior of the project.

This project meets sidewalk and roadway connectivity standards. The private roads internal to the development can be expanded with future development. The current private street to the east of Lot 2 includes angled on street parking and sidewalk connectivity. This layout could easily continue when the on-street parking is developed in the future. The Private street to the north of the proposed buildings will function as a drive isle for the parking at this phase of the development, in the future it can be expanded to function as a through street. These future expansions meet the requirement for connectivity.

The DRC has five comments:

1. Move in line PI valves outside of intersection rather than clustered at the tee.
2. Showing 2 curb and gutters
3. Provide a traffic memo showing the amount of traffic generated with this building versus the overall development.
4. Provide the inside fire flow rate for each building.
5. Change note to read "Public Utility and Roadway Construction Easement"

Please consider all DRC comments in the motion.

## PLANNING DIVISION RECOMMENDATION

Planning staff recommends a **POSITIVE** recommendation to the City Council for the Ridge Office preliminary subdivision including the DRC comments from September 4, 2019. This recommendation is based on the following findings:

1. The proposed subdivision meets connectivity,
2. The proposed subdivision is not detrimental to the public health, safety, and welfare of Lehi City.
3. The proposed subdivision meets the requirements of the Lehi City Development Code in regards to subdivision approvals.
4. Other findings based upon information presented at the public hearing.

**Ridge Office Preliminary and Final Subdivision  
DRC Redline Comments**

*Trevor Evans – requests review of the Ridge Office Phase 1 Site Plan, a 6.29-acre commercial development located at approximately Triumph Blvd & Ridge Drive.*

DRC Members Present: Glade Kirkham, Kerry Evans, Greg Allred, Kim Struthers, Gary Smith, Joshua Bunnell, Brad Kenison, Trent Dyer

Representatives of the Applicant Present: Trevor Evans, Andrew Bybee and Tony Trane

Date of Plans Reviewed: 8/29/19

Time Start: 10:28

Time End: 10:36

**DRC REDLINE COMMENTS:**

**Glade – Power:** General Information: Power infrastructure and street lighting will be installed with the road construction. Power will add a sheet to the approved set that shows the power infrastructure. (Replacing the power sheet included)

**Kerry – Fire:** No comments

**Greg – Water/Sewer:**

- 1. Move in line PI valves outside of intersection rather than clustered at the tee.

**Kim – Planning:** No comments

**Gary – Building/Inspections:** No comments

**JD – Streets:**

- 2. Showing 2 curb and gutters

**Brad – Engineering:**

- 3. Provide a traffic memo showing the amount of traffic generated with this building versus the overall development.
- 4. Provide the inside fire flow rate for each building.
- 5. Change note to read "Public Utility and Roadway Construction Easement"

**Trent – Parks:** No comments

**PRIOR TO PRECONSTRUCTION MEETING:**

- 1. Provide an engineer’s cost estimate for the cost of all improvements.
- 2. Escrow Bond or Letter of Credit and Public/Private Improvement Agreement for all public and private improvements must be in place (from a financial institution with a branch in Utah).
- 3. Reimbursement Agreement for any reimbursable improvement items must be in place.
- 4. Required water dedication must be completed.
- 5. Surveyor’s and engineer’s stamps on construction drawings.
- 6. Off-site easements (turnarounds, utilities, power, etc).
- 7. Provide a copy of any necessary boundary line agreement(s).
- 8. Provide required licenses (railroad, UDOT, UTA, aqueduct, canal, etc).
- 9. Submit Storm Water Pollution Prevention Plan (SWPPP) through ComplianceGo.com for review by Lehi Public Works (call Rochelle with Public Works at 385-201-1900 with questions).
- 10. Schedule a SWPPP inspection through Lehi City Water Dept. (call 385-201-1900). This should be the last item completed prior to scheduling a preconstruction meeting.
- 11. Provide a Long Term Storm Water Management Plan and Agreement to Planning Division for review and approval (signed by Mayor). Final Agreement to be recorded by developer.
- 12. The Ridge Office Subdivision and the Lehi Pointe Phase 3 Subdivision plats must be recorded.
- 13. Address comments from Planning Commission approval.

**DRC GENERAL COMMENTS:**

- 1. On the power, developer will install conduit; Lehi City Power will install all other required power infrastructure shown on the plans and charge the developer for the costs. These costs are separate from power impact fees that are paid with the building permit.
- 2. Developer is responsible to furnish adequate rights of way or easements for construction of off-site power line extensions.

**Note:** This list of corrections and deficiencies should not be considered as an all-inclusive or final list. The items listed need to be corrected and resolved and a new set of information submitted for review by the DRC. Further corrections and deficiencies may still be noted as the DRC further reviews the resubmitted information.

3. Once approved by the Planning Commission or City Council (whichever is applicable) plans may be submitted for check-off. Check-off plans consist of one 24x36 set of plans submitted to the Planning Department. When changes need to be made to a check-off set, revise the affected sheets only. Each new submittal will require a revision date on each new sheet.
4. Prior to the pre-construction meeting, Lehi City Staff will make copies of plans for the meeting from the check-off set and the developer will pay fees for the copies.
5. All signage will require a separate review and approval process
6. All required private improvements (except private landscaping) shall be completed prior to the certificate of occupancy being granted.
7. The approval of a development shall be effective for a period of two (2) years from the date the development is approved by the Planning Commission or City Council, whichever is applicable.
8. Approved vehicle access for firefighting shall be provided to all construction or demolition sites. Vehicle access shall be provided to within 100 feet of temporary or permanent fire department connections. Vehicle access shall be provided by either a twenty (20) foot minimum width temporary or permanent road, capable of supporting vehicle loading under all weather conditions. Vehicle access shall be kept clear of all fencing, barricades, dumpsters, vehicles, construction materials and debris and maintained until permanent fire apparatus access roads are available.
9. Continue to coordinate with power for circuit tie at west end of Ridge Road.

THIS ITEM WILL GO TO PLANNING COMMISSION ON SEPTEMBER 26, 2019

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**Note: This list of corrections and deficiencies should not be considered as an all-inclusive or final list. The items listed need to be corrected and resolved and a new set of information submitted for review by the DRC. Further corrections and deficiencies may still be noted as the DRC further reviews the resubmitted information.**

## City Council Agenda Item Report

Meeting Date: October 22, 2019

Submitted by: Teisha Willson

Submitting Department:

Item Type: Resolution

Agenda Section:

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### **Subject:**

Consideration of Resolution #2019-63, appointing a board member to the North Pointe Solid Waste Special Service District

Petitioner: Lehi City

### **Suggested Action:**

### **Attachments:**

[Res 2019-63.docx](#)





**RESOLUTION NO. 2019-63**

**A RESOLUTION APPOINTING A NEW MEMBER REPRESENTATIVE TO THE NORTH POINTE SOLID WASTE SPECIAL SERVICES DISTRICT**

WHEREAS, North Pointe Solid Waste Special Service District was created to provide essential solid waste services for Utah County communities; and

WHEREAS, Lehi City is represented by appointing a member to the North Pointe Solid Waste Special Services District Board for a four-year term; and

WHEREAS, Lehi City has noticed the vacancy in accordance with the North Pointe Solid Waste Special Service District Bylaws, 6.4.3.

WHEREAS, Jason Walker was the only applicant that applied to serve on the North Pointe Solid Waste Special Services District Board.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF LEHI, UTAH, as follows:

1. Appoint Jason Walker, Lehi City Administrator, as Lehi City's representative to the North Point Solid Waste Special Services District Board.
2. The provisions of this resolution shall take effect immediately upon passage.

PASSED and APPROVED this 22<sup>th</sup> day of October 2019

Lehi City Corporation

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Mark Johnson, Mayor

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Teisha Wilson, City Recorder

## City Council Agenda Item Report

Meeting Date: October 22, 2019

Submitted by: Teisha Willson

Submitting Department:

Item Type: Resolution

Agenda Section:

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### **Subject:**

Consideration of Resolution #2019-65, a Resolution approving the insurance coverage with the Utah Local Governments Trust.

Petitioner: Lehi City

### **Suggested Action:**

### **Attachments:**

[Res 2019-65.docx](#)

[Lehi City Term Sheet 2019.pdf](#)

[Trust Interlocal Agreement.pdf](#)

[19-20 ULGT-Lehi City Dam Inland Marine QT-660-2G410051-TIL-19 Travelers Policy.pdf](#)

[Lehi City 2018 Liability Policy.pdf](#)

[Lehi City 2018 Property Policy.pdf](#)

[Lehi City 2018 Crime Policy.pdf](#)



**RESOLUTION NO. 2019-65**

**A RESOLUTION APPROVING THE INSURANCE COVERAGE WITH THE UTAH LOCAL GOVERNMENTS TRUST.**

**WHEREAS**, Lehi City and other Utah cities, town, counties, and other governmental entities created and established a political subdivision and entity known as the Utah Local Governments Trust; and

**WHEREAS**, Lehi City desires to renew the Insurance Coverage with the Utah Local Governments Trust; and

**WHEREAS**, after considering the facts and comments presented to the City Council, the Council finds: (i) that it should approve the insurance coverage with the Interlocal Agreement; and (ii) such action furthers the health, safety and welfare of the citizens of Lehi.

**NOW THEREFORE BE IT RESOLVED** by the City Council of Lehi City, Utah, as follows:

1. The Insurance Coverage is hereby approved and the Mayor is authorized to execute the agreement and take all other such action as is necessary to make it effective.
2. This resolution shall take effect immediately.

Approved and Adopted by the City Council of Lehi City, Utah this 22<sup>th</sup> day of October, 2019.

Attest:

\_\_\_\_\_  
Mark Johnson, Mayor

\_\_\_\_\_  
Teisha Wilson, City Recorder



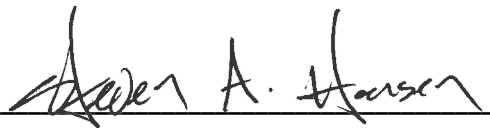
# Insurance Coverage General Term Sheet

Coverage will be governed by the terms and conditions of your policies. This quote is valid through 11/1/2019.

1. Insured: Lehi City
2. Coverage Type: Liability, Property, and Auto Physical Damage
3. Coverage Term: 11/1/19 to 11/1/22, annual anniversary at 11/1/20 and 11/1/21
4. 2019 Liability Premium: \$101,018
5. 2019 Property Premium: \$155,182 (per current rate and statement of values)
6. 2019 Auto Physical Damage Premium: \$24,076 (per current rate and schedule)
7. 3 year rate guarantee applies to liability and property program, subject to terms of rate guarantee
8. Lehi City retains the right to any rate reductions offered by the Trust during policy term

Order to bind insurance coverage:

Approved By	Date

Name, Title	
 <hr style="border: 0.5px solid black;"/>	10/16/2019
Steven A. Hansen CEO	Date

AMENDED AND RESTATED INTERLOCAL AGREEMENT CREATING THE  
UTAH LOCAL GOVERNMENTS TRUST

ARTICLE I  
NAME

1.1. The name of the governmental entity created pursuant to this Interlocal Agreement is the Utah Local Governments Trust (hereinafter “the Trust”).

ARTICLE II  
PURPOSES

2.1. The purposes of this Agreement and the entity created pursuant thereto are:

2.1.1. PERSONAL BENEFITS. To enable Utah cities, towns, counties, and other special districts of local governments to form a governmental entity to provide a comprehensive and complete program of hospital, medical, dental, disability, life, and other personal benefit plans and programs for units of local governments within the State of Utah.

2.1.2. CASUALTY-PROPERTY. To enable units of local governments to provide a comprehensive and complete program of casualty, property, marine, liability, and other insurance plans or programs required or desirable to protect local governments’ property and assets and elected and appointed officials and employees from personal liability.

2.1.3. FUNDS. To create funds from revenues, premiums, and monies which funds shall at all times belong to the participating units of local governments to pay claims of the local units of government according to any plan, program, or contract between the Trust and the participating unit of local government or to purchase the insurance requested by the participating unit of local government.

2.1.4. GENERAL POWERS. To administer, insure, reinsure, fund or self fund, indemnify, or perform any other act necessary to provide or administer any plan or program necessary or desirable to give effect to this Agreement.

2.1.5. SINGLE ENTITY. To enable local governments to act as a single entity to provide personal, casualty, property, marine, liability, or other insurance to participating units of local government.

2.1.6. ADVISOR TO LOCAL GOVERNMENTS. To act as an advisor and counsel to units of local government regarding their insurance needs, obligations, risks, and benefit plans.

2.2. TRUST NOT REQUIRED TO PROVIDE COVERAGES. Nothing in this Agreement shall require the Trust to offer or provide any or all of the plans or programs authorized by this Agreement.

2.3. AUTHORITY. The Trust hereby is granted and authorized to perform and do all acts necessary or convenient and to render all services contemplated and engage in such governmental and proprietary functions, as are authorized or contemplated by Sections 11-13-101 et seq., 10-3-1103, and 63-30d-801 et seq., Utah Code Annotated 1953, to carry out the purposes and intent of this Agreement.

### ARTICLE III DEFINITIONS

3.1. As used in this Interlocal Cooperation Agreement:

3.1.1. LOCAL GOVERNMENTS. "Local governments" means public agency as used in the Interlocal Cooperation Act and includes any county, city, town, special district, or combination thereof; it specifically includes any agency or entity created pursuant to the Utah Interlocal Cooperation Act, Section 11-13-101 et seq., Utah Code Annotated 1953, as amended.

3.1.2. PROPERTY INSURANCE. The definition of "property insurance" set forth in Section 31A-1-301, Utah Code Annotated 1953, is hereby incorporated by reference.

3.1.3. BOND. "Bond" means a faithful performance bond or indemnification bond or any other bond required by any Utah law.

3.1.4. INLAND MARINE . The definition of "inland marine" insurance set forth in Section 31A-1-301, Utah Code Annotated 1953, is hereby incorporated by reference.

3.1.5. WORKERS' COMPENSATION. "Workers' compensation" means any form of workers' compensation permitted or required by the laws of the State of Utah or the laws of the United States.

3.1.6. UNEMPLOYMENT COMPENSATION. "Unemployment compensation" means any form of unemployment compensation permitted or required by the laws of the State of Utah or the laws of the United States.

3.1.7. VEHICLE LIABILITY INSURANCE. The definition of "vehicle liability insurance" set forth in Section 31A-1-301, Utah Code Annotated 1953, is hereby incorporated by reference.

3.1.8. SURETY INSURANCE. The definition of "surety insurance" set forth in Section 31A-1-301, Utah Code Annotated 1953 is hereby incorporated by reference.

3.1.9. ADMINISTRATIVE BOARD. "Administrative board" means the administering body created by this Agreement to operate and administer the Trust and the insurance programs offered by the Trust.

3.1.10. MEMBER. "Member" means any city, county, town, or other unit of local government that participates in one or more plans or programs offered by the Trust. A unit of

local government need not have executed this Interlocal Agreement or Resolution to be a member. Any unit of local government that stops participating in the plans or programs offered by the Trust, shall not be a member.

3.1.11. CASUALTY INSURANCE. The definition of “casualty insurance” (liability insurance) set forth in Section 31A-1-301, Utah Code Annotated 1953, is hereby incorporated by reference.

3.1.12. UNIT OF LOCAL GOVERNMENT. “Unit of local government” means any city, county, town, special district, or any other entity which is a political subdivision of the State of Utah.

3.1.13. PERSONAL INSURANCE OR PERSONAL BENEFITS. “Personal insurance” or “personal benefits” means life, disability, hospital, medical and dental insurance or benefits, unemployment or workers’ compensation.

3.1.14. PERSON. “Person” means any individual, company, partnership, corporation, municipal corporation, or any business entity.

3.1.15 INSURANCE. “Insurance” means casualty liability and personal insurance.

#### ARTICLE IV DURATION

4.1. EXTENSION. This Agreement shall be for a period of 50 years, but may be extended by the members.

4.2. WITHDRAWAL. Nothing in this Article shall prevent any local government from withdrawing from the Trust.

4.3. TERMINATION IF VOID. This Agreement shall terminate if it is found to exist entirely in violation of the law.

#### ARTICLE V TRUST FUNDS

5.1. FUNDS PROPERTY OF UNITS OF GOVERNMENTS. All premiums, payments, and funds received, held, or administered by the Trust as herein provided shall be and remain the property and assets of the units of local government which create or participate in the Trust program or programs according to the terms of this Agreement, except that the funds of the Trust shall become the property of the person to whom the funds are paid when paid according to this Agreement, benefit or insurance plans, and programs authorized by the administrative board.

5.2. INTERNAL REVENUE CODE COMPLIANCE. In accordance with Section 115 of the Internal Revenue Code of 1954, as amended, any income derived from the investments or operations of the Trust shall accrue to the units of local government participating

in the Trust. None of the assets, property, funds, or revenues held by the Trust shall ever be deemed to or become the property of the Trust.

5.3. UNRESTRICTED RIGHT TO PROPORTIONATE SHARE OF INCOME. Each unit of local government participating in the Trust shall have the unrestricted right to withdraw its proportionate share (as defined in Section 12.3.) of the income derived from the investments or operations of the Trust. However, to the extent the income so derived is needed to provide reserves for potential claims against programs that the Trust has elected to reinsure or self-insure (under authority of Article VI), participating units of local governments agree to defer the withdrawal of that portion of the income so needed until such time as the administrative board determines using actuarially sound insurance accounting principles that such withdrawal will not jeopardize the financial stability of Trust programs.

5.4. FUNDS TO BE USED TO PURCHASE OR PROVIDE COVERAGE. The local governments hereby authorize and direct the administrative board to do all things necessary and proper and to use the payments or contributions received by the Trust to purchase and maintain in force such policy or policies of insurance as they in their sole discretion shall determine to be in the best interest of the members and the employees of the members; or on an actuarially sound basis, to use such funds to establish a program or programs of self-insurance, reinsurance, or co-insurance.

ARTICLE VI  
MANAGEMENT AND ALLOCATION OF FUNDS,  
PURCHASE OF INSURANCE, BONDS, REINSURANCE, SELF-FUNDING

6.1. LICENSED CARRIER REQUIRED. If casualty insurance or personal insurance policies are purchased, it shall be from a licensed insurance carrier. Policies may be purchased for one or more of the casualty insurance or personal insurance programs offered by the Trust from one or several carriers; or the Trust may reinsure or self-insure one or more of the programs and purchase the casualty insurance or personal insurance from a carrier for the remaining programs. Where the Trust purchases insurance or personal insurance from a carrier, the Trust shall be the policyholder. The amount of casualty insurance, personal insurance, and benefits shall be such as the administrative board may determine subject to securing a policy or policies from one or more carriers or bond companies able to provide the benefits from the premium paid.

6.2. TRUST TO ACT AS POLICYHOLDER. The administrative board may apply for such insurance policies or group insurance or personal insurance or group personal insurance in its name as policyholder or in the names of the participating members and may use the fund to pay for and accept and hold as part of the fund the policy or policies insured to the Trust in its name as policyholder.

6.3. TERMS OF POLICY. The administrative board may agree with an insurer of any policy or policies issued for the purposes of this Agreement on waiting period, definitions of full-time employment and all other necessary or desirable provisions, including the eligibility of



employees; or, in the case of self-insurance, the local government and administrative board may provide specifically such terms and conditions.

6.4. SEPARATE ACCOUNT REQUIRED. The Trust Board shall create separate funds and accounts for each of the following:

- A. Hospital, medical, and dental;
- B. Disability;
- C. Life (except where part of the hospital and medical plan) whether or not dental is included;
- D. Fidelity and fiduciary;
- E. Casualty, marine, property, and liability.

The assets of each fund shall not be co-mingled with those of another fund, nor shall it be subject to attachment, claims, or payment of damages in any other fund. Where a participating unit of local government elects to participate in Groups A, B, and C, or any combination of these groups, the Trust may treat the account as participating in the fund for which a majority of the premium is paid. One fund may make loans to another.

6.5. FUND MANAGEMENT. With respect to each fund, the administrative board shall use and apply each fund:

6.5.1. GENERAL ADMINISTRATION. To pay or provide for the payment of all reasonable and necessary expenses of collecting the local governments' contributions and administering the affairs of each fund, including, but without limitation, all expenses which may be incurred in connection with each fund, the employment of such administrative, legal, expert, and clerical assistance, the leasing of such premises and the purchase or lease of such materials, supplies, and equipment as the administrative board, in its discretion, finds necessary or appropriate in the performance of its duties.

6.5.2. PAYMENT OF PREMIUMS. To pay or provide for the payment of premiums due from local governments on the policy or policies, when such premiums shall become due; but the administrative board shall not use the fund to maintain in force any insurance for the account of any local government that is in default of payment of contributions to the fund.

6.5.3. RESERVES. To establish and accumulate as part of the fund an adequate reserve which the administrative board shall deem advisable to carry out the purposes of this Agreement.

6.5.4. REFUNDS. To refund premiums, payments, or contributions from local governments for which insurance may not be purchased for any reason, but if a unit of local

government withdraws from the Trust for any reason, the Trust shall be under no obligation to refund any premium, payment, or contribution of the local government if insurance has been purchased for the local government.

6.6. GENERAL OPERATING ACCOUNT. The administrative board may establish a general operating account or fund and may transfer to that account or fund a specified percentage of revenues received in each separate fund for the purpose of establishing a general operating fund or account to administer the general provision of the Agreement.

6.7. DEPOSITORIES-INVESTMENTS. All premiums, contributions, and monies received by the Trust hereunder as part of the fund or funds shall be deposited by it in such bank or banks as the administrative board may designate for that purpose, and all withdrawals of monies from such bank or banks shall be made only by check signed by a person or persons authorized by the administrative board to sign and countersign but no bank shall be elected as a depository of the funds of the Trust that is not a member of the Federal Deposit Insurance Corporation or is not supervised and insured by an instrumentality of the United States Government.

6.8. BOND REQUIRED. All officers and employees of the Trust who are authorized to sign or countersign checks or who otherwise may handle monies or other property of the Trust shall be bonded.

6.9. DIVIDENDS, EXPERIENCE RATING. Anything contained in this Agreement to the contrary notwithstanding, the administrative board may agree with the insurer or insurers for the combination of financial experiences, for dividend purposes, of policies issued to the administrative board pursuant to this Agreement and of policies not so issued with insured employees of local governments that are insured under this Agreement. The administrative board may agree with the insurers and to provide for a centralized administration of all policies or may administer the programs themselves in any manner deemed advisable by the administrative board.

## ARTICLE VII LOCAL GOVERNMENT CONTRIBUTIONS TO THE TRUST

7.1. PERSONAL INSURANCE OR BENEFITS. On application and acceptance by the administrative board or the Executive Director, each local government shall pay to the Trust a sum determined by the administrative board to participate in any personal insurance or self-funded benefit program offered by the Trust. Each local government shall pay to the Trust on such day of each month as determined by the administrative board for all the local governments, such member's contributions for personal insurance when and as the administrative board shall deem necessary to pay the premium due, together with that member's fair share of expenses on account of the personal insurance purchased for such local governments but all local government payments shall be credited against premiums and shares of expenses due from local governments.

7.2. CASUALTY AND LIABILITY INSURANCE. On application and acceptance by the administrative board or the Executive Director, each local government shall pay to the Trust a sum determined by the administrative board to participate in any casualty or liability insurance or self-funded casualty or liability program offered by the Trust. Each local government shall pay to the Trust on such day of each month as determined by the administrative board for the local governments, such member's contributions for insurance when and as the administrative board shall deem necessary to pay the premium due, together with that member's fair share of expenses on account of the insurance purchased for such local governments but all local government payments shall be credited against premiums and shares of expenses due from local governments.

ARTICLE VIII  
PARTICIPATION OF LOCAL GOVERNMENTS  
IN THE ASSOCIATION

8.1. PERSONAL INSURANCE. The employees of a unit of local government that make application to the administrative board shall, on approval of the application and payment of the premium established by the administrative board, become insured by the Trust under the policy or policies of the Trust and shall participate in the Trust for such personal insurance, provided the employee satisfies the requirements for participation in such personal insurance as may be established by the personal insurance carrier or carriers of the policy or policies under which such insurance is offered; or, under such requirements as the administrative board may establish for participation in any self-funded personal benefit plan or program. A local government's participation in the Trust personal insurance program shall commence on the date set by the Board. The personal insurance carrier of the policy or policies, if any, shall at all times be kept informed by the administrative board of the local governments that participate in the Trust personal insurance, as well as the names of their employees. A local government may participate in the personal insurance program on approval of the application and payment of the premium. The local government need not execute this Agreement to participate, but must subscribe to the personal insurance or benefits to be provided pursuant to this Agreement by resolution, ordinance, or contract.

8.2. CASUALTY AND LIABILITY INSURANCE. A unit of local government that makes application to the administrative board shall, on approval of the application and payment of the premium established by the administrative board, become insured by the Trust under the policy or policies of the Trust and shall participate in the Trust for such insurance, provided the unit of local government satisfies the requirements for participation in such casualty insurance as may be established by the insurance carrier or carriers of the policy or policies under which such insurance is offered; or, under such requirements as the administrative board may establish for participation in any self-funded casualty program. A local government's participation in the Trust insurance program shall commence on the date set by the administrative board. The insurance carrier of the policy or policies, if any, shall at all times be kept informed by the administrative board of the local governments that participate in the Trust insurance. A local government may participate in the casualty or liability insurance program on approval of the application and payment of the premium. The local government need not

execute this Agreement to participate, but must subscribe to the insurance or benefits to be provided pursuant to this Agreement by resolution, ordinance, or contract.

8.3. TERMINATION OF QUALIFICATIONS. A local government shall cease to qualify for participation in the Trust for any insurance or benefit plan when it fails to make its contribution as provided in Article VII for the insurance on the date when due or within the period of time allowed by the administrative board for the payment thereof; or if a local government shall cease to qualify under or by reason of any state or federal law; or when the local government fails to comply with the rules and regulations made by the administrative board from time to time with respect to the administration of the insurance Trust fund or funds; including, but without limiting the generality of the foregoing, the method and accuracy of local government's reports, the effective date of insurance of its employees, the discontinuance of insurance of its employees, premiums due, or any and all other facts which the administrative board deems advisable to assure a sound administration of the insurance programs offered by the Trust.

8.4. TERMINATION OF PARTICIPATION. When in accordance with the provisions of this Article VIII, a local government ceases to qualify for participation in the Trust for the insurance provided under the policy or policies, the administrative board shall, if insured by a carrier, forthwith give notice thereof to the insurance carrier of the policy or policies under which such insurance is provided, and such policy or policies and participation of the local government in the Trust shall terminate to such extent and at such time as the insurance terminates. In such event the Trust shall have no further liability to local government or its employees whose participation and insurance have terminated.

ARTICLE IX  
RETURN OF MONIES RECEIVED FROM PERSONS  
NOT QUALIFYING AS A LOCAL GOVERNMENT AS  
DEFINED IN THIS AGREEMENT

9.1. Should any monies be received by the Trust for the purpose specified in Article II of this Agreement from any local government failing to satisfy the requirements for participation in the Trust, or from any local government whose employees do not become insured under the policy or policies, such monies shall be returned, and there shall be no further obligations whatsoever in connection therewith.

ARTICLE X  
ADMINISTRATION OF THE TRUST

10.1. ADMINISTRATIVE BOARD. The Trust shall be governed and administered by an administrative board composed of at least seven officials representing participating Members. The administrative board may from time to time, on a two-thirds vote of the administrative board, increase the number of members on the administrative board without amending this Agreement, but the number shall not exceed 15.

10.1.1. CITIES AND TOWNS. Up to four members of the administrative board shall be elected officials from participating cities and towns unless the number of participating cities and towns is less than four, in which case the minimum number of elected officials from cities and towns on the administrative board shall be reduced to the number of participating cities and towns. The terms of the municipal administrative board members shall be four years, but the terms shall be staggered so that one position is filled each year. If a municipal member of the administrative board ceases to be an elected official, the remaining municipal members shall appoint a person to serve until the next election. At the next election a municipal elected official shall be elected to fill the remainder of the term.

10.1.2. COUNTIES. Up to three members of the administrative board shall be elected officials from participating counties unless the number of participating counties is less than three, in which case the minimum number of elected officials from counties on the administrative board shall be reduced to the number of participating counties. The terms of the county administrative board members shall be four years, but the terms shall be staggered so that one position is filled each year. If a county member of the administrative board ceases to be an elected official, the remaining county members shall appoint a person to serve until the next election. At the next election a county elected official shall be elected to fill the remainder of the term.

10.1.3. SPECIAL DISTRICTS. Up to three members of the administrative board shall be elected or appointed officials from participating special districts unless the number of participating special district is less than three, in which case the minimum number of officials from special districts on the administrative board shall be reduced to the number of participating special districts. The terms of the special district administrative board members shall be four years, but the terms shall be staggered so that one position is filled each year. If a special district member of the administrative board ceases to be an official of a district, the remaining special district members shall appoint a person to serve until the next election. At the next election a special district elected or appointed official shall be elected to fill the remainder of the term.

10.1.4 APPOINTED OFFICIALS. The elected officials of the administrative board may appoint additional members to serve on the board, but the number of appointed board members shall not exceed one third of the total board membership. Any vacancy in the appointed member positions shall be filled by the remaining board members. Terms may be staggered as the board deems appropriate.

10.2. RESIGNATION. A member of the administrative board may resign and become and remain fully discharged from all further duty or responsibility hereunder upon giving 30 days notice in writing to the remaining members, or such shorter notice as the remaining members may accept as sufficient, in which notice there shall be stated a date and such resignation shall take effect on the date specified in the notice, unless a successor member shall effect immediately upon the appointment of such successor member.

ARTICLE XI  
POWERS OF ADMINISTRATIVE BOARD

11.1. AS POLICYHOLDER. The administrative board may exercise all rights or privileges granted to it as policyholder by provisions of each policy or allowed by the insurance carrier of such policy, and may agree with such insurance carrier to any alteration, modification, or amendment of such policy, and may take any action respecting such policy or the insurance provided thereunder which may be necessary or advisable, and such insurance carrier shall not be required to inquire into the authority of the administrative board with regard to any dealings in connection with such policy.

11.2. CONSTRUE THIS AGREEMENT. The administrative board shall have power to construe the provisions of this Agreement and the terms used herein, and any reasonable construction adopted by the administrative board in good faith shall be binding upon the local governments and employees.

11.3. LIABILITY OF MEMBER. Notwithstanding anything contained herein to the contrary, each local government shall be liable to The Utah Local Governments Trust for the premium for its insurance and the insurance of its employees under the policy or policies for any period during which such insurance is in force and the administrative board shall enforce such liability for such premiums to the extent necessary to pay premiums due under any such policy or policies. In the event any such policy or policies are terminated and premium due thereunder is not paid by the administrative board to the insurance carrier issuing the policy or to the Trust on the date the premium is due thereunder, such insurance carrier, if it shall so elect, shall immediately be subrogated to the right of the Trust to enforce the liability of any local government under this Agreement and may apply any sums collected first toward its expense of suit including costs and counsel fees and then toward the discharge of the premium obligation under the policy or policies. Any such election by the insurer may be exercised at any time and shall not constitute a waiver of its right to collect any deficiencies in premium from the Trust.

11.4. ADMINISTRATIVE BOARD - GENERAL MANAGEMENT MEETINGS. The administrative board shall have the general management, control, and direction of all the business activities and affairs of the Trust, with full power to transact all its business, including the making of deposits in and disbursements from the funds. The administrative board shall meet at least bi-annually.

11.5. COMPENSATION. The members of the administrative board shall receive compensation for their duties and shall be reimbursed for all reasonable and necessary expenses which they may incur in the performance of their duties. Provision may be made to compensate one or more members of the administrative board for special executive or administrative services performed in connection with the direction, administration, or operation of the Trust.

11.6. RULES AND REGULATIONS. The administrative board may promulgate such rules and regulations as may, in its discretion, be proper or necessary for the sound and efficient administration of the Trust; but such rules shall not take effect until a copy or copies

thereof have been mailed to the carrier of such policy or policies which may be affected by such rules and regulations.

11.7. GENERAL ADMINISTRATION. The administrative board may delegate its administrative and ministerial powers and duties to an Executive Director. The Trust may employ such persons as it deems necessary on such terms and conditions as the administrative board shall deem appropriate.

11.8. RECORDS - AUDITS - REPORTS. The Trust shall keep true and accurate books of account and records of all its transactions, which shall be audited annually or more often by a public accountant and furnish to participating local governments from time to time reports respecting the status of the Trust and the status of each fund and the status of the bond, policy or policies, and the benefits paid thereunder, but the administrative board shall not be required to furnish such reports more often than annually.

11.9. MEETINGS. Any action by the administrative board pursuant to this Agreement may be taken either at a meeting, a meeting at which all or several members participate by electronic means, or in writing without a meeting. A meeting may be called at any time by the chairman or any two members, giving at least five days written notice to the other members. Notice of any meeting may be dispensed with if all the members in writing waive the notice. Notice shall be deemed waived by any member that appears at a meeting, unless such appearance is solely for the purpose of objecting to the failure to give the notice required by this section.

11.10. MAJORITY REQUIRED. Any action taken by the administrative board pursuant to this Agreement, except as otherwise provided, shall be by at least a majority of a quorum of the members. A quorum is a majority of the total number of the members of the administrative board.

11.11. NO LIABILITY OF BOARD. The administrative board shall not have any liability with respect to the nonpayment of local government contributions. All suits and proceedings to enforce or protect any other right, demand, or claim on behalf of the administrative board or Trust, may be instituted and prosecuted on behalf of the Trust and the administrative board.

11.12. NO LIABILITY - EXCEPTIONS. The members of the administrative board personally and individually, whether severally or jointly, shall not be liable in any matter or transaction or for any omission relating to the conduct of the business of the Trust nor their respective activities and performance of their duties with respect thereto. No member shall be liable for errors in judgment of himself or of the other members nor for any act, judgment, or exercise of discretion of the administrative board's agents or employees, in the conduct of the Trust and each shall be liable only for his own willful misconduct or wrongdoing in respect thereto.

11.13. FULL FAITH AND CREDIT. The administrative board shall honor and be bound by all agreements made by their predecessors, successors, assigns, or assignors.

ARTICLE XII  
TERMINATION-DISTRIBUTION OF ASSETS

12.1. PROCEDURE. This Agreement may be terminated:

12.1.1. BY MEMBERS. On a two-thirds majority vote of all members at a meeting called for that purpose after written notice of such meeting stating the time, purpose, and place of the meeting is given to all members at least 30 days prior to this meeting.

12.1.2. BY ADMINISTRATIVE BOARD. By a two-thirds majority vote of all of the members of the administrative board at a meeting called for that purpose after written notice of such meeting stating the time, purpose, and place of the meeting is given to all members of the board and of the Trust at least 30 days prior to the meeting. The Trust board may not terminate this Agreement if more than 25 percent of the members appear at the meeting to object to terminating this Agreement.

12.2. PAYMENT OF OBLIGATIONS. On termination of this Agreement, the entity and administrative board shall continue in existence for the purpose of winding down the affairs of the Trust. The Trust shall make provision, so far as reasonably possible, for the orderly transfer of all policies held in the name of the Trust and to protect members and their employees. The Trust shall, to the extent it has revenues, pay all obligations of the Trust from each fund for which the fund is obligated.

12.3. DISTRIBUTION OF ASSETS. After paying or making provision for paying all claims, whether reported or unreported, the Trust shall pay to the member participants, including those that may have ceased to be members, their proportionate share of the assets from each fund according to the member's ratio of contribution to the fund to the total contribution of all members divided by the unencumbered assets of the fund. Notwithstanding the foregoing, the decision of the Trust board as to the distribution of the assets of the Trust within each fund to participating members and former members shall be final and binding unless the distribution is arbitrary, unreasonable, and capricious under the construction given by the administrative board.

ARTICLE XIII  
AMENDMENTS

13.1. BY MEMBER. The members of the Trust may amend the provisions of this Agreement except Sections 5.1., 5.3 12.3., and 13.5. on a two-thirds vote of those attending any meeting called for that purpose by at least ten members or by the administrative board, on giving at least 30 days written notice of the time, purpose, and place of the meeting. The written notice must include the specific language of the proposed amendment.

13.2. BY BOARD. The administrative board may amend the provisions of the Agreement, except Sections 5.1., 5.3 12.3., and 13.5. by a two-thirds vote, at any meeting called for that purpose if at least 30 days written notice of the time, purpose, and place of the meeting is provided to all members and members of the board. The written notice must include the specific language of the proposed amendment and advise the members about their right to object to the



proposed amendment and the method by which such right may be exercised. The amendment shall not be effective if more than 50 percent of the members appear personally or provide written objection to the proposed amendment prior to the time of the meeting.

13.3. RESTRICTIONS ON RIGHT TO AMEND. Sections 5.1, 5.3., 12.3., and 13.5. shall not be amended except with the unanimous concurrence of all members and local governments entitled to the funds of or refunds or payments from the Trust.

13.4. NOTICE OF AMENDMENT. After an amendment has been approved by the members or Trust board, notice shall be given to all members of the amendment together with a statement of the effective date of the amendment which shall be at least 30 days after the date of the meeting at which the amendment was approved.

13.5. MEMBERS SUBJECT TO CONTINGENT ASSESSMENT. (Reserved.)

13.6. CONSENT REQUIRED FOR OTHER ASSESSMENT. (Reserved.)

#### ARTICLE XIV MISCELLANEOUS PROVISIONS

14.1. RECORDS OF LOCAL GOVERNMENT TO BE FURNISHED. Local governments shall furnish to the administrative board such records and any other information as the administrative board or the insurance carrier of the policy or policies may require in connection with the administration of the Trust. The insurance carrier shall have the right to audit all records of the Trust or local governments pertaining to the insurance provided by the carrier.

14.2. THIRD PARTY CLAIMS AGAINST TRUST FUNDS. Unless otherwise specifically provided in a written agreement between a unit of local government and the Trust, no local government nor any other person claiming by or through such employee by reason of having been named a beneficiary in a certificate or otherwise, shall have any claim against the monies or properties of the Trust, and the interests of such employees, beneficiaries, and other persons claiming through them shall be limited to those specified in the policy or policies.

14.3. SPECIAL PROVISIONS RELATING TO WORKERS' COMPENSATION COVERAGE. For each member that chooses to participate in the Workers' Compensation insurance program through the Trust, the Trust shall pay any workers' compensation liabilities incurred during the period of participation and membership. The member's bankruptcy insolvency or withdrawal from the Trust shall not relieve the Trust of such workers' compensation liability, nor shall bankruptcy, insolvency or cessation of the Trust relieve the member of its ultimate liability to pay the worker's compensation claims of the member's employees.

14.4. SUPERSEDES PRIOR AGREEMENT. This Agreement supersedes and replaces all previous Interlocal Agreements creating or establishing the Utah Local Governments Trust.

DATED as of and made effective \_\_\_\_\_, 20\_\_.

UTAH LOCAL GOVERNMENTS TRUST



\_\_\_\_\_  
Executive Director of Utah Local Governments Trust

\_\_\_\_\_  
Name of Public Agency

\_\_\_\_\_  
Signature of Person Authorized to Bind This Agreement

\_\_\_\_\_  
Date

Approved as to form

\_\_\_\_\_  
Attorney



**Report Claims Immediately by Calling\***  
**1-800-238-6225**

*Speak directly with a claim professional  
24 hours a day, 365 days a year*

\*Unless Your Policy Requires **Written** Notice or Reporting

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## **COMMERCIAL INSURANCE**

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**A Custom Insurance Policy Prepared for:**

**LEHI CITY CORPORATION  
153 NORTH 100 EAST  
LEHI UT 84043**

TRAVELERS CORP. TEL: 1-800-328-2189  
COMMERCIAL INLAND MARINE  
COMMON POLICY DECLARATIONS  
ISSUE DATE: 06/12/19  
POLICY NUMBER: QT-660-2G410051-TIL-19

INSURING COMPANY:  
TRAVELERS PROPERTY CASUALTY COMPANY OF AMERICA

1. NAMED INSURED AND MAILING ADDRESS:  
LEHI CITY CORPORATION  
153 NORTH 100 EAST  
LEHI, UT 84043

2. POLICY PERIOD: From 05/12/19 to 05/12/20 12:01 A.M. Standard Time at  
your mailing address.

3. LOCATIONS  
Premises Bldg.  
Loc. No. No. Occupancy Address  
  
SEE IL T0 03

4. COVERAGE PARTS FORMING PART OF THIS POLICY AND INSURING COMPANIES:

5. NUMBERS OF FORMS AND ENDORSEMENTS  
FORMING A PART OF THIS POLICY: SEE IL T8 01 10 93

6. SUPPLEMENTAL POLICIES: Each of the following is a separate policy  
containing its complete provisions:  
Policy Policy No. Insuring Company

7. PREMIUM SUMMARY:  
Provisional Premium \$ 12,000  
Due at Inception \$ 12,000  
Due at Each \$

NAME AND ADDRESS OF AGENT OR BROKER:  
ALLIANT INS SERVICES INC (F6683)  
1301 DOVE ST STE 200  
NEWPORT BEACH, CA 926602436

COUNTERSIGNED BY:

\_\_\_\_\_  
Authorized Representative

DATE: \_\_\_\_\_

POLICY NUMBER: QT-660-2G410051-TIL-19

EFFECTIVE DATE: 05-12-19

ISSUE DATE: 06-12-19

LISTING OF FORMS, ENDORSEMENTS AND SCHEDULE NUMBERS

THIS LISTING SHOWS THE NUMBER OF FORMS, SCHEDULES AND ENDORSEMENTS BY LINE OF BUSINESS.

IL T0 02 11 89	COMMON POLICY DECLARATIONS
IL T8 01 10 93	FORMS, ENDORSEMENTS AND SCHEDULE NUMBERS
IL T0 01 01 07	COMMON POLICY CONDITIONS
IL T0 03 04 96	LOCATION SCHEDULE

INLAND MARINE

CM T0 11 08 05	TABLE OF CONTENTS
CM 00 01 09 04	COMMERCIAL INLAND MARINE CONDITIONS
CM T1 12 02 89	PROPERTY FLOATER COVERAGE - SPECIAL FORM
CM T8 00	GENERAL PURPOSE ENDORSEMENT
CM T8 01	GENERAL PURPOSE ENDORSEMENT
CM T8 02	GENERAL PURPOSE ENDORSEMENT
CM T8 03	GENERAL PURPOSE ENDORSEMENT
CM T3 98 01 15	FEDERAL TERRORISM RISK INSURANCE ACT DIS
CM 01 13 09 00	UTAH CHANGES

INTERLINE ENDORSEMENTS

IL T4 12 03 15	AMNDT COMMON POLICY COND-PROHIBITED COVG
IL T4 14 01 15	CAP ON LOSSES CERTIFIED ACT OF TERRORISM
IL T3 82 05 13	EXCL OF LOSS DUE TO VIRUS OR BACTERIA
IL 02 66 09 08	UT CHANGES-CANCELLATION & NONRENEWAL
IL T3 55 05 13	EXCLUSION OF CERTAIN COMPUTER LOSSES

# COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions:

## A. Cancellation

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 or any Coverage Part 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. If the policy is cancelled, that date will become the end of the policy period. If a Coverage Part is cancelled, that date will become the end of the policy period as respects that Coverage Part only.
5. If this policy or any Coverage Part 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.

## B. 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 as part of this policy.

## C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time

during the policy period and up to three years afterward.

## D. 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 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

## E. Premiums

1. The first Named Insured shown in the Declarations:
  - a. Is responsible for the payment of all premiums; and
  - b. Will be the payee for any return premiums we pay.
2. We compute all premiums for this policy in accordance with our rules, rates, rating plans, premiums and minimum premiums. The premium shown in the Declarations was computed based on rates and rules in effect at

the time the policy was issued. On each renewal continuation or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

**F. Transfer Of Your Rights And Duties Under This Policy**

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

If you die, your rights and duties will be transferred to your legal representative but only while

acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

**G. Equipment Breakdown Equivalent to Boiler and Machinery**

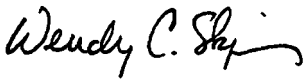
On the Common Policy Declarations, the term Equipment Breakdown is understood to mean and include Boiler and Machinery and the term Boiler and Machinery is understood to mean and include Equipment Breakdown.

This policy consists of the Common Policy Declarations and the Coverage Parts and endorsements listed in that declarations form.

In return for payment of the premium, we agree with the Named Insured to provide the insurance afforded by a Coverage Part forming part of this policy. That insurance will be provided by the company indicated as insuring company in the Common Policy Declarations by the abbreviation of its name opposite that Coverage Part.

One of the companies listed below (each a stock company) has executed this policy, and this policy is countersigned by the officers listed below:

- The Travelers Indemnity Company (IND)
- The Phoenix Insurance Company (PHX)
- The Charter Oak Fire Insurance Company (COF)
- Travelers Property Casualty Company of America (TIL)
- The Travelers Indemnity Company of Connecticut (TCT)
- The Travelers Indemnity Company of America (TIA)
- Travelers Casualty Insurance Company of America (ACJ)



Secretary



President

**LOCATION SCHEDULE**

**POLICY NUMBER: QT-660-2G410051-TIL-19**

This Schedule of Locations and Buildings applies to the Common Policy Declarations for the period 05-12-19 to 05-12-20 .

<b>Loc. No.</b>	<b>Bldg. No.</b>	<b>Address</b>	<b>Occupancy</b>
1	1	153 NORTH 100 EAST LEHI, UT 84043	RESERVOIR DAM/OFFICE



## **COMMERCIAL INLAND MARINE**



## **COMMERCIAL INLAND MARINE**

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**COMMERCIAL INLAND MARINE COVERAGE PART**

The following indicates the contents of the principal forms which may be attached to your policy.

It contains no reference to the Declarations or Endorsements which also may be attached.

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Varies

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D. Deductible _____	
E. Additional Conditions _____	Form
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# COMMERCIAL INLAND MARINE CONDITIONS

The following conditions apply in addition to the Common Policy Conditions and applicable Additional Conditions in Commercial Inland Marine Coverage Forms:

## LOSS CONDITIONS

### A. Abandonment

There can be no abandonment of any property to us.

### B. Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

1. Pay its chosen appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

### C. Duties In The Event Of Loss

You must see that the following are done in the event of loss or damage to Covered Property:

1. Notify the police if a law may have been broken.
2. Give us prompt notice of the loss or damage. Include a description of the property involved.
3. As soon as possible, give us a description of how, when and where the loss or damage occurred.
4. Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible,

set the damaged property aside and in the best possible order for examination.

5. You will not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.
6. As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.  
  
Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
7. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.
8. Send us a signed, sworn proof of loss containing the information we request to settle the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
9. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or suit.
10. Cooperate with us in the investigation or settlement of the claim.

### D. Insurance Under Two Or More Coverages

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

### E. Loss Payment

1. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
2. We will not pay you more than your financial interest in the Covered Property.
3. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claim against us for the owners' property. We will not pay the owners more than

their financial interest in the Covered Property.

4. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
5. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss if you have complied with all the terms of this Coverage Part and:
  - a. We have reached agreement with you on the amount of the loss; or
  - b. An appraisal award has been made.
6. We will not be liable for any part of a loss that has been paid or made good by others.

**F. Other Insurance**

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

**G. Pair, Sets Or Parts**

**1. Pair Or Set**

In case of loss or damage to any part of a pair or set we may:

- a. Repair or replace any part to restore the pair or set to its value before the loss or damage; or
- b. Pay the difference between the value of the pair or set before and after the loss or damage.

**2. Parts**

In case of loss or damage to any part of Covered Property consisting of several parts when complete, we will only pay for the value of the lost or damaged part.

**H. Recovered Property**

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

**I. Reinstatement Of Limit After Loss**

The Limit of Insurance will not be reduced by the payment of any claim, except for total loss or damage of a scheduled item, in which event we will refund the unearned premium on that item.

**J. Transfer Of Rights Of Recovery Against Others To Us**

If any person or organization to or for whom we make payment under this Coverage Part 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. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property.
2. After a loss to your Covered Property only if, at time of loss, that party is one of the following:
  - a. Someone insured by this insurance; or
  - b. A business firm:
    - (1) Owned or controlled by you; or
    - (2) That owns or controls you.

This will not restrict your insurance.

**GENERAL CONDITIONS**

**A. Concealment, Misrepresentation Or Fraud**

This Coverage Part is void in any case of fraud, intentional concealment or misrepresentation of a material fact, by you or any other insured, at any time, concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

**B. Control Of Property**

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

**C. Legal Action Against Us**

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all the terms of this Coverage Part; and
2. The action is brought within 2 years after you first have knowledge of the direct loss or damage.

**D. No Benefit To Bailee**

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

**E. Policy Period, Coverage Territory**

We cover loss or damage commencing:

1. During the policy period shown in the Declarations; and
2. Within the coverage territory.

**F. Valuation**

The value of property will be the least of the following amounts:

1. The actual cash value of that property;
2. The cost of reasonably restoring that property to its condition immediately before loss or damage; or
3. The cost of replacing that property with substantially identical property.

In the event of loss or damage, the value of property will be determined as of the time of loss or damage.

# PROPERTY FLOATER COVERAGE – SPECIAL FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and 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. COVERAGE

We will pay for "loss" to Covered Property from any of the Covered Causes of Loss.

### 1. Covered Property, as used in this Coverage Form, means:

- a. Your property; and
- b. Similar property of others that is in your care, custody or control;

described in the Declarations.

### 2. Property Not Covered

Covered Property does not include:

- a. Accounts, bills, currency, documents, records, deeds, evidences of debt, money, notes, securities, or stamps;
- b. Automobiles, motor trucks, trailers or other vehicles that are licensed for use on public roads and are used to transport persons or property;
- c. Aircraft;
- d. Property while waterborne except while on ferries operating on the navigable waters of the Continental United States and Canada other than to or from Alaska;
- e. Water or land (including land on which the property is located); or
- f. Contraband, or property in the course of illegal transportation or trade.

### 3. Covered Causes of Loss

Covered Causes of Loss means RISKS OF DIRECT PHYSICAL "LOSS" to Covered Property except those causes of "loss" listed in the Exclusions.

## B. EXCLUSIONS

1. We will not pay for a "loss" caused directly or indirectly by any of the following. Such "loss" is excluded regardless of any other cause or

event that contributes concurrently or in any sequence to the "loss."

### a. Earth Movement

- (1) Any earth movement, such as an earthquake, landslide, or earth sinking, rising or shifting.

But we will pay for direct "loss" caused by resulting fire or explosion, if these would be covered under this Coverage Form.

- (2) Volcanic eruption, explosion or effusion.

But we will pay for direct loss caused by resulting fire if the fire would be covered under this Coverage Form.

This exclusion does not apply to property in transit.

### b. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread if the fire would be covered under this Coverage Form.

### c. Nuclear Hazard

- (1) Any weapon employing atomic fission or fusion; or

- (2) Nuclear reaction or radiation, or radioactive contamination from any other cause. But we will pay for direct "loss" caused by resulting fire if the fire would be covered under this Coverage Form.

### d. War and Military Action

- (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.

**e. Water**

- (1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
- (2) Mudslide or mudflow;
- (3) Water that backs up from a sewer or drain;
- (4) Water that seeps, leaks or flows below the surface of the ground; or
- (5) Any release of water impounded by a dam.

But we will pay for direct "loss" caused by resulting fire, explosion or theft, if these causes of "loss" would be covered under this Coverage Form.

This exclusion does not apply to property in transit.

- 2. We will not pay for a "loss" caused by or resulting from any of the following:

- a. Delay, loss of use, loss of market or any other consequential loss.
- b. Unexplained disappearance.

This exclusion does not apply to property in the custody of a carrier for hire.

- c. Shortage found upon taking inventory.
- d. Dishonest acts by you, anyone else with an interest in the property, your or their employees or authorized representatives or anyone entrusted with the property, whether or not acting alone or in collusion with other persons or occurring during the hours of employment.

This exclusion does not apply to property in the custody of a carrier for hire.

- e. Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

- f. Unauthorized instructions to transfer property to any person or to any place.

- 3. We will not pay for a "loss" caused by or resulting from any of the following. But if "loss" by a Covered Cause of Loss results, we will pay for that resulting "loss."

- a. Weather conditions. But this exclusion only applies if weather conditions contributed in any way with a cause or event excluded in paragraph 1. above to produce the "loss."

- b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

- c. Faulty, inadequate or defective:

- (1) Planning, zoning, development, surveying, siting;

- (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;

- (3) Materials used in repair, construction, renovation or remodeling; or

- (4) Maintenance of part or all of any property wherever located.

- d. Wear and tear, any quality in the property that causes it to damage or destroy itself, gradual deterioration; insects, vermin or rodents; corrosion, rust, dampness or dryness, cold or heat.

- e. Artificially generated current creating a short circuit or other electric disturbance.

But we will pay for direct "loss" caused by resulting fire or explosion, if these causes of "loss" would be covered under this Coverage Form.

- f. Mechanical breakdown or failure of Covered Property.

**C. LIMITS OF INSURANCE**

The most we will pay for "loss" in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

**D. DEDUCTIBLE**

We will not pay for "loss" in any one occurrence until the amount of the adjusted "loss", before applying the applicable Limits of Insurance, exceeds the Deductible shown in the Declarations. We will then pay the amount of the adjusted



"loss" in excess of the Deductible, up to the applicable Limit of Insurance.

**E. ADDITIONAL CONDITIONS**

The following conditions apply in addition to the Commercial Inland Marine Conditions and the Common Policy Conditions:

**1. Coverage Territory**

We cover property wherever located within:

- a. The United States of America and its territories or possessions;
- b. Puerto Rico; and
- c. Canada.

**2. Coinsurance**

All Covered Property must be insured for at least 80 percent of its total value as of the time of "loss" or you will incur a penalty.

The penalty is that we will pay only the proportion of any "loss" that the applicable Limit of Insurance shown in the Declarations for the property bears to 80 percent of the total value of that property as of the time of "loss."

When items are individually listed or described in the Declarations, this penalty applies separately to each item.

**F. DEFINITIONS**

"Loss" means accidental loss or damage.

COVERAGE PART DECLARATIONS

INSURING COMPANY: TRAVELERS PROPERTY CASUALTY COMPANY OF AMERICA

DECLARATIONS PERIOD: From 05-12-2019 to 05-12-2020 12:01A.M. Standard Time at your mailing address shown in the Common Policy Declarations.

The Commercial Inland Marine Coverage Part consists of these Declarations, the Commercial Inland Marine Conditions Form and the Coverage Forms shown below.

COVERAGE, LIMITS OF INSURANCE AND DEDUCTIBLE:

DAM COVERAGE FORM

1. DESCRIPTION OF PROPERTY:

Sand Pit Reservoir - 2600 North Center Street, Lehi, UT 84043

2. LIMITS OF INSURANCE:

"BASIC LIMIT OF INSURANCE": \$1,500,000

3. DEDUCTIBLE:

"BASIC DEDUCTIBLE": \$10,000 per occurrence

4. COINSURANCE: 80%

NUMBERS OF FORMS, SCHEDULES AND ENDORSEMENTS FORMING PART OF THIS COVERAGE PART ARE ATTACHED AS A SEPARATE LISTING.

DAM COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and 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. COVERAGE

We will pay for direct physical loss of or damage to Covered Property from any of the Covered Causes of Loss.

1. Covered Property

Covered Property, as used in this Coverage Form, means the dam described in the Declarations.

2. Property Not Covered

Covered Property does not include land, contraband, or property in the course of illegal transportation or trade.

3. Covered Causes of Loss

Covered Causes of Loss means Risks Of Direct Physical Loss Or Damage to Covered Property except those causes of loss listed in the Exclusions.

4. Additional Coverages

a. Debris Removal

- (1) We will pay your expenses to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.
- (2) The most we will pay under this Additional Coverage is 25% of:
  - (a) The amount we pay for the direct physical loss or damage to Covered Property; plus
  - (b) The deductible in this policy applicable to that loss or damage.
- (3) Payment under this Additional Coverage will not increase the applicable Limit of Insurance, but if:

- (a) The sum of direct physical loss or damage and debris removal expense exceeds the Limit of Insurance; or
- (b) The debris removal expense exceeds the amount payable under the 25% limitation; we will pay up to an additional \$5,000 in any one occurrence under this Additional Coverage.

(4) This Additional Coverage does not apply to costs to:

- (a) Extract "pollutants" from land or water; or
- (b) Remove, restore or replace polluted land or water.

b. "Fungus", Wet Rot Or Dry Rot

We will pay for loss or damage by "fungus", or wet or dry rot that is the result of one or more of the Covered Causes of Loss, except fire or lighting, that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after the occurrence of any such cause of loss. As used in this Additional Coverage, the term loss or damage means:

- (1) Direct physical loss or damage to Covered Property caused by "fungus", or wet or dry rot, including the cost of removal of the "fungus", or wet or dry rot;
- (2) The cost to tear out and replace any part of the Covered Property as needed to gain access to the "fungus", or wet or dry rot; and
- (3) The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungus", or wet or dry rot is present.

The most we will pay under this Additional Coverage in each separate 12 month period of this policy is \$10,000 for the sum of all loss or damage described in (1), (2) and (3) above. With respect to a particular occurrence which results in "fungus", or wet or dry rot, we will not pay more than a total of \$10,000 even if the "fungus", or wet or dry rot continues to be present or active, or recurs, in a later policy period. This Additional Coverage does not increase the applicable Limit of Insurance.

c. Pollutant Clean Up And Removal

We will pay your expense to extract "pollutants" from land or water if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss to Covered Property that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.

The most we will pay under this Additional Coverage is \$10,000 for the sum of all covered expenses arising out of all Covered Causes of Loss to Covered Property occurring during each separate 12 month period of this policy.

The limit for this Additional Coverage is in addition to the Limit of Insurance.

#### B. EXCLUSIONS

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

- a. Governmental Action

Seizure or destruction of property by order of Governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread if the fire would be covered under this Coverage Form.

- b. Nuclear Hazard

- (1) Any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination from any other cause. But if nuclear reaction or radiation, or radioactive contamination results in fire, we will pay for the direct loss or damage caused by that fire if the fire would be covered under this Coverage Form.

- c. War And Military Action

- (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.

- d. "Earth Movement".

- e. "Flood".
- f. "Fungus", Wet Rot And Dry Rot

Presence, growth, proliferation, spread or any activity of "fungus", or wet or dry rot.

But if "fungus", or wet or dry rot results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion does not apply:

- (1) When "fungus", or wet or dry rot results from fire or lightning; or
- (2) To the extent that coverage is provided in the "Fungus", Wet Rot And Dry Rot Additional Coverage.

- g. Ordinance or Law

The enforcement of any ordinance or law that is in force at the time of loss or damage:

- (1) Regulating the construction, use or repair of any property;
- (2) Requiring the tearing down of any property, including the removal of any of its debris; or
- (3) Requiring any 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 "pollutants", "fungus", wet or dry rot or "bacteria".

Exclusions B.1.a. through B.1.g. apply whether or not the loss event results in widespread damage or affects a substantial area

- 2. We will not pay for loss or damage caused by or resulting from any of the following:
  - a. Delay, loss of use, loss of market, loss of income or any other consequential loss.
  - b. Dishonest or criminal act committed by:
    - (1) You, any of your partners, employees, directors, trustees, or authorized representatives;
    - (2) A manager or a member if you are a limited liability company;
    - (3) Anyone else with an interest in the property, or their employees or authorized representatives; or

- (4) Anyone else to whom the property is entrusted for any purpose.

This exclusion applies whether or not such persons are acting alone or in collusion with other persons or such acts occur during the hours of employment.

This exclusion does not apply to Covered Property that is entrusted to others who are carriers for hire or to acts of destruction by your employees. But theft by employees is not covered.

c. Work upon the property.

But if work upon the property results in fire or explosion, we will pay for direct loss or damage caused by that fire or explosion if the fire or explosion would be covered under this Coverage Form.

- d. Artificially generated electrical current, including electric arcing, that disturbs electrical devices, equipment, appliances or wires. But if artificially generated electrical current results in fire or explosion, we will pay for direct loss or damage caused by that fire or explosion if the fire or explosion would be covered under this Coverage Form.
- e. Unexplained disappearance.
- f. Shortage found upon taking inventory.
- g. Contamination of any kind.
- h. Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- i. Unauthorized instructions to transfer property to any person or to any place.
- j. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.
- k. Release, discharge, dispersal, seepage, migration or escape of "pollutants".
- l. (1) Wear and tear;
- (2) Rust, other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
- (3) Insects, vermin, rodents, birds or other animals;
- (4) Settling, cracking, shrinking or expansion;

But if an exclusion that is listed in 2.1.(1) through (4) results in a "specified causes of loss", we will pay for that resulting loss or damage caused by the "specified causes of loss".

- m. Dryness or dampness of atmosphere, extremes or changes of temperature, whether natural or manmade, including freezing or melting.
  - n. Any condition or event, including explosion, within a hot water boiler, steam boiler, steam pipe, steam turbine or steam engine.
  - o. Programming errors.
3. We will not pay for loss or damage caused by or resulting from any of the following, 3.a. through 3.d. But if an excluded cause of loss that is listed in 3.a. through 3.c. results in a Covered Cause of Loss, we will pay for the resulting loss or damage caused by that Covered Cause of Loss.
- a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in B.1.above to produce the loss or damage.
  - b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
  - c. Mechanical breakdown, derangement of mechanical parts, equipment breakdown, malfunction or failure of the Covered Property.
  - d. Faulty, inadequate or defective:
    - (1) Planning, zoning, development, sur-veying, siting;
    - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
    - (3) Materials used in repair, construction, renovation or remodeling; or
    - (4) Maintenance;  
of part or all of any property on or off the described premises

If an excluded cause of loss that is listed in 3.d. above results in a Covered Cause of Loss, we will pay for the resulting loss or damage caused by that Covered Cause of Loss. But we will not pay for:

- (1) Any cost of correcting or making good the fault, inadequacy or defect itself, including any cost incurred to tear down, tear out, repair or replace any part of any property to correct the faulty, inadequacy or defect; or
- (2) Any resulting loss or damage by a Covered Cause of Loss to the property that has the fault, inadequacy or defect until the fault, inadequacy or defect is corrected.



C. LIMITS OF INSURANCE

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown on the Declarations.

D. DEDUCTIBLE

We will not pay for loss or damage in any one occurrence until the amount of the adjusted loss or damage before applying the applicable limits of insurance exceeds the Deductible shown in the Declarations. We will then pay the amount of the adjusted loss or damage in excess of the Deductible, up to the applicable Limit of Insurance.

E. ADDITIONAL CONDITIONS

The following conditions apply in addition to the Commercial Inland Marine Conditions and the Common Policy Conditions:

1. Alterations or Changes To Property

The following requirement must be met in order for coverage to apply.

You may not materially alter or change the design, construction or the character of the property during the policy period without our consent. But you may make temporary alterations or changes incidental to the performance of necessary repairs if you immediately notify us of such alterations or changes.

2. Coverage Territory

We cover property wherever located within:

- a. The United States of America; and
- b. Canada.

3. Valuation

In the event of loss or damage, the value of your Covered Property as of the time of loss or damage will be the least of the following:

- (1) The cost to replace Covered Property (without deduction for depreciation) with other property:
  - (a) Of comparable material and quality, and
  - (b) Used for the same purpose;
- (2) The cost of reasonably restoring that property to its condition immediately before the loss or damage;
- (3) The cost of replacing that property with substantially identical property; or
- (4) The Limit of Insurance that applies to the property.

#### 4. Coinsurance

If a Coinsurance percentage is shown in the Declarations, the following condition applies:

We will not pay the full amount of any loss if the value of Covered Property at the time of loss times the Coinsurance percentage shown in the Declarations is greater than the Limit of Insurance for the property.

Instead, we will determine the most we will pay using the following steps:

- a. Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;
- b. Divide the Limit of Insurance of the property by the figure determined in Step a.;
- c. Multiply the total amount of loss, before the application of any deductible, by the figure determined in Step b.; and
- d. Subtract the deductible from the figure determined in Step c.

We will pay the amount determined in Step (d) or the Limit of Insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

#### F. DEFINITIONS

1. "Bacteria" means any type, kind or form of bacterium.
2. "Basic Limit of Insurance" means the most we will pay for loss or damage in any one occurrence unless a more specific Limit of Insurance for the applicable loss or damage is shown in the Declarations or elsewhere in the policy.

If a more specific Limit of Insurance for the applicable loss or damage is shown, the "Basic Limit of Insurance" will not apply.

3. "Basic Deductible" means the Deductible applicable in any one occurrence of loss or damage unless a more specific Deductible for the applicable Covered Cause of Loss is shown in the Declarations or elsewhere in the policy.
4. "Earth movement" means any movement of the earth (other than "sinkhole collapse"), including but not limited to.
  - a. earthquake;
  - b. landslide;
  - c. earth sinking, rising or shifting;

d. volcanic eruption, explosion or effusion.

All whether naturally occurring or due to man-made or other artificial causes.

5. "Flood" means:

a. Surface water, waves, tides, tidal waves, tsunami, overflow of any body of water, or their spray, all whether driven by wind or not;

b. Mudslide or mudflow;

c. Water that backs up from a sewer or drain; or

d. Water under the ground surface pressing on, or flowing or seeping through:

(1) Foundations, walls, floors or paved surfaces;

(2) Basements, whether paved or not; or

(3) Doors, windows or other openings.

All whether naturally occurring or due to man-made or other artificial causes.

6. "Fungus" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or by-products produced or released by fungi.

7. "Pollutants" means 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.

8. "Sinkhole collapse" means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. "Sinkhole collapse" does not mean the cost of filling sinkholes or the sinking or collapse of land into man-made underground cavities.

9. "Specified causes of loss" means fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; "sinkhole collapse"; volcanic action; falling objects; weight of snow, ice or sleet; "water damage".

a. Falling objects does not include loss or damage to:

(1) Personal property in the open; or

- (2) The interior of a building or structure or personal property in the open; or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.

Any portion of a building or structure that is within the exterior-facing surface material of a building or structure shall constitute the interior of that building or structure.

- b. "Water damage" means accidental discharge or leakage of water or steam as the direct result of the breaking or cracking of any part of a system or appliance containing water or steam.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EARTHQUAKE COVERAGE

This endorsement modifies coverage provided under the DAM COVERAGE FORM:

A. The following are added to the COMMERCIAL INLAND MARINE COVERAGE PART DECLARATIONS:

1. Section 2. - LIMITS OF INSURANCE:

LIMITS OF INSURANCE

"Earthquake Limit of Insurance"	\$1,500,000
"Earthquake Annual Aggregate Limit of Insurance"	\$1,500,000

2. Section 3. - DEDUCTIBLE:

"Earthquake Deductible"	\$ 100,000
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B. The following changes are made to the DAM COVERAGE FORM:

1. The following is added to the Additional Coverages in Section A. - COVERAGE.

"Earthquake"

We will pay for direct physical loss of or damage to Covered Property caused by "earthquake".

2. The following is added to the "Earth Movement" Exclusion in Section B. - EXCLUSIONS, Part 1:

This exclusion does not apply to the Earthquake Additional Coverage.

C. The following definitions are added to Section F - Definitions:

1. "Earthquake" means:

a. A shaking or trembling of the earth's crust, caused by underground volcanic or tectonic forces or by breaking or shifting of rock beneath the surface of the ground from natural causes.

b. Volcanic Eruption, meaning the eruption, explosion or effusion of a volcano.

2. "Earthquake Annual Aggregate Limit of Insurance" means the most we will pay for all covered "earthquake" occurrences in any one policy year.

Each policy year:

- a. Begins with the inception date or anniversary date of this policy, and
  - b. Ends at the next anniversary date or the expiration date of this policy.
3. "Earthquake Deductible" means the Deductible applicable in any one occurrence of loss or damage from "earthquake".
  4. "Earthquake Limit of Insurance" means the most we will pay for loss or damage in any one occurrence caused directly or indirectly by "earthquake", regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

But if loss or damage by fire, explosion, mudslide or mudflow which is caused or precipitated by accumulation of water on or below ground, or "volcanic action" results from "earthquake", the "Earthquake Limit of Insurance" will not apply to the resulting loss or damage. Instead, we will pay up to the applicable Limit of Insurance shown in the Declarations that would otherwise apply to loss or damage by fire, explosion or "volcanic action". We will also pay up to such applicable Limit of Insurance for loss or damage by building glass breakage resulting from volcanic eruption, explosion or effusion.

All "earthquakes" that occur within any 168 hour period will constitute a single occurrence. The expiration of this policy will not reduce the 168 hour period.

Any payment under the "Earthquake Limit of Insurance" will not increase the applicable Limit of Insurance shown elsewhere in this policy.

"Volcanic action" means direct physical loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- a. Airborne volcanic blast or airborne shock waves;
- b. Ash, dust or particulate matter; or

c. Lava flow.

"Volcanic action" does not mean the cost to remove ash, dust or particles that do not cause direct physical loss or damage.

All volcanic eruptions that occur within any 168 - hour period will constitute a single occurrence.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FLOOD COVERAGE

This endorsement modifies coverage provided under the DAM COVERAGE FORM:

A. The following are added to the COMMERCIAL INLAND MARINE COVERAGE PART DECLARATIONS:

1. Section 2. - LIMITS OF INSURANCE:

LIMITS OF INSURANCE

"Flood Limit of Insurance"	\$1,500,000
"Flood Annual Aggregate Limit of Insurance"	\$1,500,000

2. Section 3. - DEDUCTIBLE:

"Flood Deductible"	\$ 100,000
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B. The "Flood" Exclusion in Section B - EXCLUSIONS, Part 1 is deleted.

C. The following definitions are added to Section F - Definitions:

- 1. "Flood Annual Aggregate Limit of Insurance" means the most we will pay for all covered "flood" occurrences in any one policy year.

Each policy year:

- a. Begins with the inception date or anniversary date of this policy, and
- b. Ends at the next anniversary date or the expiration date of this policy.
- 2. "Flood Deductible" means the Deductible applicable in any one occurrence of loss or damage from "flood".
- 3. "Flood Limit of Insurance" means the most we will pay for loss or damage in any one occurrence caused directly or indirectly by "flood", regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

But if loss or damage by fire, explosion, or leakage or discharge from an automatic sprinkler systems results from "flood", the "Flood Limit of Insurance" will not apply to the resulting loss or damage. Instead, we will pay up to the applicable Limit of Insurance shown in the Declarations that would otherwise apply to loss or damage by fire, explosion or leakage or discharge from an automatic sprinkler system.



Any payment under the "Flood Limit of Insurance" will not increase the applicable Limit of Insurance shown elsewhere in this policy.

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## **FEDERAL TERRORISM RISK INSURANCE ACT DISCLOSURE**

This endorsement modifies insurance provided under the following:

### COMMERCIAL INLAND MARINE COVERAGE PART

The federal Terrorism Risk Insurance Act of 2002 as amended ("TRIA") establishes a program under which the Federal Government may partially reimburse "Insured Losses" (as defined in TRIA) caused by "Acts Of Terrorism" (as defined in TRIA). "Act Of Terrorism" is defined in Section 102(1) of TRIA to mean 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 certain air carriers or vessels 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.

The Federal Government's share of compensation for such Insured Losses is established by TRIA and is a percentage of the amount of such Insured Losses in excess of each Insurer's "Insurer Deductible" (as defined in TRIA), subject to the "Program Trigger" (as defined in TRIA). Through 2020, that percentage is established by TRIA as follows:

85% with respect to such Insured Losses occurring in calendar year 2015.

84% with respect to such Insured Losses occurring in calendar year 2016.

83% with respect to such Insured Losses occurring in calendar year 2017.

82% with respect to such Insured Losses occurring in calendar year 2018.

81% with respect to such Insured Losses occurring in calendar year 2019.

80% with respect to such Insured Losses occurring in calendar year 2020.

In no event, however, will the Federal Government be required to pay any portion of the amount of such Insured Losses occurring in a calendar year that in the aggregate exceeds \$100 billion, nor will any Insurer be required to pay any portion of such amount provided that such Insurer has met its Insurer Deductible. Therefore, if such Insured Losses occurring in a calendar year exceed \$100 billion in the aggregate, the amount of any payments by the Federal Government and any coverage provided by this policy for losses caused by Acts Of Terrorism may be reduced.

The charge for such Insured Losses under this Coverage Part is included in the Coverage Part premium. The charge for such Insured Losses that has been included for this Coverage Part is indicated below, and does not include any charge for the portion of such Insured Losses covered by the Federal Government under TRIA:

- 1% of your total Commercial Inland Marine Coverage Part premium.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****UTAH CHANGES**

This endorsement modifies insurance provided under the following:

## COMMERCIAL INLAND MARINE COVERAGE PART

- A. Paragraphs 2. and 8. of Loss Condition C. Duties In The Event Of Loss** in the Commercial Inland Marine Conditions are replaced with the following:
2. Give prompt notice of the loss or damage to us or our agent. Include a description of the property involved.  
You may fulfill this requirement by mailing the notice to us, postage prepaid, through first class mail deposited in a United States Post Office.
  8. Send us a signed, sworn proof of loss containing the information we request to settle the claim. We will, on request, promptly furnish you with any necessary forms and instructions.  
You must send the proof of loss within 60 days after our request. Failure to send the requested proof of loss within 60 days does not invalidate your claim, if you show that it was not reasonably possible to do so and that you submitted the proof of loss to us as soon as reasonably possible.  
You may fulfill this requirement by mailing the notice to us, postage prepaid, through first class mail deposited in a United States Post Office.
- B. Paragraph 2. of Loss Condition F. Other Insurance** in the Commercial Inland Marine Conditions is replaced by the following:
2. If there is other insurance covering the same loss or damage, other than that described in Paragraph 1., we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance. But we will not pay more than the applicable Limit of Insurance.
- C. General Condition A. Concealment, Misrepresentation Or Fraud** in the Commercial Inland Marine Conditions is replaced by the following:
- This Coverage Part may be voided in the event of fraud or misrepresentation by you relating to:
1. This Coverage Part;
  2. The Covered Property; or
  3. Your interest in the Covered Property, subject to the following provisions of Utah Code Section 31A-21-105:
    - a. No statement, representation, or warranty made by any person representing us in the negotiation for an individual insurance contract affects our obligations under this Coverage Part unless the statement, representation, or warranty is stated:
      - (1) In this Coverage Part; or
      - (2) In a written application signed by you. No person, except you or another person by your written consent, may alter the application, other than for administrative purposes in a way which is clearly not ascribable to you.
    - b. You, your assignee and the loss payee, mortgagee or lienholder, if any, under property insurance, may request, in writing, from us a copy of the application, if:
      - (1) This Coverage Part or a copy of the application has not been received; or
      - (2) This Coverage Part has been reinstated or renewed without the attachment of a copy of the original application.

If we do not deliver or mail a copy of the application, within 30 days after receipt of the request by us or our agent, nothing in the application affects our obligations under this Coverage Part to the person making the request.
    - c. Except as provided in f. below, no misrepresentation or breach of an affirmative warranty affects our obligations under this Coverage Part unless:

- (1) We rely on it and it is either material or is made with intent to deceive; or
    - (2) The fact misrepresented or falsely warranted contributes to the loss.
  - d. No failure of a condition prior to the loss, and no breach of a promissory warranty, affects our obligations under this Coverage Part unless it:
    - (1) Exists at the time of the loss; and
    - (2) Either:
      - (a) Increases the risk at the time of the loss; or
      - (b) Contributes to the loss.
- However, this Paragraph **d.** does not apply to nonpayment of premium.
- e. Nondisclosure of information not requested by us is not a defense to an action against us. Failure to correct within a reasonable period of time any representation that becomes incorrect because of changes in circumstances is misrepresentation, not nondisclosure.
  - f. If, after we issue this Coverage Part, we acquire knowledge of sufficient facts to constitute a general defense to all claims under this Coverage Part, the defense is only available if, within 60 days after acquiring such knowledge we notify the insured of our intention to defend against a claim if one should arise. However, in order to continue this Coverage Part, we

and the insured may both agree to endorse it to include specific exceptions or modifications.

For purposes of this Paragraph **f.**, we are to be considered as having acquired knowledge only if the information alleged to give rise to such knowledge was disclosed to us or to our agent in connection with communications or investigations associated with the Coverage Part under which the subject claim arises.

- g. No trivial or transitory:
  - (1) Breach of; or
  - (2) Noncompliance with;any of the above provisions is a basis for avoiding this Coverage Part.
- D. Paragraph **a.** of Additional Condition **D.5. Other Insurance** in the Mail Coverage Form is replaced by the following:

With respect to loss or damage by theft on the part of employees of senders or addressees, we will pay only for the excess of the amount covered by any other insurance or indemnity.
- E. General Condition **C. Legal Action Against Us** in the Commercial Inland Marine Conditions is replaced by the following:

No one may bring a legal action against us under this Coverage Part unless the action is brought within 3 years after you first have knowledge of the direct loss or damage.

**INTERLINE  
ENDORSEMENTS**



**INTERLINE  
ENDORSEMENTS**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **AMENDMENT OF COMMON POLICY CONDITIONS – PROHIBITED COVERAGE – UNLICENSED INSURANCE AND TRADE OR ECONOMIC SANCTIONS**

This endorsement modifies insurance provided under the following:

ALL COVERAGES INCLUDED IN THIS POLICY

The following is added to the Common Policy Conditions:

### **Prohibited Coverage – Unlicensed Insurance**

1. With respect to loss sustained by any insured, or loss to any property, located in a country or jurisdiction in which we are not licensed to provide this insurance, this insurance does not apply to the extent that insuring such loss would violate the laws or regulations of such country or jurisdiction.
2. We do not assume responsibility for:
  - a. The payment of any fine, fee, penalty or other charge that may be imposed on any person or organization in any country or jurisdiction because we are not licensed to provide insurance in such country or jurisdiction; or

- b. The furnishing of certificates or other evidence of insurance in any country or jurisdiction in which we are not licensed to provide insurance.

### **Prohibited Coverage – Trade Or Economic Sanctions**

We will provide coverage for any loss, or otherwise will provide any benefit, only to the extent that providing such coverage or benefit does not expose us or any of our affiliated or parent companies to:

1. Any trade or economic sanction under any law or regulation of the United States of America; or
2. Any other applicable trade or economic sanction, prohibition or restriction.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART  
COMMERCIAL EXCESS LIABILITY (UMBRELLA) INSURANCE  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
CYBERFIRST ESSENTIALS LIABILITY COVERAGE PART  
CYBERFIRST LIABILITY COVERAGE  
DELUXE PROPERTY COVERAGE PART  
EMPLOYEE BENEFITS LIABILITY COVERAGE PART  
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART  
EMPLOYMENT PRACTICES LIABILITY+ WITH IDENTITY FRAUD EXPENSE REIMBURSEMENT  
COVERAGE PART  
ENVIRONMENTAL HAZARD POLICY  
EQUIPMENT BREAKDOWN COVERAGE PART  
EXCESS (FOLLOWING FORM) LIABILITY INSURANCE  
LAW ENFORCEMENT LIABILITY COVERAGE PART  
LIMITED ABOVE GROUND POLLUTION LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
MEDFIRST PRODUCTS/COMPLETED OPERATIONS, ERRORS AND OMISSIONS, AND  
INFORMATION SECURITY LIABILITY COVERAGE FORM  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
PUBLIC ENTITY MANAGEMENT LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
SPECIAL PROTECTIVE AND HIGHWAY LIABILITY POLICY – NEW YORK DEPARTMENT OF  
TRANSPORTATION  
TRIBAL BUSINESS MANAGEMENT LIABILITY COVERAGE PART  
Any other Coverage Part or Coverage Form included in this policy that is subject to the federal Terrorism  
Risk Insurance Act of 2002 as amended

The following is added to this policy. This provision can limit coverage for any loss arising out of a "certified act of terrorism" if such loss is otherwise covered by this policy. This provision does not apply if and to the extent that coverage for the loss is excluded or limited by an exclusion or other coverage limitation for losses arising out of "certified acts of terrorism" in another endorsement to this policy.

If aggregate insured losses attributable to "certified acts of terrorism" exceed \$100 billion in a calendar year and we have met our insurer deductible under "TRIA", we will 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.

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of "TRIA", to be an act of terrorism pursuant to "TRIA". The criteria contained in "TRIA" for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to "TRIA"; 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.

"TRIA" means the federal Terrorism Risk Insurance Act of 2002 as amended.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA**

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
FARM COVERAGE PART

- A.** The exclusion set forth in Paragraph **B.** applies to all coverage under all forms and endorsements that comprise this Coverage Part or Policy, including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense, rental value or action of civil authority.
- B.** We will not pay for loss or damage caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.
- C.** With respect to any loss or damage subject to the exclusion in Paragraph **B.**, such exclusion supersedes any exclusion relating to "pollutants".
- D.** The terms of the exclusion in Paragraph **B.**, or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part or Policy.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **UTAH CHANGES – CANCELLATION AND NONRENEWAL**

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART  
COMMERCIAL AUTOMOBILE COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL LIABILITY UMBRELLA COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
CRIME AND FIDELITY COVERAGE PART  
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART  
EQUIPMENT BREAKDOWN COVERAGE PART  
FARM COVERAGE PART  
FARM UMBRELLA LIABILITY POLICY  
LIQUOR LIABILITY COVERAGE PART  
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS COVERAGE PART

**A.** The following is added to the **Cancellation** Common Policy Condition:

**7.** If this policy has been in effect for more than 60 days or if this is a renewal of a policy we issued, we may cancel this policy only for one or more of the following reasons:

- a.** Nonpayment of premium;
- b.** Material misrepresentation;
- c.** Substantial change in the risk assumed unless we should reasonably have foreseen the change or contemplated the risk when entering the contract; or
- d.** Substantial breaches of contractual duties, conditions or warranties.

If we cancel for nonpayment of premium, notice of cancellation must state the reason for cancellation.

**8.** With respect to the Commercial Automobile Coverage Part, the following applies in addition to the provisions of Paragraph **7.** above:

We may cancel this policy if your driver's license, or the driver's license of a person who

customarily drives a "covered auto", is suspended or revoked.

**9.** Notice of cancellation must be delivered or mailed by first-class mail.

**B.** The following is added and supersedes any provisions to the contrary:

### **NONRENEWAL**

**1.** If we elect to not renew this policy, we will mail, by first-class mail, written notice of non-renewal to the first Named Insured, at the last mailing address known to us, at least 30 days before the expiration or anniversary date of this policy.

**2.** We need not mail this notice if:

- a.** You have accepted replacement coverage;
- b.** You have requested or agreed to nonrenewal; or
- c.** This policy is expressly designated as nonrenewable.

**3.** If notice is mailed, proof of mailing is sufficient proof of notice.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES DUE TO DATES OR TIMES**

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART  
COMMERCIAL CRIME COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART

**A.** We will not pay for loss ("loss") or damage caused directly or indirectly by any of the following. Such loss ("loss") or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss ("loss") or damage.

- 1.** The failure, malfunction or inadequacy of:
  - a.** Any of the following, whether belonging to any insured or to others:
    - (1)** Computer hardware, including micro-processors;
    - (2)** Computer application software;
    - (3)** Computer operating systems and related software;
    - (4)** Computer networks;
    - (5)** Microprocessors (computer chips) not part of any computer system; or
    - (6)** Any other computerized or electronic equipment or components; or
  - b.** Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph **A.1.a.** of this endorsement;

due to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize the year 2000.

- 2.** Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair,

replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph **A.1.** of this endorsement.

**B.** If an excluded Cause of Loss as described in Paragraph **A.** of this endorsement results:

- 1.** In a Covered Cause of Loss under the Boiler and Machinery Coverage Part, the Commercial Crime Coverage Part or the Commercial Inland Marine Coverage Part; or
- 2.** Under the Commercial Property Coverage Part:
  - a.** In a "Specified Cause of Loss", in elevator collision resulting from mechanical breakdown, or from theft (if insured) under the Causes of Loss – Special Form; or
  - b.** In a Covered Cause of Loss under the Causes of Loss – Basic Form or the Causes of Loss – Broad Form;

we will pay only for the loss ("loss") or damage caused by such "Specified Cause of Loss", elevator collision, theft, or a Covered Cause of Loss.

**C.** We will not pay for repair, replacement or modification of any items in Paragraphs **A.1.a.** and **A.1.b.** of this endorsement to correct any deficiencies or change any features.

## **POLICYHOLDER NOTICES**



## **POLICYHOLDER NOTICES**

## **IMPORTANT NOTICE – INDEPENDENT AGENT AND BROKER COMPENSATION**

**NO COVERAGE IS PROVIDED BY THIS NOTICE. THIS NOTICE DOES NOT AMEND ANY PROVISION OF YOUR POLICY. YOU SHOULD REVIEW YOUR ENTIRE POLICY CAREFULLY FOR COMPLETE INFORMATION ON THE COVERAGES PROVIDED AND TO DETERMINE YOUR RIGHTS AND DUTIES UNDER YOUR POLICY. PLEASE CONTACT YOUR AGENT OR BROKER IF YOU HAVE ANY QUESTIONS ABOUT THIS NOTICE OR ITS CONTENTS. IF THERE IS ANY CONFLICT BETWEEN YOUR POLICY AND THIS NOTICE, THE PROVISIONS OF YOUR POLICY PREVAIL.**

For information about how Travelers compensates independent agents and brokers, please visit [www.travelers.com](http://www.travelers.com), call our toll-free telephone number 1-866-904-8348, or request a written copy from Marketing at One Tower Square, 2GSA, Hartford, CT 06183.

**To Our Valued Customer,**

**Each year, homeowners and business owners across the nation sustain significant weather-related property damage due to floods. These can include losses caused by waves, tidal waters, the overflow of a body of water, the rapid accumulation or runoff of surface water, and mudslide. In nearly all cases, these flood losses cannot be prevented or even anticipated. And, in many instances, the losses are devastating.**

**Most standard property insurance policies, including most of our policies, do not provide coverage for flood losses. While flood coverage is often available – primarily through the National Flood Insurance Program – it is rarely purchased. Unfortunately, each year we find that some policyholders are surprised and disappointed to learn that damages they have suffered as a direct result of flood are not covered under the policies they have purchased.**

**Please review your insurance coverage with your agent or Company representative. As you consider the need for flood insurance, keep in mind that floods can, and do, occur in locations all over the country. They are not limited to coastal areas or locations with nearby rivers or streams. Several inches of rain falling over a short period of time can cause flood damage, even in normally dry areas that are not prone to flooding.**

**For further information about Flood Insurance, contact your agent or company representative, or contact the National Flood Insurance Program directly.**



The Utah Local Governments Trust is a Public Agency Insurance Mutual, defined under Utah Code Annotated 31A-1-103, and formed under the Utah Interlocal Cooperative Act, Utah Code Annotated 11-13-101 et seq. Under the authority of Utah Code Annotated 63G-7-703 and 63G-7-801 et seq., the Trust and its members have created a self-insurance reserve fund to pay and/or defend against certain risks and liabilities. The Trust provides insurance-like protection to its members through coverage contracts, also referred to as "policies." The policies issued by the Trust contain various provisions which may limit or restrict coverage. Read each policy carefully to determine your rights, duties and what is and is not covered.

Policy Number: 12180-LIABILITY  
 Policy Holder/Named Insured: Lehi City  
 Policy Period Effective: 11/01/2018 12:01 a.m. MST and continuous until cancelled.

**COVERAGE DECLARATIONS**

**MAXIMUM COMBINED AGGREGATE LIMIT \$10,000,000**

The Maximum Combined Aggregate Limit represents the most the Trust will pay per Policy Period regardless of the number of: (1) Insureds; (2) "claims" or "suits"; (3) persons or organizations sustaining "damages"; (4) "occurrences," "personal injury offenses," "public officials' errors and omissions," "wrongful law enforcement acts"; or (5) coverages involved in a loss. Payment under any of the coverages provided by the Trust shall reduce the Maximum Combined Aggregate Limit available per Policy Period. Coverage provided by the Trust shall not be combined, cumulated or stacked with any other coverage provided by the Trust.

**CGL - Comprehensive General Liability**

CGL	<u>Comprehensive General Liability</u>	
	Liability Aggregate Limit per Policy Period	\$10,000,000
	Self Insured Retention	\$100,000
	Liability Single Limit per Occurrence/Offense	\$10,000,000
	No-Fault Medical Payments per Occurrence	\$5,000

**POEO - Public Officials' Errors and Omissions Liability**

POEO-CP1	<u>Coverage Part 1: Public Officials' Errors and Omissions</u>	
	Liability Aggregate Limit per Policy Period	\$10,000,000
	Self Insured Retention	\$100,000
	Liability Single Limit per Wrongful Act	\$10,000,000
POEO-CP2	<u>Coverage Part 2: Employee Benefits Liability</u>	
	Liability Aggregate Limit per Policy Period	\$10,000,000
	Self Insured Retention	\$100,000
	Liability Single Limit per EB Act/Error/ Omission	\$10,000,000

**LEL - Law Enforcement Liability**



LEL	<u>Law Enforcement Liability</u>	
	Liability Aggregate Limit per Policy Period	\$10,000,000
	Self Insured Retention	\$100,000
	Liability Single Limit per Wrongful Law Enforcement Act	\$10,000,000
<b>BAC - Business Auto Coverage</b>		
ABI/PD	<u>Auto Bodily Injury/Property Damage</u>	
	Liability Aggregate Limit per Policy Period	\$10,000,000
	Self Insured Retention	\$100,000
	Liability Single Limit per Accident/ Covered Pollution Cost or Expense	\$10,000,000
UM	<u>Uninsured Motorist Coverage</u>	
	Coverage Limits	\$100,000
UIM	<u>Underinsured Motorist Coverage</u>	
	Coverage Limits	\$100,000
PIP	<u>Personal Injury Protection</u>	
	Coverage Limits	\$5,000
<b>Sub-Limits/Endorsement</b>		
SHS-L	<u>Sexual Harassment Sub-Limit</u>	
	Aggregate Limit per Policy Period	\$1,000,000
USS-L	<u>Utility Service Sub-Limit</u>	
	Aggregate Limit per Policy Period	\$1,000,000
	Per Claim/Suit Limit	\$500,000
DEC-E	<u>Declaratory, Injunctive Relief and Land Use Defense</u>	
	Aggregate Limit per Policy Period	\$50,000
	Per Claim/Suit Limit	\$25,000
NFS-E	<u>No-Fault Sewer and Potable Water</u>	
	Aggregate Limit per Policy Period	\$100,000
	Maximum Limit per Household/Business	\$5,000
FCSS-L	<u>Foreign Claims and Suits Sub-Limit</u>	
	Aggregate Limit per Policy Period	\$1,000,000



**UTAH LOCAL GOVERNMENTS TRUST  
A UTAH PUBLIC AGENCY MUTUAL INSURER**

**COMPREHENSIVE GENERAL LIABILITY**

The Utah Local Governments Trust is a Public Agency Insurance Mutual, defined under Utah Code Annotated 31A-1-103, and formed under the Utah Interlocal Cooperative Act, Utah Code Annotated 11-13-101 et seq. Under the authority of Utah Code Annotated 63G-7-703 and 63G-7-801 et seq., the Trust and its members have created a self-insurance reserve fund to pay and/or defend against certain risks and liabilities. The Trust provides insurance-like protection to its members through coverage contracts, also referred to as “policies.” The policies issued by the Trust contain various provisions which may limit or restrict coverage. **Read each policy carefully to determine your rights, duties and what is and is not covered.**

Throughout this policy the words “you,” “your,” “yours,” and “Insured” refer to the Named Insured shown in the Declarations and any other persons or organization qualifying as an Insured under this policy. The words “Trust,” “we,” “us,” and “our” refer to the Utah Local Governments Trust.

Other words and phrases that appear in quotation marks have special meaning. Refer to the DEFINITIONS.

Countersignature on the Declarations page by a duly authorized agent of the Trust shall constitute valid countersignature of all endorsements with the same effective date as the effective date of the policy.

IN CONSIDERATION OF THE PAYMENT OF PREMIUM, CONTRIBUTIONS AND/OR ASSESSMENTS, AND IN RELIANCE UPON THE REPRESENTATIONS OF THE INSURED AND THE STATEMENTS IN THE DECLARATIONS MADE A PART HEREOF AND SUBJECT TO ALL THE TERMS OF THIS POLICY, THE UTAH LOCAL GOVERNMENTS TRUST (HEREINAFTER “THE TRUST”), AGREES WITH THE NAMED INSURED AS FOLLOWS:

**1. INSURING AGREEMENT**

a. The Trust will pay “damages” which the Insured becomes legally obligated to pay because of “bodily injury” or “property damage” caused by an “occurrence,” or because of “personal injury” caused by a “personal injury offense,” to which this insurance applies. The Trust will have the right and duty to defend any “suit” seeking those “damages,” but will have no duty to defend the Insured against any “suit” to which this insurance does not apply. For any “suit” the Trust defends, the Trust retains the right to select counsel.

(1) The amount the Trust will pay for “damages” is limited as described in the LIMITS OF INSURANCE;

- (2) The Trust may, at its discretion, investigate any “occurrence” or “personal injury offense”;
- (3) The Trust has the right, but not the duty, to settle any “claim” or “suit” covered by this policy; and
- (4) The Trust’s right and duty to defend ends when it has paid the applicable limit of liability.

b. This insurance applies only to “bodily injury,” “property damage” or “personal injury” which first occurs during the policy period. This insurance does not apply to “bodily injury,” “property damage” or “personal injury” which first occurs before the effective date of the policy as shown in the Declarations or to “damages” which were known to have occurred by any Insured prior to the effective date of the policy.

If any Insured, prior to the effective date of the policy, knew that “bodily injury,” “property damage” or “personal injury” occurred, any continuation or resumption of such “bodily injury,” “property damage” or “personal injury” before or after the policy period will be deemed to have been known prior to the policy period.

c. This insurance does not apply to any “occurrence” or “personal injury offense” which occurs outside the “coverage territory.” “Coverage territory” means the United States of America (including its territories and possessions). However, the Trust will pay on behalf of the Insured any “claim” or “suit” arising from an “occurrence” or “personal injury offense” which occurs outside the “coverage territory” up to the Foreign Claims and Suits Sub-limit if it is expressly specified in the Declarations. Notwithstanding the Supplementary Payments provision, any such sub-limit is inclusive of defense costs, and not in excess of defense costs, and the Trust’s obligations to indemnify or defend the Insured against any “claim” or “suit” which falls within this exclusion will cease upon exhaustion of the Foreign Claims and Suits Sub-limit.

d. Supplementary Payments: The Trust will pay, with respect to any “claim” or “suit” the Trust defends:

- (1) All expenses the Trust incurs.
- (2) The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. The Trust does not have to furnish these bonds.
- (3) All reasonable expenses incurred by the Insured at the Trust’s request to assist the Trust in the investigation or defense of the “claim” or “suit,” including actual loss of earnings up to \$100 a day because of time off work.
- (4) All costs taxed against the Insured in any “suit” the Trust defends.

(5) Pre-judgment interest awarded against the Insured on that part of the judgment the Trust pays. If the Trust makes an offer to pay the applicable limit of insurance, the Trust will not pay any pre-judgment which accrues after the offer.

(6) All interest on the full amount of any judgment that occurs after the entry of the judgment and before the Trust has paid, offered to pay, or deposited in court that part of the judgment within the applicable limit of insurance.

These payments do not reduce the LIMITS OF INSURANCE.

e. No-fault medical payments: Subject to the terms and conditions of this policy, including all exclusions, the Trust will pay up to \$5,000 for medical treatment incurred as a result of “bodily injury” arising out of an “occurrence” which occurs on property the Insured owns. The payment of such amounts shall not reduce the limits of insurance.

## **2. EXCLUSIONS**

This policy does not apply to:

a. Any “claim” or “suit” arising out of “damages” expected or intended from the standpoint of any Insured. However, if a “suit” is brought against the Insured for “damages” for “personal injury” caused by a “personal injury offense” to which this policy applies, the Trust will afford a defense to such “suit” until it is established through admission or judicial determination that the Insured expected or intended said “damages.” In no event shall the Trust have any obligation to pay “damages” expected or intended from the standpoint of any Insured.

b. Any “claim” or “suit” seeking relief other than “damages” including, without limitation, claims for injunctions, declaratory relief, temporary restraining orders, or other equitable relief, or requiring any Insured to take any action other than the payment of “damages.”

c. Any “claim” or “suit” arising out of any obligation of an Insured under workers’ compensation law, unemployment compensation law, retirement benefits law, disability benefits law, Federal Employment Retirement Income Security Act of 1974 (ERISA), including subsequent amendments, or any similar law.

d. Any “claim” or “suit” arising out of “bodily injury,” “property damage” or “personal injury” to:

(1) An employee of the Insured acting in the course and scope of employment by the Insured; or

(2) The spouse, child, parent, or sibling of any employee of the Insured, if such injury arises out of the employee’s work for an Insured.

This exclusion applies:

- (1) Whether the Insured may be liable as an employer or in any other capacity; and
  - (2) To any obligation to share damages with or repay someone else who must pay damages because of injury.
- e. Any “claim” or “suit” arising out of “property damage” to:
- (1) Property the Insured owns, uses, rents or occupies, regardless of when the “property damage” occurs or was discovered;
  - (2) Property the Insured sells, gives away, or abandons if the “property damage” arises out of any part of those premises, regardless of when the “property damage” occurs or was discovered;
  - (3) Property loaned to the Insured;
  - (4) Personal property in the Insured’s care, custody or control; or
  - (5) “Aircraft” in the care, custody or control of any Insured.
- f. Any “claim” or “suit” arising out of the ownership, maintenance, loading or unloading, use or operation of any “aircraft,” airfields, runways, hangars, buildings or other properties used in connection with aviation activities.
- g. Any “claim” or “suit” arising out of the ownership, maintenance, loading or unloading, use or operation of any “automobile.”
- h. Any “claim” or “suit” arising out of the rendering or failure to render any kind of medical, surgical, therapeutic, psychiatric, or dental care, including without limitation, any kind of medical service or treatment, medical testing, diagnostic procedures, nursing services or the furnishing or dispensing of drugs, supplies or appliances in connection therewith, or any form of malpractice, misdiagnosis or professional liability arising from the above-described activities. However, this exclusion does not apply to emergency medical treatment rendered by a duly licensed emergency medical technician or paramedic, who is acting in the course and scope of employment for the Named Insured.
- i. Any “claim” or “suit” arising out of the regulation of the use of land or real property which may include, without limitation, the application, interpretation and enforcement of land use restrictions, laws, permits or regulations, and may involve constitutional claims, claims of eminent domain, condemnation, “inverse condemnation,” or adverse possession, regardless of whether such “claim” or “suit” is made directly against the Insured or by virtue of any agreement entered into by or on behalf of the Insured.

j. Any “claim” or “suit” for punitive or exemplary damages, fines, statutory penalties, expenses or sanctions, whether imposed by law or otherwise, or any multiplied portion of a compensatory award, or the return or restitution of legal fees, costs, and expenses.

k. Any “claim” or “suit” seeking “damages” arising out of the supply, failure to supply or interruption of any utility service, including without limitation, any interruption in or failure to supply an appropriate amount, pressure or quality of water (including, but not limited to the introduction of “pollutants” or contaminants into the water), natural gas, fuel or electricity or sewer service.

(1) This exclusion does not apply to any “claim” or “suit” arising from failure to temporarily disconnect the supply of power to allow a third party to conduct work.

(2) Notwithstanding exclusion n. below, the Trust will pay on behalf of the Insured any “claim” or “suit” excluded by this exclusion up to the limit of the Utility Service Sub-limit if it is expressly specified in the Declarations. Notwithstanding the Supplementary Payments provision, any such sub-limit is inclusive of defense costs, and not in excess of defense costs, and the Trust’s obligations to indemnify or defend the Insured against any “claim” or “suit” which falls within this exclusion will cease upon exhaustion of the Utility Service Sub-limit.

l. Liability arising out of the hazardous properties of nuclear material.

m. Any “claim” or “suit” related to, caused by, or arising from “hazardous materials” including, but not limited to:

(1) The handling, storage, disposal, processing, treatment, or releasing or exposure to “hazardous materials.”

(2) Any request, demand, or order (including consent decrees, consent orders, or administrative procedures) that any Insured or others test for, monitor, clean up, remove, contain, treat, or neutralize, or in any way respond to, or assess the effects of “hazardous materials.”

(3) This exclusion applies to discharge, dispersal, seepage, migration, release, or escape, within a building or in the atmosphere, of “hazardous materials” at or from any premises regardless of whether or not owned, rented, occupied, or controlled by an Insured.

(4) Cleanup costs incurred by any Insured of any “hazardous materials” are not “property damage.”

n. Any “claim” or “suit” arising from “pollutants,” including, without limitation:

(1) Any “claim” or “suit” arising out of the actual, alleged, or threatened discharge, dispersal, seepage, migration, release, or escape of “pollutants” at any time:

(i) At or from any premises, site, or location that is or was at any time owned or occupied by, or rented, or loaned to any Insured;

(ii) At or from any premises, site, or location which is or was at any time used by or for any Insured or others for the handling, storage, disposal, processing, or treatment of waste or “pollutants”;

(iii) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any Insured or any person or organization for whom any Insured may be legally responsible; or

(iv) At or from any premises, site, or location on which any Insured or any contractors or subcontractors working directly or indirectly on any Insured’s behalf are performing operations:

a) If the “pollutants” are brought on or to the premises, site, or location in connection with such operations or work by such Insured, contractor, or subcontractor; or

b) If the operations are to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of “pollutants.”

(2) Any loss, cost, or expense arising out of any request, demand, or order (including consent decrees, consent orders, or administrative procedures) that any Insured 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.”

(3) This exclusion applies to discharge, dispersal, seepage, migration, release, or escape, within a building or in the atmosphere, of “pollutants” at or from any premises regardless of whether or not owned, rented, occupied, or controlled by an Insured.

(4) This exclusion applies to a claim for pollution or contamination of potable water supplied by an Insured. However, the Trust will pay on behalf of an Insured any “claim” or suit” alleging pollution or contamination of potable water supplied by an Insured up to the limit of the Utility Service Sub-limit if it is expressly specified in the Declarations. Notwithstanding the Supplementary Payments provision, the Utility Sub-Limit is inclusive of defense costs, and not in excess of



defense costs, and the Trust's obligations to indemnify or defend the Insured will cease upon exhaustion of the Utility Service-Sub Limit.

o. Any "claim" or "suit" arising out of:

(1) Asbestos, asbestos fibers, asbestiform talc, or any material and/or substance containing asbestos, asbestos fibers, or asbestiform talc or any asbestos related to Bodily Injury or Property Damage, or exposure to asbestos, asbestos fibers, asbestiform talc fibers, asbestiform talc in any form, and/or manifestation of any asbestos related to Bodily Injury, including but not limited to asbestos, mesothelioma, and/or bronchogenic carcinoma;

(2) Any alleged act, error, omission, or duty involving asbestos, asbestos fibers, asbestiform talc, or any material and/or substances containing asbestos, asbestos fibers, or asbestiform talc, its use, exposure, presence, existence, detection, removal, elimination, or avoidance; or

(3) The use, exposure, presence, existence, detection, monitoring, removal, testing, elimination, or avoidance of asbestos, asbestos fibers, asbestiform talc or any material and/or substances containing asbestos, asbestos fibers, or asbestiform talc in any environment, building, or structure.

p. Any "claim" or "suit" arising out of:

(1) Exposure to silica products of any kind, including silica dust or silica in any form or silica in combination with other particulate suspension(s) or dust(s) other than silica;

(2) Any damages or any loss, cost, or suit by or on behalf of any governmental authority or any other alleged responsible party because of any request, demand, order, or statutory or regulatory requirement that any Insured or any other person or entity should be, or should be responsible for:

(i) Assessing the presence, absence, or amount or effects of silica, particulate suspension(s) or dust(s);

(ii) Identifying, sampling, or testing for, detecting, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, abating, disposing of, or mitigating silica, particulate suspension(s) or dust(s); or

(iii) Responding to silica, particulate suspension(s) or dust(s) in any way other than as described above.

(3) Any supervision, instructions, recommendations, warnings, or advice given or which should have been given in connection with any of the subsections above; or

(4) Any obligation to share damages with or repay someone else who must pay damages as described in any of the subsections above.

q. Any “claim” or “suit” arising out of assault and/or battery, committed by, at the direction of, or with the consent of any Insured.

r. Any “claim” or “suit” arising out of construction, ownership, operation, maintenance, services or use of any “dam,” levee, dike, reservoir, retention pond or basin, wash, bridge, tunnel, canal, waterway, or above-ground water retention system, whether designed to hold water temporarily, seasonally or permanently, and including without limitation, the total or partial collapse, failure, flooding or overflow, or any operation or services in connection therewith.

s. Any “claim” or “suit” arising out of the operation or regulation of a ski resort or similar location or facility involving the use of chair lifts, rope tows, ski jumps, tubes, sleds, luges, bobsleds, toboggan slides or similar activities.

t. Any “claim” or “suit” arising out of the ownership, management, manufacture, operation, design, use, leasing or maintenance of mechanical amusement rides or devices. However, this exclusion shall not apply to playground equipment permanently installed at any park owned by the Named Insured.

u. Any “claim” or “suit” arising out of the ownership, management, regulation, manufacture, operation, design, use, leasing or maintenance of trampolines, or any inflatable, blow-up, bounce or rebound type devices or equipment.

v. Any “claim” or “suit” arising out of loss of salary, wages, employee benefits or any other form of compensation which is due and owing or which may become due and owing.

w. Any “claim” or “suit” arising out of the assumption of liability under any contract or agreement. This exclusion does not apply to liability for “damages”:

- (1) Assumed in a contract or agreement specifically approved in writing by the Trust by endorsement to this policy, provided the “bodily injury,” “property damage” or “personal injury” occurs subsequent to execution of the contract or agreement; or
- (2) That the Insured would have in the absence of any contract or agreement.

x. Any “claim” or “suit” arising out of “property damage” to “your work” including without limitation, claims of faulty, incomplete or deficient workmanship, regardless of whether such damage occurs or is discovered after that work has been completed.

y. Any “claim” or “suit” alleged by one Insured against any other Insured.

- z. Any “claim” or “suit” arising out of any “advertising injury.”
- aa. Any “claim” or “suit” arising out of mold, fungi, fungal pathogens, vermin, termites or insects, including without limitation, liability for loss, damage, testing monitoring, costs or expenses arising out of, resulting from, caused by, or contributed to by any such organisms.
- bb. Any “claim” or “suit” arising out of war or terrorism, including without limitation:
  - (1) Any 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, including:
    - (i) 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
    - (ii) Any “act of terrorism.” For the purpose of this exclusion, an “act of terrorism” means an unlawful, deliberate act including, without limitation, 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. An “act of terrorism” also includes, without limitation, the following:
      - a) any act of terrorism 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;
      - b) any actual or threatened hijacking or sabotage of any form of transportation or conveyance, including but not limited to spacecraft, satellite, aircraft, train, vessel, or motor vehicle;
      - c) hostage taking or kidnapping;
      - d) the use of any bomb, incendiary device, explosive or firearm;
      - e) the interference with or disruption of basic public or commercial services and systems, including but not limited to the following services or systems: electricity, natural gas, power, postal,

communications, telecommunications, information, public transportation, water, fuel, sewer or waste disposal;

f) the injuring or assassination of any elected or appointed government official or any government employee;

g) the seizure, blockage, interference with, disruption of, or damage to any government buildings, institutions, functions, events, tangible or intangible property or other assets; or

h) the seizure, blockage, interference with, disruption of, or damage to tunnels, roads, streets, highways, or other places of public transportation or conveyance;

i) any act that includes, involves or is associated with, in whole or in part, the use or threatened use of, or release or threatened release of, any nuclear, biological, chemical or radioactive agent, material, device or weapon.

(2) This exclusion also excludes loss, damage, cost, or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing, or in any way related to acts anywhere in this war and terrorism section.

(3) In the event any portion of this exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect. War and terrorism coverage through an endorsement in compliance with the U.S. Terrorism Risk Insurance Act of 2002 may be purchased for an additional premium.

cc. Any “claim” or “suit” arising out of lead, including without limitation, liability for loss, damage, testing, monitoring, costs or expenses arising out of, resulting from, caused by, or contributed to by the toxic or pathogenic properties of lead, lead compounds or lead contained in any materials.

dd. Any “claim” or “suit” arising from:

(1) Causing or contributing to the intoxication of any person;

(2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol;

(3) The violation of any statute, ordinance, or regulation relating to the sale, gift, distribution, or use of alcoholic beverages or controlled substances; or

(4) The use of alcohol, narcotics, intoxicants, or illegal drugs.

This exclusion does not apply to formally sanctioned events open to the general public where the sale or distribution of alcohol is specifically authorized by the Insured and is done in accordance with the laws of the State of Utah regarding the sale or distribution of alcohol. This exclusion also does not apply to the sale or service of beer by the Insured at a golf course owned or operated by the Insured.

ee. Any “claim” or “suit” arising from the existence, use, storage, or handling of any material constituting, or intended for use as, an explosive or which has known explosive properties. This exclusion does not apply to fireworks intended for use at a scheduled public fireworks display when such fireworks are under the supervision of a person certified and trained to work with fireworks under applicable law, and where the firework display complies with all other applicable federal, state and local laws.

ff. Any “claim” or “suit” arising from actual or alleged violations of securities laws or regulations.

gg. Any “claim” or “suit” arising out of “residential construction.” For purposes of this exclusion, “residential construction” shall mean all operation or work, including but not limited to development, design, site selection, surface or subsurface site preparation, building or other construction, or improvements, and all products, goods or services provided in relation to such activities. For purposes of this exclusion, “residential construction” does not include weatherization or work intended to increase the energy efficiency of a structure on behalf of impoverished or needy residents.

hh. Any “claim” or “suit” arising from the following Internet exposures:

- (1) Internet service providers, meaning any person or entity providing access to the Internet, content over the Internet or connection to the Internet;
- (2) Internet consulting firms, including, without limitation, any person or entity engaged for another person or entity in the design, construction or management of an Internet site, chat room or bulletin board, including advertising on the Internet;
- (3) Application service providers, meaning any person or entity that provides software and associated services to a subscriber base across an area network;
- (4) Internet backbone providers, meaning any person or entity that routes or provides channels for packets that transport data from point to point on the Internet;
- (5) Any person or entity that derives ninety percent or more of gross revenue or conducts or executes ninety percent or more of business transactions on or through the Internet;

(6) Any person or entity that is in the business of providing electronic mail services;

(7) Any person or entity that is in the business of developing, supplying, and/or installing encryption software for use on the Internet.

ii. Any “claim” or “suit” arising out of “sexual harassment.” However, the Trust will pay on behalf of the Insured any “claim” or “suit” excluded by this exclusion up to the limit of the Sexual Harassment Sub-limit expressly specified in the Declarations. Notwithstanding the Supplementary Payments provision, such sub-limit is inclusive of defense costs, and not in excess of defense costs, and the Trust’s obligations to defend or indemnify the Insured against any “claim” or “suit” which falls within this exclusion will cease upon exhaustion of the Sexual Harassment Sub-limit.

jj. Any “claim” or “suit” arising out of “sexual abuse.”

kk. Any “claim” or “suit” arising out of land subsidence, mudslide or earth movement.

ll. Any “claim” or “suit” arising out of “employment-related practices.”

mm. Any “claim” or “suit” arising out of a “wrongful law enforcement act.”

nn. Any “claim” or “suit” arising out of the ownership, management, regulation or operation of any school or academic institution.

### **3. PERSONS OR ENTITIES INSURED**

a. The Named Insured shown in the Declarations.

b. Present or past employees, any “volunteer” and elected or appointed officials of the Named Insured, including members of its governing body or appointed members of any other committees, board or commissions of the Named Insured, while such persons are acting for or on behalf of the Named Insured.

### **4. LIMITS OF INSURANCE**

a. Regardless of the number of: (1) Insureds; (2) “claims” or “suits” brought; (3) persons or organizations sustaining “damages”; or (4) coverages involved in a loss, the Trust’s liability is limited as follows:

(1) During any 12-month period, measured from the effective date in the Declarations, the Trust’s total liability shall not exceed the amount shown as Liability Aggregate shown in the Declarations.

(2) The Trust's total liability for loss resulting from any one "occurrence" or "personal injury offense" shall not exceed the Liability Single Limit Per Occurrence/Offense in the Declarations.

(3) For purposes of determining the limit of the Trust's liability:

(i) Any "claim" or "suit" arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one "occurrence" or "personal injury offense" and shall be subject to one Liability Single Limit Per Occurrence/Offense.

(ii) An "occurrence" or "personal injury offense" taking place over more than one policy period shall be subject to one Liability Single Limit Per Occurrence/Offense.

(4) The Trust's limit of liability is the most it will pay for "damages."

(5) The Trust's duty to defend or settle ends when the applicable Limit of Insurance has been exhausted by payment of judgments or settlements.

(6) With respect to any "claim" or "suit" to which this and any other policy we issue to you applies, the total limit of the Trust's liability under all the policies shall not exceed the highest applicable limit under any one policy.

b. The above limits of insurance are subject to sub-limits as shown in the Declarations. Sub-limits are included in the Liability Single Limit Per Occurrence/Offense, and are not in addition to any other limits.

## **5. SELF INSURED RETENTION**

a. The Trust's obligation to pay applies only to those sums the Insured becomes legally obligated to pay as "damages" in excess of the Self Insured Retention ("SIR") shown in the Declarations. The Trust's Limits of liability are reduced by the amount of the SIR.

b. Regardless of the number of: (1) Insureds; (2) "claims" or "suits"; (3) persons or organizations sustaining damages; or (4) coverages involved in a loss, the Named Insured shall pay the SIR for each "occurrence" or "personal injury offense."

c. The Trust, at its sole discretion and without the consent of the Insured, may agree to the payment of all or any part of the SIR in satisfaction of any "claim" or "suit."

d. The Trust, at its sole discretion, may pay the amount of the SIR from its own funds in satisfaction of any "claim" or "suit." In the event the Trust chooses to make such payment, the Insured shall reimburse the Trust within 15 days of the mailing of a demand by the Trust.

e. The Trust, at its sole discretion, may direct the Insured to pay all or any part of the SIR to a third party in satisfaction of any “claim” or “suit.” The Insured shall make any required SIR payment within 15 days of the Trust’s direction to make such payment.

## 6. CONDITIONS

### a. Premium

The premium shown in the Declarations is a deposit premium only, which shall be credited to the amount of the earned premium at the end of the policy period. If the total earned premium exceeds the advance premium, the Named Insured shall remit to the Trust the balance due in accordance with the Trust’s payment terms. In the event the policy is cancelled by the insured, unearned premium shall be returned to the Insured on a pro-rated basis. In the event the Named Insured cancels the policy, the Insured will not be eligible for insurance through the Trust for three years from the date of cancellation.

### b. Inspection and Audit

The Trust shall be permitted but not obligated to inspect the Insured’s property and operations at any time. Neither the Trust’s right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of the Insured or others, to determine or warrant that such property or operations are safe. The Named Insured shall maintain accounting records necessary for premium computation, and shall send copies of such records to the Trust at the end of the policy period and at such times during the policy period as the Trust may reasonably request. The Trust may examine and audit the Insured’s books and records at any time during the policy period and within three years after the final termination of this policy, as far as they relate to the subject matter of this insurance.

### c. Insured’s Duties in the Event of Occurrence, Offense, Claim or Suit

The Insured shall have the following duties in the event of an “occurrence,” “personal injury offense,” “claim” or “suit”:

(1) In the event of an “occurrence” or “personal injury offense” reasonably likely to involve the Trust, written notice containing particulars sufficient to identify the Insured and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the Insured and of available witnesses, shall be given by or for the Insured to the Trust or any of its authorized agents as soon as practicable. While the initial notice may be oral, the Named Insured is required to provide written notice as soon as practicable.

(2) If a “claim” or “suit” is brought against an Insured, the Named Insured shall immediately forward to the Trust every demand, notice, summons or other legal process received by the Insured or the Insured’s representative.



(3) The Insured shall cooperate with the Trust and upon the Trust's request, assist in making settlements, in investigating or defending "claims" or "suits" and in enforcing any right of contribution, indemnity or subrogation against any person or organization who may be liable for sums payable under this policy. The Insured shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. The Insured shall not, except at its own cost, voluntarily make any payment, assume any obligation or incur any expense.

(4) Failure to give notice as required by the terms and conditions of this policy will invalidate coverage if such failure prejudices the Trust's rights, including without limitation, its ability to defend or reasonably settle a "claim" or "suit." Failure to give notice as required by the policy does not invalidate a claim made by the Insured, if the Insured shows that it was filed as soon as reasonably possible.

d. Risk Management

The Insured shall cooperate fully and participate as required by the Trust's Risk Management Program.

e. Appeals

In the event the Insured elects not to appeal a judgment in excess of the Self Insured Retention, the Trust may elect to do so at its expense, but in no event shall the Trust pay for "damages" or loss costs exceeding the limits of liability in the Declarations.

f. Action Against the Trust

No action shall lie against the Trust with respect to any open claims unless, as a condition precedent thereto, the Insured has fully complied with all the terms of this policy, nor until the amount of the Insured's obligations shall have been finally determined by the judgment against the Insured after the actual trial or by written agreement of, the Insured, the claimant and the Trust. Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this policy to the extent of the insurance afforded by this policy. Nothing contained in this policy shall give any person or organization any right to join the Trust in any action against the Insured to determine the Insured's liability.

Bankruptcy or insolvency of the Insured will not relieve the Trust of its obligations under this policy.

g. Other Insurance

This insurance is primary unless one of the following applies:

(1) If the Insured has other valid and collectible insurance which provides primary coverage to the Insured for any “claim” or “suit” covered under this policy, this policy is excess over such other insurance. In that case, the Trust will pay only for the amount of loss in excess of the amount due from that other insurance, subject to the limits of insurance of this policy.

(2) If the Insured has other valid and collectible insurance which provides the same type of coverage provided by this policy, the Trust will pay our share of the loss. Our share is the proportion that the applicable limit of insurance under this policy bears to the limits of insurance of all insurance covering the loss on the same basis.

(3) If you are named as an additional insured on a policy of insurance issued to another person or entity, this policy is excess over that insurance.

(4) If this policy, including any endorsement, provides insurance to another person or entity as an additional insured, this policy shall be excess over any other valid and collectible insurance available to that additional insured.

#### h. Subrogation

If the Insured has rights to recover all or part of any payment the Trust has made under this policy, those rights are transferred to the Trust. The Insured must do nothing after loss to impair them. At our request, the Insured will bring a “claim” or transfer those rights to the Trust and help the Trust enforce them in the name of the Insured.

Any amount recovered shall be applied in the following sequence:

- (1) To the SIR amount paid by the Insured;
- (2) To the loss paid by the Trust; and then
- (3) To the Insured’s costs that exceeded the Trust’s Limit of Liability.

#### i. Changes

The terms of this policy may be waived or changed only by endorsement issued to form a part of this policy.

#### j. Assignment

Assignment of interest under this policy shall not bind the Trust until its consent is endorsed hereon.

k. Funding of Insured's SIR

The Insured agrees to maintain a loss fund, in an amount to be determined by mutual agreement between the Insured and the Trust, for the payment of all claims and expenses falling within the Insured's SIR.

l. Cancellation

This policy may be cancelled as follows:

- (1) This policy may be cancelled by the Named Insured by mailing to the Trust written notice stating when thereafter the cancellation shall be effective. The Trust has the right to make written inquiry of the Insured regarding the reason for any cancellation or nonrenewal by the insured.
- (2) The policy may be cancelled by the Trust for:
  - (i) nonpayment of premium;
  - (ii) material misrepresentation regarding any claim or in the application for insurance;
  - (iii) substantial change in the risk assumed; or
  - (iv) material breach of the terms or conditions of the policy.
- (3) If the Trust cancels the policy the Trust shall mail to the Named Insured at the address shown in this policy, written notice stating when, not less than thirteen (13) days thereafter, such cancellation shall be effective. The mailing notice by first class mail shall be sufficient proof of notice. Hand delivery of such written notice either by the Named Insured or by the Trust shall be equivalent to mailing.
- (4) If the Trust elects to not renew this policy, the Trust will mail, by first class mail, written notice of nonrenewal to the first Named Insured, at the last mailing address known to the Trust, at least 33 days before the expiration or anniversary date of this policy. The Trust need not mail this notice if:
  - (i) The Insured has accepted replacement coverage;
  - (ii) The Insured requested or agreed to nonrenewal; or
  - (iii) This policy is expressly designated as nonrenewable.

m. First Named Insured

The Insured first named in the Declarations is authorized to act on behalf of all Named Insureds and other Insureds with respect to the giving and receiving notice of cancellation. The Insured first named in the Declarations is responsible for the payment of all premiums, but the other Named Insureds jointly and severally agree to make such premium payments in full if the Insured first named fails to pay the amount due within thirty days after the Trust gives a written demand for payment to the Insured first named.

n. Governmental Immunity

The issuance of this insurance shall not be deemed a waiver of any statutory immunities as to any Insured. The Trust does not waive its right to deny liability by reasons of such immunity.

o. Fraud, Concealment or Misrepresentation

By acceptance of this policy, the Named Insured agrees that the Trust has issued this policy in reliance upon the Named Insured's representations. The Trust may deny coverage and/or rescind or cancel this policy if you or any other person seeking coverage has knowingly concealed or misrepresented any material fact or circumstance, or engaged in fraudulent conduct, in connection with any "claim" or "suit" to which this insurance applies.

p. Reimbursement

In the event the Trust makes any payment under this policy on account of a "claim" or "suit" which is at any time determined to not be covered under this policy, the Trust expressly reserves the right to seek reimbursement from the Insured for such payment.

## 7. ARBITRATION

In the event a disagreement arises over the interpretation of this policy, the coverage(s) available for a particular "claim" or "suit," or the duties and responsibilities of you or the Trust under the policy, such disagreement shall be submitted and resolved through binding arbitration. Unless otherwise agreed to in writing, any matter submitted to arbitration shall be decided by a mutually selected single arbitrator. If the parties are unable to agree upon the selection of a single arbitrator, the matter shall be decided by a panel of three arbitrators. Each party shall select an independent and competent arbitrator; the arbitrators selected by the parties will then select a third independent and competent arbitrator. A written decision by a mutually selected single arbitrator or by a majority of an arbitration panel shall constitute a final decision.

Unless otherwise agreed to in writing, each party shall pay an equal share of the fees and costs of the single arbitrator selected. If the matter is submitted to an arbitration panel, each party shall pay the fees and costs of the arbitrator selected by that party, and an equal share of the fees and costs of the third arbitrator.

Unless both parties agree otherwise, venue for the arbitration shall be in Salt Lake County, Utah.

## **8. LIBERALIZATION**

While this policy is in force, should we adopt any endorsement or form change which broaden coverage, the same shall be considered to be incorporated in this policy without additional premium charge and shall inure to your benefit as though such endorsement or form change had been made.

## **9. DEFINITIONS**

When used in this policy (including endorsements forming a part hereof):

- a. "Advertising injury" means:
  - (1) 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;
  - (2) Oral or written publication of material that violates a person's right of privacy;
  - (3) Misappropriation of advertising ideas or style of doing business; or
  - (4) Infringement of copyright, trademark, patent, title, or slogan.
- b. "Aircraft" means a vehicle or device designed or used for travel in the air including, without limitation, planes, drones or other unmanned vehicles, experimental aircraft, balloons, hang gliders, parachutes and helicopters.
- c. "Automobile" means a land motorized vehicle, trailer, or semi-trailer designed or used for travel on public roads, including any attached machinery or equipment.
- d. "Bodily injury" means actual physical injury, sickness or disease sustained by a person, including death resulting from any of these.
- e. "Claim" means any demand for "damages."
- f. "Dam" means any barrier used to obstruct the flow of water, and includes without limitation, temporary and seasonal runoff dams.
- g. "Damages" means monetary amounts the Insured becomes legally obligated to pay to a third party as a result of "bodily injury," or "property damage" caused by an "occurrence," or "personal injury" caused by a "personal injury offense." Attorney fees and litigation costs are not "damages."

h. “Employment related-practices” means any employment practice of the Insured, including, without limitation, employee termination, discipline, promotion, demotion, supervision, evaluation, assignment, discrimination or harassment.

i. “Hazardous materials” means any nuclear, radioactive, toxic, or explosive material, substance, or waste, and any by-products thereof, and the explosive, toxic, and dangerous properties of such material, substance, or waste and any by-products thereof.

j. “Inverse condemnation” means a claim that an Insured has taken or diminished the value of land or property through: land use restrictions, laws, permits or regulations, on such land or adjacent land or air space; or by use by the Insured of such land, adjacent land or air space.

k. “Law enforcement personnel” means a law enforcement official, officer, reserve officer, officer of a jail, nurse who works in a jail, auxiliary officer, volunteer law enforcement officer or official representing a law enforcement agency who is acting within the course and scope of employment on behalf of the Named Insured.

l. “Occurrence” means an accident, including continuous or repeated exposure to the same generally harmful conditions, which results in “damages” the Insured neither expected nor intended.

m. “Personal injury” means injury, other than “bodily injury” arising out of a “personal injury offense.”

n. “Personal injury offense” means any of the following offenses:

- (1) False arrest, detention or imprisonment or malicious prosecution;
- (2) Libel, slander or defamation of character;
- (3) Wrongful entry or eviction, or other invasion of the right of private occupancy.

o. “Pollutants” means any solid, liquid, gaseous or thermal irritant or contaminant, including, without limitation, smoke, vapor, soot, fumes, acid, alkalis, chemicals, any type of air pollution, smell, odor, and waste. Waste includes material to be discarded, recycled, reconditioned or reclaimed.

p. “Property damage” means:

- (1) Physical injury to or destruction of tangible property, including the resulting loss or use of that property.
- (2) Loss of use of tangible property that is not physically injured or

destroyed.

q. “Sexual abuse” means any actual, attempted or alleged forcing of unwanted sexual activity by one person on another, as by the use of threats or coercion, or sexual activity that is deemed improper or harmful, which causes physical and/or mental injuries. “Sexual abuse” includes: sexual molestation, sexual assault, sexual exploitation or sexual injury. “Sexual abuse” does not include “Sexual harassment” as defined in this policy.

r. “Sexual harassment” means any actual, attempted or alleged unwelcome sexual advances, requests for sexual favors, or other conduct of a sexual nature, of a person or persons acting in concert, which causes physical and/or mental injuries. “Sexual harassment” includes:

(1) The above conduct when submission to or rejection of such conduct is made either explicitly or implicitly a condition of a person’s employment, or a basis for employment decisions affecting a person; or

(2) The above conduct when such conduct has the purpose or effect of unreasonably interfering with a person’s work performance or creating an intimidating, hostile or offensive work environment.

“Sexual harassment” does not include “Sexual abuse” as defined in this policy.

s. “Suit” means a formal civil or arbitration proceeding in which “damages” to which this insurance applies are alleged.

t. “Volunteer” means an individual, other than an independent contractor, who is authorized and appointed by the Named Insured to act on behalf of the Named Insured, but who acts without compensation.

u. “Wrongful law enforcement act” means any actual or alleged error, act, omission, neglect or breach of duty, including misfeasance or nonfeasance, by a “law enforcement personnel” or any matter claimed against them solely by reason of their being or having been a “law enforcement personnel.”

v. “Your Work” means:

(1) Work or operations performed by you or on your behalf;

(2) Materials, parts, or equipment furnished in connection with such work or operations;

(3) Warranties or representations made at any time with respect to the fitness, quality, durability, performance, or use of any item identified in subparagraphs (1) or (2) above; and

(4) The providing of or failure to provide warnings or instructions regarding any item identified in subparagraphs (1) and (2) above.



**UTAH LOCAL GOVERNMENTS TRUST  
A UTAH PUBLIC AGENCY MUTUAL INSURER**

**PUBLIC OFFICIALS' ERRORS AND OMISSIONS LIABILITY**

The Utah Local Governments Trust is a Public Agency Insurance Mutual, defined under Utah Code Annotated 31A-1-103, and formed under the Utah Interlocal Cooperative Act, Utah Code Annotated 11-13-101 et seq. Under the authority of Utah Code Annotated 63G-7-703 and 63G-7-801 et seq., the Trust and its members have created a self-insurance reserve fund to pay and/or defend against certain risks and liabilities. The Trust provides insurance-like protection to its members through coverage contracts, also referred to as "policies." The policies issued by the Trust contain various provisions which may limit or restrict coverage. **Read each policy carefully to determine your rights, duties and what is and is not covered.**

Throughout this policy the words "you," "your," "yours," and "Insured" refer to the Named Insured shown in the Declarations and any other persons or organization qualifying as an Insured under this policy. The words "Trust," "we," "us," and "our" refer to the Utah Local Governments Trust.

Other words and phrases that appear in quotation marks have special meaning. Refer to the DEFINITIONS.

Countersignature on the Declarations page by a duly authorized agent of the Trust shall constitute valid countersignature of all endorsements with the same effective date as the effective date of the policy.

IN CONSIDERATION OF THE PAYMENT OF PREMIUM, CONTRIBUTIONS AND/OR ASSESSMENTS, AND IN RELIANCE UPON THE REPRESENTATIONS OF THE INSURED AND THE STATEMENTS IN THE DECLARATIONS MADE A PART HEREOF AND SUBJECT TO ALL THE TERMS OF THIS POLICY, THE UTAH LOCAL GOVERNMENTS TRUST (HEREINAFTER "THE TRUST"), AGREES WITH THE NAMED INSURED AS FOLLOWS:

**COVERAGE PART I: PUBLIC OFFICIALS' ERRORS AND OMISSIONS LIABILITY**

**1. INSURING AGREEMENT**

a. The Trust will pay "damages" which the Insured becomes legally obligated to pay for "public officials' errors and omissions" arising from a "wrongful act," to which this insurance applies. The Trust will have the right and duty to defend any "suit" seeking those "damages," but will have no duty to defend the Insured against any "suit" to which this insurance does not apply. For any "suit" the Trust defends, the Trust retains the right to select counsel.

(1) The amount the Trust will pay for "damages" is limited as described in the LIMITS OF INSURANCE;

- (2) The Trust may, at its discretion, investigate any “wrongful act”;
- (3) The Trust has the right, but not the duty, to settle any “claim” or “suit” covered by this policy;
- (4) The Trust’s right and duty to defend ends when it has paid the applicable limit of liability.

b. This insurance applies only to a “wrongful act” which first occurs during the policy period. This insurance does not apply to a “wrongful act” which first occurs before the effective date of the policy as shown in the Declarations or to “damages” which were known to have occurred by any Insured prior to the effective date of the policy.

If any Insured, prior to the effective date of the policy, knew that a “wrongful act” occurred, any continuation or resumption of such “wrongful act” before or after the policy period will be deemed to have been known prior to the policy period.

c. This insurance does not apply to any “wrongful act” which occurs outside the “coverage territory.” “Coverage territory” means the United States of America (including its territories and possessions). However, the Trust will pay on behalf of the Insured any “claim” or “suit” arising from a “wrongful act” which occurs outside the “coverage territory” up to the Foreign Claims and Suits Sub-limit if it is expressly specified in the Declarations. Notwithstanding the Supplementary Payments provision, any such sub-limit is inclusive of defense costs, and not in excess of defense costs, and the Trust’s obligations to indemnify or defend the Insured against any “claim” or “suit” which falls within this exclusion will cease upon exhaustion of the Foreign Claims and Suits Sub-limit.

d. Supplementary Payments: The Trust will pay, with respect to any “claim” or “suit” the Trust defends under this Coverage Part:

- (1) All expenses the Trust incurs.
- (2) The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. The Trust does not have to furnish these bonds.
- (3) All reasonable expenses incurred by the Insured at the Trust’s request to assist the Trust in the investigation or defense of the “claim” or “suit,” including actual loss of earnings up to \$100 a day because of time off work.
- (4) All costs taxed against the Insured in any “suit” the Trust defends.
- (5) Pre-judgment interest awarded against the Insured on that part of the judgment the Trust pays. If the Trust makes an offer to pay the applicable limit of insurance, the Trust will not pay any pre-judgment which accrues after the offer.

(6) All interest on the full amount of any judgment that occurs after the entry of the judgment and before the Trust has paid, offered to pay, or deposited in court that part of the judgment within the applicable limit of insurance.

These payments do not reduce the LIMITS OF INSURANCE.

## 2. EXCLUSIONS

This policy does not apply to:

- a. Any “claim” or “suit” arising out of “bodily injury.”
- b. Any “claim” or “suit” arising out of damage to tangible property, including all resulting loss of use of that property.
- c. Any “claim” or “suit” arising out of liability for the collection and/or refund of taxes, fees or assessments.
- d. Any “claim” or “suit” arising out of any Insured obtaining remuneration, financial gain, profit or other advantage to which the Insured was not legally entitled, except that any fact pertaining to any other Insured shall not be imputed to any other Insured.
- e. Any “claim” or “suit” arising out of the willful violation of a penal code or ordinance committed by or with the knowledge or consent of any Insured, except that any fact pertaining to any other Insured shall not be imputed to any other insured.
- f. Any “claim” or “suit” arising out of liability for cost estimates being exceeded or for faulty preparation of bid specifications or plans or failure to award contracts in accordance with any law, statute, regulation or ordinance.
- g. Any “claim” or “suit” arising out of breach of the Insured’s fiduciary duties for pension, retirement, savings or other employee benefits.
- h. Any “claim” or “suit” arising out of actual or alleged “malfeasance,” dishonesty, fraudulent, or criminal acts of any Insured.
- i. Any “claim” or “suit” arising out of “damages” expected or intended from the standpoint of any Insured.
- j. Any “claim” or “suit” seeking relief other than “damages” including, without limitation, claims for injunctions, declaratory relief, temporary restraining orders, or other equitable relief, or requiring any Insured to take any action other than the payment of “damages.”
- k. Any “claim” or “suit” arising out of any obligation of an Insured under workers’ compensation law, unemployment compensation law, retirement benefits law, disability benefits

law, Federal Employment Retirement Income Security Act of 1974 (ERISA), including subsequent amendments, or any similar law.

l. Any “claim” or “suit” arising out of the ownership, maintenance, loading or unloading, use or operation of any “aircraft,” airfields, runways, hangars, buildings or other properties used in connection with aviation activities.

m. Any “claim” or “suit” arising out of the rendering or failure to render any kind of medical, surgical, therapeutic, psychiatric, or dental care, including without limitation, any kind of medical service or treatment, medical testing, diagnostic procedures, nursing services or the furnishing or dispensing of drugs, supplies or appliances in connection therewith, or any form of malpractice, misdiagnosis or professional liability arising from the above-described activities. However, this exclusion does not apply to emergency medical treatment rendered by a duly licensed emergency medical technician or paramedic, who is acting in the course and scope of employment for the Named Insured.

n. Any “claim” or “suit” arising out of the regulation of the use of land or real property which may include, without limitation, the application, interpretation and enforcement of land use restrictions, laws, permits or regulations, and may involve constitutional claims, claims of eminent domain, condemnation, “inverse condemnation,” or adverse possession, regardless of whether such “claim” or “suit” is made directly against the Insured or by virtue of any agreement entered into by or on behalf of the Insured.

o. Any “claim” or “suit” for punitive or exemplary damages, fines, statutory penalties, expenses or sanctions, whether imposed by law or otherwise, or any multiplied portion of a compensatory award, or the return or restitution of legal fees, costs, and expenses.

p. Any “claim” or “suit” seeking “damages” arising out of the supply, failure to supply or interruption of any utility service, including without limitation, any interruption in or failure to supply an appropriate amount, pressure or quality of water, natural gas, fuel or electricity or sewer service. This exclusion does not apply to any “claim” or “suit” arising from failure to temporarily disconnect the supply of power to allow a third party to conduct work.

q. Any “claim” or “suit” arising out of loss of salary, wages, employee benefits or any other form of compensation which is due and owing or which may become due and owing. This exclusion shall not apply to “damages” otherwise payable under Coverage Part II: Employee Benefits Liability set forth below.

r. Any “claim” or “suit” arising out of the assumption of liability under any contract or agreement.

s. Any “claim” or “suit” alleged by one insured against any other insured.

t. Any “claim” or “suit” arising from actual or alleged violations of securities laws or regulations.

- u. Any “claim” or “suit” arising from the following Internet exposures:
  - (i) Internet service providers, meaning any person or entity providing access to the internet, content over the Internet or connection to the Internet;
  - (ii) Internet consulting firms, including, without limitation, any person or entity engaged for another person or entity in the design, construction or management of an Internet site, chat room or bulletin board, including advertising on the Internet;
  - (iii) Application service providers, meaning any person or entity that provides software and associated services to a subscriber base across an area network;
  - (iv) Internet backbone providers, meaning any person or entity that routes or provides channels for packets that transport data from point to point on the Internet;
  - (v) Any person or entity that derives ninety percent or more of gross revenue or conducts or executes ninety percent or more of business transactions on or through the Internet;
  - (vi) Any person or entity that is in the business of providing electronic mail services;
  - (vii) Any person or entity that is in the business of developing, supplying, and/or installing encryption software for use on the Internet.
- v. Any “claim” or “suit” arising out of “sexual harassment.” However, the Trust will pay on behalf of the Insured any “claim” or “suit” excluded by this exclusion up to the limit of the Sexual Harassment Sub-limit expressly specified in the Declarations. Notwithstanding the Supplementary Payments provision, such sub-limit is inclusive of defense costs, and not in excess of defense costs, and the Trust’s obligations to pay on behalf of the Insured any claim which fall within this exclusion will cease upon exhaustion of the Sexual Harassment Sub-limit.
- w. Any “claim” or “suit” arising out of “sexual abuse.”
- x. Any “claim” or “suit” arising out of collective bargaining disputes, picketing, strikes, lockouts or similar labor disputes.
- y. Any “claim” or “suit” arising out of the transmission of communicable diseases of any kind.
- z. Any “claim” or “suit” arising out of an actual or alleged failure to maintain adequate or required insurance.
- aa. Any “claim” or “suit” arising out of a “wrongful law enforcement act.”

bb. Any “claim” or “suit” arising from “pollutants,” including, without limitation:

(1) Any “claim” or “suit” arising out of the actual, alleged, or threatened discharge, dispersal, seepage, migration, release, or escape of “pollutants” at any time:

(i) At or from any premises, site, or location that is or was at any time owned or occupied by, or rented, or loaned to any Insured;

(ii) At or from any premises, site, or location which is or was at any time used by or for any Insured or others for the handling, storage, disposal, processing, or treatment of waste or “pollutants”;

(iii) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any Insured or any person or organization for whom any Insured may be legally responsible; or

(iv) At or from any premises, site, or location on which any Insured or any contractors or subcontractors working directly or indirectly on any Insured’s behalf are performing operations:

a) If the “pollutants” are brought on or to the premises, site, or location in connection with such operations or work by such Insured, contractor, or subcontractor; or

b) If the operations are to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of “pollutants.”

(2) Any loss, cost, or expense arising out of any request, demand, or order (including consent decrees, consent orders, or administrative procedures) that any Insured 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.”

(3) This exclusion applies to discharge, dispersal, seepage, migration, release, or escape, within a building or in the atmosphere, of “pollutants” at or from any premises regardless of whether or not owned, rented, occupied, or controlled by an Insured.

(4) This exclusion applies to a claim for pollution or contamination of potable water supplied by an Insured.

### **3. PERSONS OR ENTITIES INSURED**

This Public Officials’ Errors and Omissions Liability Policy provides coverage for the Named Insured and “Public Officials” of the Named Insured.

#### **4. LIMITS OF INSURANCE**

a. Regardless of the number of: (1) Insureds; (2) “claims” or “suits” brought; (3) persons or organizations sustaining “damages”; or (4) coverages involved in a loss, the Trust’s liability is limited as follows:

(1) During any 12-month period, measured from the effective date in the Declarations, the Trust’s total liability shall not exceed the amount shown as Liability Aggregate in the Declarations.

(2) The Trust’s total liability for loss resulting from any one “wrongful act” shall not exceed the Liability Single Limit Per Wrongful Act in the Declarations.

(3) For purposes of determining the limit of the Trust’s liability:

(i) Any “claim” or “suit” arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one “wrongful act,” and

(ii) A “wrongful act” taking place over more than one policy period shall be deemed to have taken place during the policy period when the first “wrongful act” occurs and only that one limit shall apply.

(4) The Trust’s limit of liability is the most it will pay for “damages.”

(5) The Trust’s duty to defend or settle ends when the applicable Limit of Insurance has been exhausted by payment of judgments or settlements.

(6) With respect to any “claim,” “suit” or “damages” to which this and any other policy we issue to you applies, the total limit of the Trust’s liability under all the policies shall not exceed the highest applicable limit under any one policy.

b. The above limits of insurance are subject to sub-limits as shown in the Declarations. Sub-limits are included in the Liability Single Limit Per Wrongful Act, and are not in addition to any other limits.

#### **5. SELF INSURED RETENTION**

a. The Trust’s obligation to pay applies only to those sums the Insured becomes legally obligated to pay as “damages” in excess of the Self Insured Retention (“SIR”) shown in the Declarations. The Trust’s Limits of liability are reduced by the amount of the SIR.

b. Regardless of the number of: (1) Insureds; (2) “claims” or “suits”; (3) persons or organizations sustaining damages; or (4) coverages involved in a loss, the Named Insured shall pay the Self Insured Retention for each “wrongful act.”

c. The Trust, at its sole discretion and without the consent of the Insured, may agree to the payment of all or any part of the SIR in satisfaction of any “claim” or “suit.”

d. The Trust, at its sole discretion, may pay the amount of the SIR from its own funds in satisfaction of any “claim” or “suit.” In the event the Trust chooses to make such payment, the Insured shall reimburse the Trust within 15 days of the mailing of a demand by the Trust.

e. The Trust, at its sole discretion, may direct the Insured to pay all or any part of the SIR to a third party in satisfaction of any “claim” or “suit.” The Insured shall make any required SIR payment within 15 days of the Trust’s direction to make such payment.

## **6. CONDITIONS**

### **a. Premium**

The premium shown in the Declarations is a deposit premium only, which shall be credited to the amount of the earned premium at the end of the policy period. If the total earned premium exceeds the advance premium, the Named Insured shall remit to the Trust the balance due in accordance with the Trust’s payment terms. In the event the policy is cancelled by the insured, unearned premium shall be returned to the Insured on a pro-rated basis. In the event the Named Insured cancels the policy, the Insured will not be eligible for insurance through the Trust for three years from the date of cancellation.

### **b. Inspection and Audit**

The Trust shall be permitted but not obligated to inspect the Insured’s property and operations at any time. Neither the Trust’s right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of the Insured or others, to determine or warrant that such property or operations are safe. The Named Insured shall maintain accounting records necessary for premium computation, and shall send copies of such records to the Trust at the end of the policy period and at such times during the policy period as the Trust may reasonably request. The Trust may examine and audit the Insured’s books and records at any time during the policy period and within three years after the final termination of this policy, as far as they relate to the subject matter of this insurance.

### **c. Insured’s Duties in the Event of Claim, Suit or Wrongful Act**

The Insured shall have the following duties in the event of a “claim,” “suit” or “wrongful act”:

- (1) In the event of a “claim,” “suit” or “wrongful act” reasonably likely to involve the Trust, written notice containing particulars sufficient to identify the Insured and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the Insured and of available witnesses, shall be given by or for the Insured to the Trust or any of its



authorized agents as soon as practicable. While the initial notice may be oral, the Named Insured is required to provide written notice as soon as practicable.

(2) If a “claim,” “suit” or “wrongful act” is brought against an Insured, the Named Insured shall immediately forward to the Trust every demand, notice, summons or other legal process received by the Insured or the Insured’s representative.

(3) The Insured shall cooperate with the Trust and upon the Trust’s request, assist in making settlements, in investigating or defending “claims” or “suits” and in enforcing any right of contribution or indemnity or subrogation against any person or organization who may be liable for sums payable under this policy. The Insured shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. The Insured shall not, except at its own cost, voluntarily make any payment, assume any obligation or incur any expense.

(4) Failure to give notice as required by the terms and conditions of this policy will invalidate coverage if such failure prejudices the Trust’s rights, including without limitation, its ability to defend or reasonably settle a “claim,” “suit” or “wrongful act.” Failure to give notice as required by the policy does not invalidate a claim made by the Insured, if the Insured shows that it was filed as soon as reasonably possible.

d. Risk Management

The Insured shall cooperate fully and participate as required by the Trust’s Risk Management Program.

e. Appeals

In the event the Insured elects not to appeal a judgment in excess of the Self Insured Retention, the Trust may elect to do so at its expense, but in no event shall the Trust pay for “damages” or loss costs exceeding the limits of liability in the Declarations.

f. Action Against the Trust

No action shall lie against the Trust with respect to any open claims unless, as a condition precedent thereto, the Insured has fully complied with all the terms of this policy, nor until the amount of the Insured’s obligations shall have been finally determined by the judgment against the Insured after the actual trial or by written agreement of, the Insured, the claimant and the Trust. Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this policy to the extent of the insurance afforded by this policy. Nothing contained in this policy shall give any person or organization any right to join the Trust in any action against the Insured to determine the Insured’s liability.

Bankruptcy or insolvency of the Insured will not relieve the Trust of its obligations under this policy.

g. Other Insurance

This insurance is primary unless one of the following applies:

- (1) If the Insured has other valid and collectible insurance which provides primary coverage to the Insured for any “claim” or “suit” covered under this policy, this policy is excess over such other insurance. In that case, the Trust will pay only for the amount of loss in excess of the amount due from that other insurance, subject to the limits of insurance of this policy.
- (2) If the Insured has other valid and collectible insurance which provides the same type of coverage provided by this policy, the Trust will pay our share of the loss. Our share is the proportion that the applicable limit of insurance under this policy bears to the limits of insurance of all insurance covering on the same basis.
- (3) If you are named as an additional insured on a policy of insurance issued to another person or entity, this policy is excess over that insurance.
- (4) If this policy, including any endorsement, provides insurance to another person or entity as an additional insured, this policy shall be excess over any other valid and collectible insurance available to that additional insured.

h. Subrogation

If the Insured has rights to recover all or part of any payment the trust has made under this policy, those rights are transferred to the trust. The Insured must do nothing after loss to impair them. At our request, the Insured will bring a “claim” or transfer those rights to the Trust and help the Trust enforce them.

Any amount recovered shall be applied in the following sequence:

- (1) To the SIR amount paid by the Insured;
- (2) To the loss paid by the Trust; and then
- (3) To the Insured’s costs that exceeded the Trust’s Limit of Liability.

i. Changes

The terms of this policy may be waived or changed only by endorsement issued to form a part of this policy.

j. Assignment

Assignment of interest under this policy shall not bind the Trust until its consent is endorsed hereon.

k. Funding of Insured's SIR

The Insured agrees to maintain a loss fund, in an amount to be determined by mutual agreement between the Insured and the Trust, for the payment of all claims and expenses falling within the Insured's SIR.

l. Cancellation

This policy may be cancelled as follows:

(1) This policy may be cancelled by the Named Insured by mailing to the Trust written notice stating when thereafter the cancellation shall be effective. The Trust has the right to make written inquiry of the Insured regarding the reason for any cancellation or nonrenewal by the Insured.

(2) The policy may be cancelled by the Trust for:

(i) nonpayment of premium;

(ii) material misrepresentation regarding any claim or in the application for insurance;

(iii) substantial change in the risk assumed; or

(iv) material breach of the terms or conditions of the policy.

(3) If the Trust cancels the policy the Trust shall mail to the Named Insured at the address shown in this policy, written notice stating when, not less than thirteen (13) days thereafter, such cancellation shall be effective. The mailing of notice by first class mail shall be sufficient proof of notice. Hand delivery of such written notice either by the Named Insured or by the Trust shall be equivalent to mailing.

(4) If the Trust elects to not renew this policy, the Trust will mail, by first class mail, written notice of nonrenewal to the first Named Insured, at the last mailing address known to the Trust, at least 33 days before the expiration or anniversary date of this policy. The Trust need not mail this notice if:

(i) The Insured has accepted replacement coverage;

(ii) The Insured requested or agreed to nonrenewal; or

(iii) This policy is expressly designated as nonrenewable.

m. First Named Insured

The Insured first named in the Declarations is authorized to act on behalf of all Named Insureds and other Insureds with respect to the giving and receiving notice of cancellation. The Insured first named in the Declarations is responsible for the payment of all premiums, but the other Named Insureds jointly and severally agree to make such premium payments in full if the Insured first named fails to pay the amount due within thirty days after the Trust gives a written demand for payment to the Insured first named.

n. Governmental Immunity

The issuance of this insurance shall not be deemed a waiver of any statutory immunities as to any Insured. The Trust does not waive its right to deny liability by reasons of such immunity.

o. Fraud, Concealment or Misrepresentation

By acceptance of this policy, the Named Insured agrees that the Trust has issued this policy in reliance upon the Named Insured's representations. The Trust may deny coverage and/or rescind or cancel this policy if you or any other person seeking coverage has knowingly concealed or misrepresented any material fact or circumstance, or engaged in fraudulent conduct, in connection with any "claim" or "suit" to which this insurance applies.

p. Reimbursement

In the event the Trust makes any payment under this policy on account of a "claim" or "suit" which is at any time determined to not be covered under this policy, the Trust expressly reserves the right to seek reimbursement from the Insured for such payment.

q. Two or More Policies Issued by the Trust

If this policy and any other insurance issued to you by the Trust, or any company affiliated with the Trust, apply to the same "claim" or "suit," the aggregate maximum Limit of Insurance under all such insurance shall not exceed the highest applicable Limit of Insurance under any one coverage form or policy. This condition does not apply to any coverage form or policy issued by the Trust or an affiliated company specifically to apply as excess insurance over this policy.

## 7. ARBITRATION

In the event a disagreement arises over the interpretation of this policy, the coverage(s) available for a particular "claim" or "suit," or the duties and responsibilities of you or the Trust under the policy, such disagreement shall be submitted and resolved through binding arbitration. Unless otherwise agreed to in writing, any matter submitted to arbitration shall be decided by a mutually selected single arbitrator. If the parties are unable to agree upon the selection of a single

arbitrator, the matter shall be decided by a panel of three arbitrators. Each party shall select an independent and competent arbitrator; the arbitrators selected by the parties will then select a third independent and competent arbitrator. A written decision by a mutually selected single arbitrator or by a majority of an arbitration panel shall constitute a final decision.

Unless otherwise agreed to in writing, each party shall pay an equal share of the fees and costs of the single arbitrator selected. If the matter is submitted to an arbitration panel, each party shall pay the fees and costs of the arbitrator selected by that party, and an equal share of the fees and costs of the third arbitrator.

Unless both parties agree otherwise, venue for the arbitration shall be in Salt Lake County, Utah.

## **8. LIBERALIZATION**

While this policy is in force, should we adopt any endorsement or form change which broaden coverage, the same shall be considered to be incorporated in this policy without additional premium charge and shall inure to your benefit as though such endorsement or form change had been made.

## **9. DEFINITIONS**

When used in this policy (including endorsements forming a part hereof):

a. "Aircraft" means a vehicle or device designed or used for travel in the air including, without limitation, planes, drones or other unmanned vehicles, experimental aircraft, balloons, hang gliders, parachutes and helicopters.

b. "Bodily injury" means actual bodily injury, sickness or disease sustained by a person, including death resulting from any of these.

c. "Claim" means any demand for "damages."

d. "Damages" means all amounts paid as compensation to a claimant as a result of "public officials' errors and omissions" caused by a "wrongful act." Attorney fees and litigation costs are not "damages" except where awarded under the authority of and pursuant to 42 U.S.C § 1988(b)(1994) in a civil action brought pursuant to 42 U.S.C. § 1983 and in which the claimant seeks compensation for "personal injury."

e. "Employment related-practices" means any employment practice of the Insured, including without limitation, employee termination, discipline, promotion, demotion, supervision, evaluation, assignment, discrimination or harassment.

f. “Inverse condemnation” means a claim that an Insured has taken or diminished the value of land or property through: land use restrictions, laws, permits or regulations, on such land or adjacent land or air space; or by use by the Insured of such land, adjacent land or air space.

g. “Law enforcement personnel” means a law enforcement official, officer, reserve officer, officer of a jail, nurse who works in a jail, auxiliary officer, volunteer law enforcement officer or official representing a law enforcement agency who is acting within the course and scope of employment on behalf of the Named Insured.

h. “Malfeasance” means illegal conduct or the performance of an act outside the official duties of the Insured.

i. “Personal injury” means injury arising out of one or more of the following offenses:

- (1) False arrest, detention or imprisonment or malicious prosecution;
- (2) Libel, slander or defamation of character;
- (3) Wrongful entry or eviction, or other invasion of the right of private occupancy;
- (4) Discrimination or violation of constitutionally protected rights.

j. “Pollutants” means any solid, liquid, gaseous or thermal irritant or contaminant including, without limitation, smoke, vapor, soot, fumes, acid, alkalis, chemicals, any type of air pollution, smell, odor, and waste. Waste includes material to be discarded, recycled, reconditioned or reclaimed.

k. “Public official” means a person acting within the course and scope of employment on behalf of the Named Insured identified in the Declarations of this Policy.

l. “Public officials’ errors and omissions” means any actual or alleged error or misstatement or act or omission or neglect or breach of duty including misfeasance or nonfeasance by the Insureds in the discharge of their duties with the public entity, individually or collectively, or any matter claimed against them solely by reason of their being or having been Insureds. However, “public officials’ errors and omissions” does not include “malfeasance.”

m. “Sexual abuse” means any actual, attempted or alleged forcing of unwanted sexual activity by one person on another, as by the use of threats or coercion, or sexual activity that is deemed improper or harmful, which causes physical and/or mental injuries. “Sexual abuse” includes: sexual molestation, sexual assault, sexual exploitation or sexual injury. “Sexual abuse” does not include “Sexual harassment” as defined in this policy.

n. “Sexual harassment” means any actual, attempted or alleged unwelcome sexual advances, requests for sexual favors, or other conduct of a sexual nature, of a person or persons acting in concert, which causes physical and/or mental injuries. “Sexual harassment” includes:

(1) The above conduct when submission to or rejection of such conduct is made either explicitly or implicitly a condition of a person's employment, or a basis for employment decisions affecting a person; or

(2) The above conduct when such conduct has the purpose or effect of unreasonably interfering with a person's work performance or creating an intimidating, hostile or offensive work environment.

"Sexual harassment" does not include "Sexual abuse" as defined in this policy.

o. "Suit" means a formal civil or arbitration proceeding in which "damages" to which this insurance applies are alleged.

p. "Wrongful Act" means an alleged or actual omission, error, misstatement, act of neglect, or breach of duty, including "employment-related practices" or "personal injury," by a "public official."

q. "Wrongful law enforcement act" means any actual or alleged error, act, omission, neglect or breach of duty, including misfeasance or nonfeasance, by a "law enforcement personnel" or any matter claimed against them solely by reason of their being or having been a "law enforcement personnel."

## **COVERAGE PART II: EMPLOYEE BENEFITS LIABILITY**

### **1. INSURING AGREEMENT**

Subject to the Exclusions, Limits, Conditions, Definitions and other terms set forth in Coverage Part 1: Public Officials' Errors and Omissions Liability, the Trust will pay "damages" for which an Insured is legally liable to pay as a result of a negligent act, error or omission arising directly from the Insured's "administration" of its "Employee Benefit Programs." Coverage under this section is provided for claims which occur during the policy period as shown in the Declarations.

### **2. ADDITIONAL DEFINITIONS**

In addition to the Definitions set forth in Coverage Part 1: Public Officials' Errors and Omissions Liability, the following definitions apply:

a. "Administration" means interpreting or giving advice to employees, dependents or beneficiaries with respect to the Insured's "Employee Benefit Program(s)" or handling records or enrollment of employees under the Insured's "Employee Benefit Program(s)."

b. "Employee Benefit Program(s)" means group life insurance, group health insurance, profit sharing plans, pension plans, employee stock subscription plans, workers

compensation, unemployment insurance, Social Security, disability benefits insurance, travel plans, savings plans or vacation plans.

### **3. ADDITIONAL EXCLUSIONS**

In addition to the Exclusions set forth in Coverage Part 1: Public Officials' Errors and Omissions Liability, the following exclusions apply:

- a. Any "claims" or "damages" involving state or federal taxes, fines, fees or penalties.
- b. Any "claims" or "damages" arising out of actual or alleged wrongful termination of employment, discrimination, hostile work environment or any other employment-related practices.
- c. Any "claims" or "damages" arising out of actual or alleged libel, slander, discrimination or humiliation.
- d. Any "claims" or "damages" arising out of bodily injury, sickness, disease or death of any person.
- e. Any "claims" or "damages" arising out of property damage or impairment or loss of use of any property.
- f. Any "claims" or "damages" arising out of any actual or alleged breach of warranty or misrepresentation by any Insured.
- g. Any "claims" or "damages" arising out of any failure of any investment to perform.
- h. Any "claims" or "damages" arising out any opinion, advice or counsel by any Insured regarding whether or not to participate in any Employment Benefit Programs or invest in any fund.
- i. Any "claims" or "damages" arising out of any actual or alleged failure or error in providing information regarding the past performance of any investment.
- j. Any "claims" or "damages" arising out of any legal, accounting or tax advice regarding any Employee Benefit Programs.
- k. Any "claims" or "damages" arising out of the cancellation or termination of any Employee Benefit Program.
- l. Any "claims" or "damages" arising out of the acts of any insurer, third party administrator, broker, agent or other entity which administers any Employee Benefit Programs.
- m. Any "claims" or "damages" arising out of an insufficiency of funds on the part of an Insured to meet obligations under any Employee Benefit Programs.



**UTAH LOCAL GOVERNMENTS TRUST  
A UTAH PUBLIC AGENCY MUTUAL INSURER**

**LAW ENFORCEMENT LIABILITY**

The Utah Local Governments Trust is a Public Agency Insurance Mutual, defined under Utah Code Annotated 31A-1-103, and formed under the Utah Interlocal Cooperative Act, Utah Code Annotated 11-13-101 et seq. Under the authority of Utah Code Annotated 63G-7-703 and 63G-7-801 et seq., the Trust and its members have created a self-insurance reserve fund to pay and/or defend against certain risks and liabilities. The Trust provides insurance-like protection to its members through coverage contracts, also referred to as “policies.” The policies issued by the Trust contain various provisions which may limit or restrict coverage. **Read each policy carefully to determine your rights, duties and what is and is not covered.**

Throughout this policy the words “you,” “your,” “yours,” and “Insured” refer to the Named Insured shown in the Declarations and any other persons or organization qualifying as an Insured under this policy. The words “Trust,” “we,” “us,” and “our” refer to the Utah Local Governments Trust.

Other words and phrases that appear in quotation marks have special meaning. Refer to the DEFINITIONS.

Countersignature on the Declarations by a duly authorized agent of the Trust shall constitute valid countersignature of all endorsements with the same effective date as the effective date of this coverage part.

IN CONSIDERATION OF THE PAYMENT OF PREMIUM, CONTRIBUTIONS AND/OR ASSESSMENTS, AND IN RELIANCE UPON THE REPRESENTATIONS OF THE INSURED AND THE STATEMENTS IN THE DECLARATIONS MADE A PART HEREOF AND SUBJECT TO ALL THE TERMS OF THIS POLICY, THE UTAH LOCAL GOVERNMENTS TRUST (HEREINAFTER “THE TRUST”), AGREES WITH THE NAMED INSURED AS FOLLOWS:

**1. INSURING AGREEMENT**

a. The Trust will pay “damages” which the Insured becomes legally obligated to pay because of “bodily injury,” “property damage” or “personal injury” caused by a “wrongful law enforcement act,” to which this insurance applies. The Trust will have the right and duty to defend any “suit” seeking those “damages,” but will have no duty to defend the Insured against any “suit” to which this insurance does not apply. For any “suit” the Trust defends, the Trust retains the right to select counsel.

(1) The amount the Trust will pay for “damages” is limited as described in the LIMITS OF INSURANCE;

- (2) The Trust may, at its discretion, investigate any “wrongful law enforcement act”;
- (3) The Trust has the right, but not the duty, to settle any “claim” or “suit” covered by this policy; and
- (4) The Trust’s right and duty to defend ends when it has paid the applicable limit of liability.

b. This insurance applies only to a “wrongful law enforcement act” which first occurs during the policy period. This insurance does not apply to a “wrongful law enforcement act” which first occurs before the effective date of the policy as shown in the Declarations or to “damages” which were known to have occurred by any Insured prior to the effective date of the policy.

If any Insured, prior to the effective date of the policy, knew that a “wrongful law enforcement act” occurred, any continuation or resumption of such “wrongful law enforcement act” before or after the policy period will be deemed to have been known prior to the policy period.

c. This insurance does not apply to any “wrongful law enforcement act” which occurs outside the “coverage territory.” “Coverage territory” means the United States of America (including its territories and possessions). However, the Trust will pay on behalf of the Insured any “claim” or “suit” arising from any “wrongful law enforcement act” which occurs outside the “coverage territory” up to the Foreign Claims and Suits Sub-limit if it is expressly specified in the Declarations. Notwithstanding the Supplementary Payments provision, any such sub-limit is inclusive of defense costs, and not in excess of defense costs, and the Trust’s obligations to indemnify or defend the Insured against any “claim” or “suit” which falls within this exclusion will cease upon exhaustion of the Foreign Claims and Suits Sub-limit.

d. Supplementary Payments: The Trust will pay, with respect to any “claim” or “suit” the Trust defends under this Coverage Part:

- (1) All expenses the Trust incurs.
- (2) The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. The Trust does not have to furnish these bonds.
- (3) All reasonable expenses incurred by the Insured at the Trust’s request to assist the Trust in the investigation or defense of the “claim” or “suit,” including actual loss of earnings up to \$100 a day because of time off work.
- (4) All costs taxed against the Insured in any “suit” the Trust defends.
- (5) Pre-judgment interest awarded against the Insured on that part of the judgment the Trust pays. If the Trust makes an offer to pay the applicable limit of insurance, the Trust will not pay any pre-judgment which accrues after the offer.

(6) All interest on the full amount of any judgment that occurs after the entry of the judgment and before the Trust has paid, offered to pay, or deposited in court that part of the judgment within the applicable limit of insurance.

These payments do not reduce the LIMITS OF INSURANCE.

## 2. EXCLUSIONS

This policy does not apply to:

a. Any “claim” or “suit” seeking relief other than “damages” including, without limitation, claims for injunctions, declaratory relief, temporary restraining orders, or other equitable relief, or requiring any Insured to take any action other than the payment of “damages.”

b. Any “claim” or “suit” arising out of “bodily injury,” “property damage” or “personal injury” to:

(1) An employee of the Insured acting in the course and scope of employment by the Insured; or

(2) The spouse, child, parent, or sibling of any employee of the Insured, if such injury arises out of the employee’s work for an Insured.

This exclusion applies:

(1) Whether the Insured may be liable as an employer or in any other capacity; and

(2) To any obligation to share damages with or repay someone else who must pay damages because of injury.

c. Any “claim” or “suit” arising out of “property damage” to:

(1) Property the Insured owns, uses, rents or occupies, regardless of when the “property damage” occurs or was discovered;

(2) Property the Insured sells, gives away, or abandons if the “property damage” arises out of any part of those premises, regardless of when the “property damage” occurs or was discovered;

(3) Property loaned to the Insured;

(4) Personal property in the Insured’s care, custody or control; or

(5) “Aircraft” in the care, custody or control of any Insured.

d. Any “claim” or “suit” arising out of the ownership, maintenance, loading or unloading, use or operation of any “aircraft,” airfields, runways, hangars, buildings or other properties used in connection with aviation activities.

e. Any “claim” or “suit” arising out of the ownership, maintenance, loading or unloading, use or operation of any “automobile.”

f. Any “claim” or “suit” arising out of rendering or failure to render any kind of medical, surgical, therapeutic, psychiatric, or dental care, including without limitation, any kind of medical service or treatment, medical testing, diagnostic procedures, nursing services or the furnishing or dispensing of drugs, supplies or appliances in connection therewith, or any form of malpractice, misdiagnosis or professional liability arising from the above-described activities. However, this exclusion does not apply to emergency medical treatment rendered by a duly licensed emergency medical technician or paramedic, who is acting in the course and scope of employment for the Named Insured.

g. Any “claim” or “suit” for punitive or exemplary damages, fines, statutory penalties, expenses or sanctions, whether imposed by law or otherwise, or any multiplied portion of a compensatory award, or the return or restitution of legal fees, costs, and expenses.

h. Any “claim” or “suit” arising out of the assumption of liability under any contract or agreement. This exclusion does not apply to liability for “damages”:

(1) assumed in a contract or agreement specifically approved by the Trust by endorsement to this policy, provided the “bodily injury,” “property damage” or “personal injury” occurs subsequent to execution of the contract or agreement; or

(2) that the Insured would have in the absence of any contract or agreement.

i. Any “claim” or “suit” arising from the existence, use, storage, or handling of any material constituting, or intended for use as, an explosive or which has known explosive properties.

j. Any “claim” or “suit” arising out of “sexual harassment.” However, the Trust will pay on behalf of the Insured any “claim” or “suit” excluded by this exclusion up to the limit of the Sexual Harassment Sub-limit expressly specified in the Declarations. Notwithstanding the Supplementary Payments provision, such sub-limit is inclusive of defense costs, and not in excess of defense costs, and the Trust’s obligations to indemnify or defend the Insured any “claim” or “suit” which fall within this exclusion will cease upon exhaustion of the Sexual Harassment Sub-limit.

k. Any “claim” or “suit” arising out of “sexual abuse.”

l. Any “claim” or “suit” alleged by one Insured against any other Insured.

- m. Any “claim” or “suit” arising out of the transmission of communicable diseases of any kind.
- n. Any “claim or “suit” arising out of “employment related practices.”

### **3. PERSONS OR ENTITIES INSURED**

This policy provides coverage for the Named Insured, including any “law enforcement personnel” employed by the Named Insured, but only while in the course and scope of their employment with the Named Insured.

### **4. LIMITS OF INSURANCE**

a. Regardless of the number of: (1) insureds; (2) “claims” or “suits” brought; (3) persons or organizations sustaining “damages”; or (4) coverages involved in a loss, the Trust’s liability is limited as follows:

- (1) During any 12-month period, measured from the effective date in the Declarations, the Trust’s total liability shall not exceed the amount shown as the Liability Aggregate in the Declarations.
- (2) The Trust’s total liability for loss resulting from any one “wrongful law enforcement act” shall not exceed the Liability Single Limit Per Wrongful Law Enforcement Act in the Declarations.
- (3) For purposes of determining the limit of the Trust’s liability:
  - (i) Any “claim” or “suit” arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one “wrongful law enforcement act” and shall be subject to one Liability Single Limit Per Wrongful Law Enforcement Act.
  - (ii) A “wrongful law enforcement act” taking place over more than one policy period shall be deemed to have taken place during the policy period when the first “wrongful law enforcement act” occurred and be subject to one Liability Single Limit Per Wrongful Law Enforcement Act.
- (4) The Trust’s limit of liability is the most it will pay for “damages.”
- (5) The Trust’s duty to defend or settle ends when the applicable Limit of Insurance has been exhausted by payment of judgments or settlements.
- (6) With respect to any “claim” or “suit” to which this and any other policy we issue to you applies, the total limit of the Trust’s liability under all the policies shall not exceed the highest applicable limit under any one policy.

## 5. SELF INSURED RETENTION

a. The Trust's obligation to pay applies only to those sums the Insured becomes legally obligated to pay as "damages" in excess of the Self Insured Retention ("SIR") shown in the Declarations. The Trust's Limits of liability are reduced by the amount of the SIR.

b. Regardless of the number of: (1) Insureds; (2) "claims" or "suits"; (3) persons or organizations sustaining damages; or (4) coverages involved in a loss, the Named Insured shall pay the Self Insured Retention for each "wrongful law enforcement act."

c. The Trust, at its sole discretion and without the consent of the Insured, may agree to the payment of all or any part of the SIR in satisfaction of any "claim" or "suit."

d. The Trust, at its sole discretion, may pay the amount of the SIR from its own funds in satisfaction of any "claim" or "suit." In the event the Trust chooses to make such payment, the Insured shall reimburse the Trust within 15 days of the mailing of a demand by the Trust.

e. The Trust, at its sole discretion, may direct the Insured to pay all or any part of the SIR to a third party in satisfaction of any "claim" or "suit." The Insured shall make any required SIR payment within 15 days of the Trust's direction to make such payment.

## 6. CONDITIONS

### a. Premium

The premium shown in the Declarations is a deposit premium only, which shall be credited to the amount of the earned premium at the end of the policy period. If the total earned premium exceeds the advance premium, the Named Insured shall remit to the Trust the balance due in accordance with the Trust's payment terms. In the event the policy is cancelled by the insured, unearned premium shall be returned to the Insured on a pro-rated basis. In the event the Named Insured cancels the policy, the Insured will not be eligible for insurance through the Trust for three years from the date of cancellation.

### b. Inspection and Audit

The Trust shall be permitted but not obligated to inspect the Insured's property and operations at any time. Neither the Trust's right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of the Insured or others, to determine or warrant that such property or operations are safe. The Named Insured shall maintain accounting records necessary for premium computation, and shall send copies of such records to the Trust at the end of the policy period and as such times during the policy period as the Trust may reasonably request. The Trust may examine and audit the Insured's books and records at any time during the policy period and within three years after the final termination of this policy, as far as they relate to the subject matter of this insurance.

c. Insured's Duties in the Event of Claim, Suit or Wrongful Law Enforcement Act

The Insured shall have the following duties in the event of a "claim," "suit" or "wrongful law enforcement act":

(1) In the event of a "wrongful law enforcement act" reasonably likely to involve the Trust, written notice containing particulars sufficient to identify the Insured and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the Insured and of available witnesses, shall be given by or for the insured to the Trust or any of its authorized agents as soon as practicable. While the initial notice may be oral, the Named Insured is required to provide written notice as soon as practicable.

(2) If a "claim" or "suit" is brought against an Insured, the Named Insured shall immediately forward to the Trust every demand, notice, summons or other legal process received by the Insured or the Insured's representative.

(3) The Insured shall cooperate with the Trust, and upon the Trust's request, assist in making settlements, in investigating or defending "claims" or "suits" and in enforcing any right of contribution, indemnity or subrogation against any person or organization who may be liable for sums payable under this policy. The Insured shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. The Insured shall not, except at its own cost, voluntarily make any payment, assume any obligation or incur any expense.

(4) Failure to give notice as required by the terms and conditions of this policy will invalidate coverage if such failure prejudices the Trust's rights, including without limitation, its ability to defend or reasonably settle a "claim" or "suit." Failure to give notice as required by the policy does not invalidate a claim made by the Insured, if the Insured shows that it was filed as soon as reasonably possible.

d. Risk Management

The Insured shall cooperate fully and participate as required by the Trust's Risk Management Program.

e. Appeals

In the event the Insured elects not to appeal a judgment in excess of the Self Insured Retention, the Trust may elect to do so at its expense, but in no event shall the Trust pay for "damages" or loss costs exceeding the Limit of Liability in the Declarations.

f. Action Against the Trust

No action shall lie against the Trust with respect to any open claims unless, as a condition precedent thereto, the Insured has fully complied with all the terms of this policy, nor until the

amount of the Insured's obligations shall have been finally determined by the judgment against the Insured after the actual trial or by written agreement of, the Insured, the claimant and the Trust. Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this policy to the extent of the insurance afforded by this policy. Nothing contained in this policy shall give any person or organization any right to join the Trust in any action against the Insured to determine the Insured's liability.

Bankruptcy or insolvency of the Insured will not relieve the Trust of its obligations under this policy.

g. Other Insurance

This insurance is primary unless one of the following applies:

- (1) If the Insured has other valid and collectible insurance which provides primary coverage to the Insured for any "claim" or "suit" covered under this policy, this policy is excess over such other insurance. In that case, the Trust will pay only for the amount of loss in excess of the amount due from that other insurance, subject to the limits of insurance of this policy.
- (2) If the Insured has other valid and collectible insurance which provides the same type of coverage provided by this policy, the Trust will pay our share of the loss. Our share is the proportion that the applicable limit of insurance under this policy bears to the limits of insurance of all insurance covering on the same basis.
- (3) If you are named as an additional insured on a policy of insurance issued to another person or entity, this policy is excess over that insurance.
- (4) If this policy, including any endorsement, provides insurance to another person or entity as an additional insured, this policy shall be excess over any other valid and collectible insurance available to that additional insured.

h. Subrogation

If the Insured has rights to recover all or part of any payment the trust has made under this policy, those rights are transferred to the Trust. The Insured must do nothing after loss to impair them. At our request, the Insured will bring a "claim" or transfer those rights to the Trust and help the Trust enforce them.

Any amount recovered shall be applied in the following sequence:

- (1) To the SIR amount paid by the Insured;
- (2) To the loss paid by the Trust; and then



(3) To the Insured's costs that exceeded the Trust's Limit of Liability.

i. Changes

The terms of this policy may be waived or changed only by endorsement issued to form a part of this policy.

j. Assignment

Assignment of interest under this policy shall not bind the Trust until its consent is endorsed hereon.

k. Funding of Insured's SIR

The Insured agrees to maintain a loss fund, in an amount to be determined by mutual agreement between the Insured and the Trust, for the payment of all claims and expenses falling within the Insured's SIR.

l. Cancellation

This policy may be cancelled as follows:

(1) This policy may be cancelled by the Named Insured by mailing to the Trust written notice stating when thereafter the cancellation shall be effective. The Trust has the right to make written inquiry of the Insured regarding the reason for any cancellation or nonrenewal by the Insured.

(2) The policy may be cancelled by the Trust for:

(i) nonpayment of premium;

(ii) material misrepresentation regarding any claim or in the application for insurance;

(ii) substantial change in the risk assumed; or

(iv) material breach of the terms or conditions of the policy.

(3) If the Trust cancels the policy the Trust shall mail to the Named Insured at the address shown in this policy, written notice stating when, not less than thirteen (13) days thereafter, such cancellation shall be effective. The mailing of notice by first class mail shall be sufficient proof of notice. Hand delivery of such written notice either by the Named Insured or by the Trust shall be equivalent to mailing.

(4) If the Trust elects to not renew this policy, the Trust will mail, by first class mail, written notice of nonrenewal to the first Named Insured, at the last mailing address known to the Trust, at least 33 days before the expiration or anniversary date of this policy. The Trust need not mail this notice if:

- (i) The Insured has accepted replacement coverage;
- (ii) The Insured requested or agreed to nonrenewal; or
- (iii) This policy is expressly designated as nonrenewable.

m. First Named Insured

The Insured first named in the Declarations is authorized to act on behalf of all Named Insureds and other Insureds with respect to the giving and receiving notice of cancellation. The Insured first named in the Declarations is responsible for the payment of all premiums, but the other Named Insureds jointly and severally agree to make such premium payments in full if the Insured first named fails to pay the amount due within thirty days after the Trust gives a written demand for payment to the Insured first named.

n. Governmental Immunity

The issuance of this insurance shall not be deemed a waiver of any statutory immunities as to any Insured. The Trust does not waive its right to deny liability by reasons of such immunity.

o. Fraud, Concealment or Misrepresentation

By acceptance of this policy, the Named Insured agrees that the Trust has issued this policy in reliance upon the Named Insured's representations. The Trust may deny coverage and/or rescind or cancel this policy if you or any other person seeking coverage has knowingly concealed or misrepresented any material fact or circumstance, or engaged in fraudulent conduct, in connection with any "claim" or "suit" to which this insurance applies.

p. Reimbursement

In the event the Trust makes any payment under this policy on account of a "claim" or "suit" which is at any time determined to not be covered under this policy, the Trust expressly reserves the right to seek reimbursement from the Insured for such payment.

q. Two or More Policies Issued by the Trust

If this policy and any other insurance issued to you by the Trust, or any company affiliated with the Trust, apply to the same "claim" or "suit," the aggregate maximum Limit of Insurance under all such insurance shall not exceed the highest applicable Limit of Insurance under any one

coverage form or policy. This condition does not apply to any coverage form or policy issued by the Trust or an affiliated company specifically to apply as excess insurance over this policy.

## **7. ARBITRATION**

In the event a disagreement arises over the interpretation of this policy, the coverage(s) available for a particular “claim” or “suit,” or the duties and responsibilities of you or the Trust under the policy, such disagreement shall be submitted and resolved through binding arbitration. Unless otherwise agreed to in writing, any matter submitted to arbitration shall be decided by a mutually selected single arbitrator. If the parties are unable to agree upon the selection of a single arbitrator, the matter shall be decided by a panel of three arbitrators. Each party shall select an independent and competent arbitrator; the arbitrators selected by the parties will then select a third independent and competent arbitrator. A written decision by a mutually selected single arbitrator or by a majority of an arbitration panel shall constitute a final decision.

Unless otherwise agreed to in writing, each party shall pay an equal share of the fees and costs of the single arbitrator selected. If the matter is submitted to an arbitration panel, each party shall pay the fees and costs of the arbitrator selected by that party, and an equal share of the fees and costs of the third arbitrator.

Unless both parties agree otherwise, venue for the arbitration shall be in Salt Lake County, Utah.

## **8. LIBERALIZATION**

While this policy is in force, should we adopt any endorsement or form change which broaden coverage, the same shall be considered to be incorporated in this policy without additional premium charge and shall inure to your benefit as though such endorsement or form change had been made.

## **9. DEFINITIONS**

The following definitions apply as used in this Law Enforcement Legal Liability Coverage Part only:

- a. “Aircraft” means a vehicle or device designed or used for travel in the air including, without limitation, planes, drones or other unmanned vehicles, experimental aircraft, balloons, hang gliders, parachutes and helicopters.
- b. “Bodily Injury” means actual bodily injury, sickness or disease sustained by a person, including death resulting from any of these.
- c. “Claim” means any demand for “damages.”

d. “Damages” means all amounts paid or payable as compensation to a claimant as a result of “bodily injury,” “property damage” or “personal injury” arising from a “wrongful law enforcement act.” Attorney fees and litigation costs are not “damages” except when awarded under the authority of and pursuant to 42 U.S.C § 1988(b)(1994) in a civil action brought pursuant to 42 U.S.C. § 1983 for “personal injury.”

e. “Employment related-practices” means any employment practice of the Insured, including, without limitation, employee termination, discipline, promotion, demotion, supervision, evaluation, assignment, discrimination or harassment.

f. “Law enforcement personnel” means a law enforcement official, officer, reserve officer, officer of a jail, nurse who works in a jail, auxiliary officer, volunteer law enforcement officer or official representing a law enforcement agency who is acting within the course and scope of employment on behalf of the Named Insured.

g. “Malfeasance” means illegal conduct or the performance of an act outside the official duties of the Insured.

h. “Personal Injury” means injury arising out of one or more of the following offenses committed by a “law enforcement personnel”:

- (1) False arrest, detention or imprisonment or malicious prosecution;
- (2) Libel, slander or defamation of character;
- (3) Wrongful entry or eviction, or other invasion of the right of private occupancy;
- (4) Discrimination or violation of constitutionally protected rights.

i. “Sexual abuse” means any actual, attempted or alleged forcing of unwanted sexual activity by one person on another, as by the use of threats or coercion, or sexual activity that is deemed improper or harmful, which causes physical and/or mental injuries. “Sexual abuse” includes: sexual molestation, sexual assault, sexual exploitation or sexual injury. “Sexual abuse” does not include “Sexual harassment” as defined in this policy.

j. “Sexual harassment” means any actual, attempted or alleged unwelcome sexual advances, requests for sexual favors, or other conduct of a sexual nature, of a person or persons acting in concert, which causes physical and/or mental injuries. “Sexual harassment” includes:

- (1) The above conduct when submission to or rejection of such conduct is made either explicitly or implicitly a condition of a person’s employment, or a basis for employment decisions affecting a person; or,

(2) The above conduct when such conduct has the purpose or effect of unreasonably interfering with a person's work performance or creating an intimidating, hostile or offensive work environment.

“Sexual harassment” does not include “Sexual abuse” as defined in this policy.

k. “Suit” means a formal civil or arbitration proceeding in which “damages” to which this insurance applies are alleged.

l. “Wrongful law enforcement act” means any actual or alleged error, act, omission, neglect or breach of duty, including misfeasance or nonfeasance, by a “law enforcement personnel” or any matter claimed against them solely by reason of their being or having been a “law enforcement personnel.” However, “wrongful law enforcement act” does not include an act which has been determined to be “malfeasance” by admission or judicial adjudication.

**UTAH LOCAL GOVERNMENTS TRUST  
A UTAH PUBLIC AGENCY MUTUAL INSURER**

**BUSINESS AUTO COVERAGE**

The Utah Local Governments Trust is a Public Agency Insurance Mutual, defined under Utah Code Annotated 31A-1-103, and formed under the Utah Interlocal Cooperative Act, Utah Code Annotated 11-13-101 et seq. Under the authority of Utah Code Annotated 63G-7-703 and 63G-7-801 et seq., the Trust and its members have created a self-insurance reserve fund to pay and/or defend against certain risks and liabilities. The Trust provides insurance-like protection to its members through coverage contracts, also referred to as “policies.” The policies issued by the Trust contain various provisions which may limit or restrict coverage. **Read each policy carefully to determine your rights, duties and what is and is not covered.**

Throughout this policy the words “you,” “your,” “yours,” and “Insured” refer to the Named Insured shown in the Declarations and any other persons or organization qualifying as an Insured under this policy. The words “Trust” “we,” “us,” and “our” refer to the Utah Local Governments Trust.

Other words and phrases that appear in quotation marks have special meaning. Please refer to the DEFINITIONS.

Countersignature on the Declarations page by a duly authorized agent of the Trust shall constitute valid countersignature of all endorsements with the same effective date as the effective date of the policy.

IN CONSIDERATION OF THE PAYMENT OF PREMIUM, CONTRIBUTIONS AND/OR ASSESSMENTS, AND IN RELIANCE UPON THE REPRESENTATIONS OF THE INSURED AND THE STATEMENTS IN THE DECLARATIONS MADE A PART HEREOF AND SUBJECT TO ALL THE TERMS OF THIS POLICY, THE UTAH LOCAL GOVERNMENTS TRUST (HEREINAFTER “THE TRUST”), AGREES WITH THE NAMED INSURED AS FOLLOWS:

**1. INSURING AGREEMENT**

a. The Trust will have the right and duty to defend any “suit” seeking “damages” where such “damages” are alleged to have resulted from an “accident” causing “bodily injury,” “property damage,” or a “covered pollution cost or expense” resulting from the ownership, maintenance, or use of a “covered auto” which occurs during the policy period. If the Trust defends any such “suit” the Trust retains the right to select defense counsel to defend the Insured.

b. The Trust will pay all sums the Insured becomes legally obligated to pay as “damages” because of “bodily injury,” “property damage,” or a “covered pollution cost or expense” caused by an “accident” resulting from the ownership, maintenance, or use of a “covered auto.” The Trust will only pay for the “covered pollution cost or expense” if there is either “bodily injury” or “property damage” to which this insurance applies that is caused by the same “accident.” However:

- (1) The amount the Trust will pay for “damages” is limited as described in the LIMITS OF INSURANCE;
- (2) The Trust may, at its discretion, investigate any “accident” resulting from the ownership, maintenance, or use of a “covered auto”; and
- (3) The Trust has the right, but not the duty, to settle any “claim” or “suit” covered by this policy.
- (4) The Trust’s duty to defend or settle ends when the applicable Limit of Insurance has been exhausted by payment of judgments or settlements.

c. This insurance does not apply to “bodily injury,” “property damage,” or a “covered pollution cost or expense” which first occurs before the effective date of the policy as shown in the Declarations.

d. Supplementary Payments: The Trust will pay, with respect to any “claim” or “suit” the Trust defends:

- (1) All expenses the Trust incurs.
- (2) Up to \$250 for cost of bail bonds (including bonds for related traffic law violations) required because of an “accident” covered by this policy. The Trust does not have to furnish such bonds.
- (3) The cost of bonds to release attachments in any “suit” the Trust defends, but only for bond amounts within our Limit of Insurance.
- (4) All reasonable expenses incurred by the Insured at the Trust’s request, including actual loss of earning up to \$100 a day because of time off from work.
- (5) All costs taxed against the Insured in any “suit” the Trust defends.

(6) All interest on the full amount of any judgment that accrues after entry of the judgment in any “suit” the Trust defends; but our duty to pay interest ends when the Trust has paid, offered to pay or deposited in court the part of the judgment that is within the Limit of Insurance.

(7) These payments do not reduce the Limit of Insurance.

e. Out-of-State Coverage Extensions: While a “covered auto” is away from the state where it is licensed, the Trust will:

(1) Increase the Limit of Insurance for Liability Coverage to meet the limits specified by a compulsory or financial responsibility law of the jurisdiction where the “covered auto” is being used. This extension does not apply to the limits specified by any law governing motor carriers of passengers or property.

(2) Provide the minimum amounts and types of other coverage, such as no-fault, required of out-of-state vehicles by the jurisdiction where the “covered auto” is being used.

We will not pay anyone more than once for the same elements of loss because of these extensions.

## **2. EXCLUSIONS**

This policy does not apply to:

a. “Bodily injury” or “property damage” expected or intended from the standpoint of any “Insured.”

b. Liability assumed under any contract or agreement. But this exclusion does not apply to liability for damages:

(1) Assumed in a contract or agreement that is an “insured contract,” provided the “bodily injury” or “property damage” occurs subsequent to the execution of the contract or agreement; or

(2) Liability that the Insured would have in the absence of the contract or agreement.



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

d. "Bodily injury" to an employee of the Insured arising out of and in the course of employment by the Insured. This exclusion applies:

(1) Whether the Insured may be liable as an employer or in any other capacity; and

(2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

e. "Bodily injury" to any fellow employee of the Insured arising out of and in the course of the fellow employee's employment.

f. "Property damage" to or "covered pollution cost or expense" involving property owned or transported by the Insured or in the Insured's care, custody or control.

g. "Bodily injury" or "property damage" arising out of the handling of property:

(1) Before it is moved from the place where it is accepted by the Insured for movement into or onto the "covered auto"; or

(2) After it is moved from the "covered auto" to the place where it is finally delivered by the Insured.

h. "Bodily injury" or "property damage" arising out of the movement of property by a mechanical device (other than a hand truck) unless the device is attached to the "covered auto."

i. "Bodily injury" or "property damage" arising out of the operation of any equipment listed in paragraphs l.(6)(ii) or l.(6)(iii) of the definition of "mobile equipment."

j. "Bodily injury" or "property damage" arising out of your work after that work has been completed or abandoned. For purposes of this exclusion, your work means:

(1) Work or operations performed by you or on your behalf; and

(2) Materials, parts or equipment furnished in connection with such work or operations.

Your work includes warranties or representations made at any time with respect to the fitness, quality, durability or performance of any of the items included in paragraphs (1) or (2) above.

Your work will be deemed completed at the earliest of the following times:

- (i) When all of the work called for by your contract has been completed;
- (ii) When all of the work to be done at the site has been completed if your contract calls for work at more than one site;
- (iii) 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.

k. “Bodily injury” or “property damage” arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of “pollutants”:

- (1) That consist of, or that are contained in, any property that is:
  - (i) Being transported or towed by, handled, or handled for movement into, onto or from, the “covered auto”;
  - (ii) Otherwise in the course of transit by or on behalf of the “insured”;  
or
  - (iii) Being stored, disposed of, treated or processed in or upon the “covered auto”; or
- (2) Before the “pollutants” or any property in which the “pollutants” are contained are moved from the place where they are accepted by the “insured” for movement into or onto the “covered auto”; or
- (3) After the “pollutants” or any property in which the “pollutants” are contained are moved from the “covered auto” to the place where they are finally delivered, disposed of or abandoned by the “insured.”

Paragraph (1) above does not apply to fuels, lubricants, fluids, exhaust gases or other similar “pollutants” that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the “covered auto” or its parts, if:

(i) The “pollutants” escape, seep, migrate, or are discharged, dispersed or released directly from an “auto” part designed by its manufacturer to hold, store, receive or dispose of such “pollutants”; and

(ii) The “Bodily injury” or “property damage” or “covered pollution cost or expense” does not arise out of the operation of any equipment listed in paragraphs 1.(6)(ii) or 1.(6)(iii) of the definition of “mobile equipment.”

Paragraphs (2) and (3) of this exclusion do not apply to “accidents” that occur away from premises owned by or rented to an “insured” with respect to “pollutants” not in or upon a “covered auto” if:

(i) The “pollutants” or any property in which the “pollutants” are contained are upset, overturned or damaged as a result of the maintenance or use of a “covered auto”; and

(ii) The discharge, dispersal, seepage, migration, release, or escape of the “pollutants” is caused directly by such upset, overturn or damage.

l. “Bodily injury” or “property damage” due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion, revolution.

m. Any “auto” while used in any professional or organized racing, demolition or stunting activity, or while practicing for such activity. This insurance also does not apply while that “auto” is being prepared for such activity.

n. Any “claim” or “suit” for punitive or exemplary damages, fines, statutory penalties, expenses or sanctions, whether imposed by law or otherwise, or any multiplied portion of a compensatory award, or the return or restitution of legal fees, costs, and expenses.

### **3. PERSONS OR ENTITIES INSURED**

a. You for any “covered auto.”

b. Anyone else while using, with your permission, a “covered auto,” except for the following:

(1) The owner or anyone else from whom you hire or borrow a “covered auto.” This exception does not apply if the “covered auto” is a “trailer” connected to a “covered auto” you own.

(2) Someone using a “covered auto” while he or she is working in a business of selling, servicing, repairing, parking or storing “autos,” unless that business is yours.

(3) Anyone other than your employees, partners, a lessee or borrower or any of their employees, while moving property to or from a “covered auto.”

(4) A partner of yours for a “covered auto” owned by him or her or a member of his or her household.

c. Any employee using an “auto” which is not a “covered auto” in the course of employment by the Insured. However, this coverage is secondary to any other valid and collectible insurance.

d. Anyone liable for the conduct of an Insured described above but only to the extent of that liability.

#### **4. LIMITS OF INSURANCE**

a. Regardless of the number of: (1) Insureds; (2) “covered autos”; (3) premiums paid; (4) “claims” or “suits” brought; (5) vehicles involved in an “accident”; (6) persons or organizations sustaining “damages”; or (7) coverages involved in a loss, the most the Trust will pay for any one “accident” is the Limit of Insurance for Liability Coverage shown in the Declarations.

b. All “bodily injury,” “property damage,” and “covered pollution cost or expense” resulting from continuous or repeated exposure to substantially the same conditions will be considered as resulting from one “accident.”

c. No one will be entitled to receive duplicate payments for the same elements of “loss” or “damages” under this policy and any Medical Payments Coverage endorsement, Uninsured Motorists Coverage endorsement or Underinsured Motorists Coverage endorsement attached to the same.

d. The Trust’s limit of liability is the most it will pay for “damages.”

e. With respect to any “loss,” “claim” or “suit” to which this and any other policy we issue to you applies, the total limit of the Trust’s liability under all the policies shall not exceed the highest applicable limit under any one policy.

## **5. SELF INSURED RETENTION**

a. The Trust’s obligation to pay applies only to those sums the Insured becomes legally obligated to pay as “damages” in excess of the Self Insured Retention (“SIR”) shown in the Declarations. The Trust’s Limits of liability are reduced by the amount of the SIR.

b. Regardless of the number of: (1) Insureds; (2) “covered autos” (3) premiums paid; (4) “claims” or “suits” brought; (5) vehicles involved in an “accident”; (6) persons or organizations sustaining “damages”; or (7) coverages involved in a loss, the Named Insured shall pay the SIR for each “accident.”

c. The Trust, at its sole discretion and without the consent of the Insured, may agree to the payment of all or any part of the SIR in satisfaction of any “claim” or “suit.”

d. The Trust, at its sole discretion, may pay the amount of the SIR from its own funds in satisfaction of any “claim” or “suit.” In the event the Trust chooses to make such payment, the Insured shall reimburse the Trust within 15 days of the mailing of a demand by the Trust.

e. The Trust, at its sole discretion, may direct the Insured to pay all or any part of the SIR to a third party in satisfaction of any “claim” or “suit.” The Insured shall make any required SIR payment within 15 days of the Trust’s direction to make such payment.

## **6. CONDITIONS**

### **a. Premium**

The premium shown in the Declarations is a deposit premium only, which shall be credited to the amount of the earned premium at the end of the policy period. If the total earned premium exceeds the advance premium, the Named Insured shall remit to the Trust the balance due in accordance with the Trust’s payment terms. In the event the policy is cancelled by the insured, unearned premium shall be returned to the Insured on a pro-rated basis. In the event the Named Insured cancels the policy, the Insured will not be eligible for insurance through the Trust for three years from the date of cancellation.

### **b. Inspection and Audit**

The Trust shall be permitted but not obligated to inspect the Insured’s property and operations at any time. Neither the Trust’s right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of the Insured

or others, to determine or warrant that such property or operations are safe. The Named Insured shall maintain accounting records necessary for premium computation, and shall send copies of such records to the Trust at the end of the policy period and at such times during the policy period as the Trust may reasonably request. The Trust may examine and audit the Insured's books and records at any time during the policy period and within three years after the final termination of this policy, as far as they relate to the subject matter of this insurance.

c. Insured's Duties in the Event of Accident, Claim, Suit or Loss

The Insured shall have the following duties in the event of an "accident," "claim," "suit," or "loss":

(1) In the event of an "accident," "claim," "suit," or "loss" you must give the Trust notice as soon as practicable. Such notice must include:

- (i) How, when and where the "accident" or "loss" occurred;
- (ii) The "Insured's" name and address; and
- (iii) To the extent possible, the names and addresses of any injured persons and witnesses.

(2) Additionally, you and any other involved "Insured" must:

- (i) Assume no obligation, make no payment or incur no expense without the Trust's consent, except at the "insured's" own cost.
- (ii) Immediately send the Trust copies of any request, demand, order, notice, summons or legal paper received concerning the "claim" or "suit."
- (iii) Cooperate with the Trust in the investigation, settlement or defense of the "claim" or "suit," including without limitation attending hearings, depositions or trial.
- (iv) Authorize the Trust to obtain medical records or other pertinent information.
- (v) Submit to statements, examinations under oath or medical examinations by a physician of our choice, at the Trust's expense, as often as the Trust reasonably requires.

d. Risk Management

The Insured shall cooperate fully and participate as required by the Trust's Risk Management Program.

e. Appeals

In the event the Insured elects not to appeal a judgment in excess of the Self Insured Retention, the Trust may elect to do so at its expense, but in no event shall the Trust pay for “damages” or loss costs exceeding the Limit of Liability in the Declarations.

f. Action against the Trust

No action shall lie against the Trust with respect to any open claims unless, as a condition precedent thereto, the Insured has fully complied with all the terms of this policy, nor until the amount of the Insured’s obligations shall have been finally determined by the judgment against the Insured after the actual trial or by written agreement of, the Insured, the claimant and the Trust. Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this policy to the extent of the insurance afforded by this policy. Nothing contained in this policy shall give any person or organization any right to join the Trust in any action against the Insured to determine the Insured’s liability.

Bankruptcy or insolvency of the Insured will not relieve the Trust of its obligations under this policy.

g. Other Insurance

(1) For any “covered auto” you own, this policy provides primary insurance. For any “covered auto” you do not own, the insurance provided by this policy is excess over any other collectible insurance. However, while a “covered auto” which is a “trailer” is connected to another vehicle, the Liability Coverage provided by this Coverage form is:

(i) Excess while it is connected to a motor vehicle you do not own.

(ii) Primary while it is connected to a “covered auto” you own.

(2) Regardless of the provisions of paragraph (1) above, Liability Coverage provided by this policy is primary for any liability assumed under an “insured contract.”

(3) When this policy and any other insurance provides coverage on the same basis, either excess or primary, the Trust will pay only its share. The Trust’s share is the proportion that the Limit of Insurance this policy bears to the total of the limits of all applicable insurance.

h. Subrogation

If the Insured has rights to recover all or part of any payment the Trust has made under this policy, those rights are transferred to the Trust. The Insured must do nothing after loss to

impair them. At our request, the Insured will bring “suit” or transfer those rights to the Trust and help the Trust enforce them in the name of the Insured.

Any amount recovered shall be applied in the following sequence:

- (1) To the SIR amount paid by the Insured;
- (2) To the loss paid by the Trust; and then
- (3) To the Insured’s costs that exceeded the Trust’s Limit of Liability.

i. Changes

The terms of this policy may be waived or changed only by endorsement issued to form a part of this policy.

j. Assignment

Assignment of interest under this policy shall not bind the Trust until its consent is endorsed hereon.

k. Funding of Insured’s SIR

The Insured agrees to maintain a loss fund, in an amount to be determined by mutual agreement between the Insured and the Trust, for the payment of all claims and expenses falling within the Insured’s SIR.

l. Cancellation

This policy may be cancelled as follows:

- (1) This policy may be canceled by the Named Insured by mailing to the Trust written notice stating when thereafter the cancellation shall be effective. The Trust has the right to make written inquiry of the Insured regarding the reason for any cancellation or nonrenewal by the Insured.
- (2) The policy may be canceled by the Trust for:
  - (i) nonpayment of premium;
  - (ii) material misrepresentation regarding any claim or in the application for insurance;
  - (iii) substantial change in the risk assumed;
  - (iv) material breach of the terms or conditions of the policy.



(3) If the Trust cancels the policy the Trust shall mail to the Named Insured at the address shown in this policy, written notice stating when, not less than thirteen (13) days thereafter, such cancellation shall be effective. The mailing of notice by first class mail shall be sufficient proof of notice. Hand delivery of such written notice either by the Named Insured or by the Trust shall be equivalent to mailing.

(4) If the Trust elects to not renew this policy, the Trust will mail, by first class mail, written notice of nonrenewal to the first Named Insured, at the last mailing address known to the Trust, at least 33 days before the expiration or anniversary date of this policy. The Trust need not mail this notice if:

- (i) The Insured has accepted replacement coverage;
- (ii) The Insured requested or agreed to nonrenewal; or
- (iii) This policy is expressly designated as nonrenewable.

m. First Named Insured

The Insured first named in the Declarations is authorized to act on behalf of all Named Insureds and other Insureds with respect to the giving and receiving notice of cancellation. The Insured first named in the Declarations is responsible for the payment of all premiums, but the other Named Insureds jointly and severally agree to make such premium payments in full if the Insured first named fails to pay the amount due within thirty days after the Trust gives a written demand for payment to the Insured first named.

n. Governmental Immunity

The issuance of this insurance shall not be deemed a waiver of any statutory immunities as to any Insured. The Trust does not waive its right to deny liability by reasons of such immunity.

o. Representations

By acceptance of this policy, the Named Insured agrees that the Trust has issued this policy in reliance upon the Named Insured's representations.

Subject to applicable law, this Coverage Form may be voided in the event of fraud or misrepresentation by you or any other Insured related to:

- (1) This policy;
- (2) The "covered auto";
- (3) Your interest in the "covered auto"; or

(4) A claim under this policy.

p. Reimbursement

In the event the Trust makes any payment under this policy on account of a “claim,” “loss” or “suit” which is at any time determined to not be covered under this policy, the Trust expressly reserves the right to seek reimbursement from the Insured for such payment.

q. Policy Period, Coverage Territory

The Trust will cover “accidents” occurring:

- (1) During the policy period shown in the Declarations; and
- (2) Within the coverage territory.

The coverage territory is:

- (1) The United States of America; and
- (2) The territories and possessions of the United States of America.

The Trust will also cover “loss” to, or “accidents” involving, a “covered auto” while being transported between any of these places.

r. Two or More Policies Issued by the Trust

If this policy and any other insurance issued to you by the Trust, or any company affiliated with the Trust, apply to the same “claim” or “suit,” the aggregate maximum Limit of Insurance under all such insurance shall not exceed the highest applicable Limit of Insurance under any one coverage form or policy. This condition does not apply to any coverage form or policy issued by the Trust or an affiliated company specifically to apply as excess insurance over this policy.

## 7. ARBITRATION

In the event a disagreement arises over the interpretation of this policy, the coverage(s) available for a particular “claim,” “loss,” or “suit,” or the duties and responsibilities of you or the Trust under the policy, such disagreement shall be submitted and resolved through binding arbitration. Unless otherwise agreed to in writing, any matter submitted to arbitration shall be decided by a mutually selected single arbitrator. If the parties are unable to agree upon the selection of a single arbitrator, the matter shall be decided by a panel of three arbitrators. Each party shall select an independent and competent arbitrator; the arbitrators selected by the parties will then select a third independent and competent arbitrator. A written decision by a mutually selected single arbitrator or by a majority of an arbitration panel shall constitute a final decision.

Unless otherwise agreed to in writing, each party shall pay an equal share of the fees and costs of the single arbitrator selected. If the matter is submitted to an arbitration panel, each party shall pay the fees and costs of the arbitrator selected by that party, and an equal share of the fees and costs of the third arbitrator.

Unless both parties agree otherwise, venue for the arbitration shall be in Salt Lake County, Utah.

## **8. LIBERALIZATION**

While this policy is in force, should we adopt any endorsement or form change which broaden coverage, the same shall be considered to be incorporated in this policy without additional premium charge and shall inure to your benefit as though such endorsement or form change had been made.

## **9. DEFINITIONS**

When used in this policy (including endorsements forming a part hereof):

a. “Accident” means an event, including continuous or repeated exposure to the same condition(s), that results in either “bodily injury,” “property damage” or a “covered pollution cost or expense” which is neither expected, nor intended from the standpoint of the insured, and which is not a reasonably foreseeable consequence of the Insured’s intentional conduct.

b. “Auto” means any self-propelled vehicle which is designed for use upon a highway, including trailers and semi-trailers designed for use with such vehicles, except traction engines, road rollers, farm tractors, tractor cranes, power shovels, and well drillers, and every vehicle which is propelled by electric power obtained from overhead wires but not operated on rails.

c. “Bodily injury” means actual physical injury, sickness or disease sustained by a person, including death resulting from any of these.

d. “Claim” means any demand for “damages.”

e. “Covered Auto” means any “auto” you own, hire or borrow, as well as the following:

(1) “Trailers” with a load capacity of 2,000 pounds or less designed primarily for travel on public roads.

(2) “Mobile equipment” while being carried or towed by an “auto.”

(3) Any “auto” you do not own while used with the permission of its owner as a temporary substitute for a “covered auto” you own that is out of service because of its:

- (i) breakdown;
- (ii) repair;
- (iii) servicing;
- (iv) “loss”; or
- (v) destruction.

f. “Covered pollution cost or expense” means any cost or expense arising out of: (1) any request, demand or order; or (2) any “claim” or “suit” by or on behalf of a governmental authority demanding the Insured 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.”

“Covered pollution cost or expense” does not include any cost or expense arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants:

- (1) That are contained in any property that is:
  - (i) Being transported or towed by, handled, or handled for movement into, onto or from the “covered auto”;
  - (ii) Otherwise in the course of transit by or on behalf of the Insured;
- (2) Before the “pollutants” or any property in which the “pollutants” are contained are moved from the place where they are accepted by the Insured for movement into or onto the “covered auto”; or
- (3) After the “pollutants” or any property in which the “pollutants” are contained or moved from the “covered auto” to the place where they are finally delivered, disposed of, or abandoned by the Insured.

Paragraph (1) above does not apply to fuels, lubricants, fluids, exhaust gases or other similar “pollutants” that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the “covered auto” or its parts if:

- (i) The “pollutants” escape, seep, migrate, or are discharged, dispersed or released directly from an “auto” part designed by its manufacturer to hold, store, receive or dispose of such “pollutants”; and

(ii) The “bodily injury,” “property damage” or “coverage pollution cost or expense” does not arise out of the operation of any equipment listed in paragraphs 1.(6)(ii) or i.(6)(iii) of the definition of “mobile equipment.”

Paragraphs (2) and (3) above do not apply to “accidents” that occur away from premises owned by or rented to an “insured” with respect to “pollutants” not in or upon a “covered auto” if:

(i) The “pollutants” or any property in which the “pollutants” are contained are upset, overturned or damaged as a result of the maintenance or use of a “covered auto”; and

(ii) The discharge, dispersal, seepage, migration, release or escape of the “pollutants” is caused directly by such upset, overturn or damage.

g. “Damages” means monetary amounts the Insured becomes legally obligated to pay to a third party as a result of “bodily injury,” “property damage” or a “covered pollution cost or expense” caused by an “accident.”

h. “Family member” means a person related to you by blood, marriage or adoption, including a ward or foster child, who is a resident of your household, whether or not temporarily residing elsewhere.

i. “Insured” means any person or organization qualifying as an insured in the Who Is An Insured provision of the applicable coverage. Except with respect to the Limit of Insurance, the coverage afforded applies separately to each insured who is seeking coverage or against whom a “claim” or “suit” is brought.

j. “Insured contract” means:

(1) A lease of premises;

(2) A sidetrack agreement;

(3) An easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;

(4) An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;

(5) That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another to pay for “bodily injury” or “property damage” 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;

(6) That part of any contract or agreement entered into, as part of your business, pertaining to the rental or lease, by you or any of your employees, of any “auto.” However, such contract or agreement shall not be considered an “insured contract” to the extent that it obligates you or any of your employees to pay for “property damage” to any “auto” rented or leased by you or any of your employees.

An “insured contract” does not include that part of any contract or agreement:

(1) That indemnifies any person or organization for “bodily injury” or “property damage” arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road beds, tunnel, underpass or crossing;

(2) That pertains to the loan, lease or rental of an “auto” to you or any of your employees, if the “auto” is loaned, leased or rented with driver; or

(3) That holds a person or organization engaged in the business of transporting property by “auto” for hire harmless for your use of a “covered auto” over a route or territory that person or organization is authorized to serve by public authority.

k. “Loss” means direct and accidental loss or damage to covered property.

l. “Mobile equipment” means any of the following types of land vehicles, including any attached machinery or equipment:

(1) Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;

(2) Vehicles maintained for use solely on or next to premises you own or rent;

(3) Vehicles that travel on crawler treads;

(4) Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:

(i) Power cranes, shovels, loaders, diggers, or drills; or

(ii) Road construction or resurfacing equipment such as graders, scrapers or rollers.

(5) Vehicles not described in paragraphs (1), (2), (3), or (4) above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:

(i) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or

(ii) Hoists and similar devices used to raise or lower workers.

(6) Vehicles not described in paragraphs (1), (2), (3), or (4) above maintained primarily for purposes other than the transportation of persons or cargo. However, self-propelled vehicles with the following types of permanently attached equipment are not “Mobile equipment” but will be considered “autos:”

(i) Equipment designed primarily for:

a) Snow Removal;

b) Road maintenance, but not construction or resurfacing; or

c) Street Cleaning;

(ii) Hoists and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

(iii) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting or well servicing equipment.

m. “Pedestrian” means any person not “occupying” or riding upon an “auto.”

n. “Pollutants” mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemical and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

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

p. “Suit” means a civil proceeding, including without limitation arbitration or other alternative dispute resolution, which seeks damages because of “bodily injury,” property damages” or “covered pollution cost or expense.”

q. “Trailer” includes a semitrailer.

r. “Occupying” means being in or upon a “covered auto” as a passenger or operator or engaged in the immediate act of entering, boarding or alighting from an “auto.”

# UTAH UNINSURED MOTORIST COVERAGE

This endorsement modifies insurance provided under the following:

Policy Number: 12180-LIABILITY  
Named Insured: Lehi City  
Policy Period: 11/01/2018 12:01 a.m. MST and continuous until cancelled.

## A. COVERAGE

1. The Trust will pay all sums the Insured is legally entitled to recover as compensatory damages from the owner or driver of an “uninsured motor vehicle”. The damages must result from “bodily injury” sustained by the Insured 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.”
2. If this insurance provides a limit in excess of the amounts required by the applicable law where a “covered auto” is principally garaged, the Trust will pay only after all liability bonds or policies have been exhausted by judgments or payments.
3. Any judgment for damages arising out of a “suit” brought without our written consent is not binding on us.

## B. WHO IS AN INSURED

1. You.
2. Anyone else “occupying” a “covered auto” or a temporary substitute for a “covered auto”. The “covered auto” must be out of service because of its breakdown, repair, servicing, “loss” or destruction.
3. Anyone for damages he or she is entitled to recover because of “bodily injury” sustained by another Insured as a result of an accident involving the owner or driver of an “uninsured motor vehicle.”

## C. EXCLUSIONS

This insurance does not apply to any of the following:

1. Any claim settled without the Trust’s consent.



2. The direct or indirect benefit of any insurer or self-insurer under any workers' compensation, disability benefits or similar law.
3. "Bodily injury" sustained by you or any "family member" while "occupying" or struck by any vehicle owned by you or any "family member" for which the security required by the Utah Safety Responsibility Act is not in effect. This includes a trailer of any type used with that vehicle.
4. Anyone using a vehicle without a reasonable belief that the person is entitled to do so.
5. Punitive or exemplary damages.

#### D. LIMIT OF INSURANCE

1. Regardless of the number of "covered autos," Insureds, premiums paid, claims made or vehicles involved in the "accident," the most the Trust will pay for all damages resulting from any one "accident" is the LIMIT OF INSURANCE for UNINSURED MOTORIST COVERAGE shown in the Declarations.
2. Any amount payable under this coverage shall be reduced by:
  - a. All sums paid or payable under any workers' compensation, disability benefits or similar law, and
  - b. All sums paid by or for anyone who is legally responsible, including all sums paid under this Coverage Form's LIABILITY COVERAGE.
3. Any amount paid under this coverage will reduce any amount an Insured may be paid under this Coverage Form's LIABILITY COVERAGE.

#### E. CHANGES IN CONDITIONS

1. The OTHER INSURANCE Condition is replaced by the following:

If there is any other applicable similar insurance available under more than one policy or provision of coverage:

- a. The maximum recovery under all coverage forms or policies combined will not exceed the maximum amount payable for any one vehicle under the coverage form or policy with the highest applicable limit of liability.
  - b. Subject to paragraph a. above, any insurance the Trust provides with respect to a vehicle you do not own shall be excess over any other collectible insurance.
  - c. The Trust will pay only its share of the loss. The Trust's share is the proportion that the Trust's Limit of Insurance bears to the total of all applicable limits covering on the same basis.
2. The SUBROGATION Condition is changed by adding the following:
    - a. The Trust shall be entitled to a recovery only after the Insured has been fully compensated for damages.
    - b. If the Trust makes any payment and the Insured recovers from another party, the Insured shall hold the proceeds in trust for the Trust and pay it back the amount the Trust has paid.

#### F. UM ARBITRATION

1. If the Trust and an Insured disagree whether the Insured is legally entitled to recover damages from the owner or driver of an "uninsured motor vehicle" or do not agree as to the amount of damages, either party may make a written demand for arbitration. In this event, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that the selection be made by a judge of a court having jurisdiction. Each party will pay the expenses it incurs and bear the expenses of the third arbitrator equally.
2. Unless both parties agree otherwise, arbitration will take place in the county in which the Insured lives. Local rules of law as to arbitration procedure and evidence will apply. A decision agreed to by two of the arbitrators will be binding.

#### G. ADDITIONAL DEFINITIONS

The following are added to the DEFINITIONS section:

1. "Uninsured motor vehicle" means a land motor vehicle or trailer:

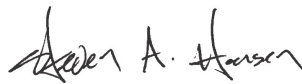
- a. For which no liability bond or policy at the time of an “accident” provides at least the amounts required by the applicable law where a “covered auto” is principally garaged;
- b. For which an insuring or bonding company denies coverage or is or becomes insolvent; or
- c. That is a hit-and-run vehicle whose operator or owner cannot be identified and that hits or causes an “accident” resulting in “bodily injury” without hitting:
  - (1) You or any “family member”;
  - (2) A vehicle which you or any “family member” are “occupying”; or
  - (3) Your “covered auto”.

If there is no physical contact with the hit-and-run vehicle the facts of the “accident” must be proved by clear and convincing evidence which must consist of more than the “insured's” testimony.

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 amount required by that motor vehicle law;
- b. Owned by a governmental unit or agency;
- c. Designed for use mainly off public roads while not on public roads; or
- d. For which a bodily injury liability bond or policy applies at the time of the “accident” but the amount paid for “bodily injury” under that bond or policy to an “insured” is not enough to pay the full amount the “insured” is legally entitled to recover as damages caused by the “accident”.

Countersigned by:



Authorized Representative

# UTAH UNDERINSURED MOTORIST COVERAGE

This endorsement modifies insurance provided under the following:

Policy Number: 12180-LIABILITY  
Named Insured: Lehi City  
Policy Period: 11/01/2018 12:01 a.m. MST and continuous until cancelled.

## A. COVERAGE

1. The Trust will pay all sums the Insured is legally entitled to recover as compensatory damages from the owner or driver of an “underinsured motor vehicle.” The damages must result from “bodily injury” sustained by the Insured caused by an “accident.” The owner’s or driver’s liability for these damages must result from the ownership, maintenance or use of the “underinsured motor vehicle”.
2. The Trust will pay only after all liability bonds or policies have been exhausted by judgments or payments.
3. Any judgment for damages arising out of a “suit” brought without our written consent is not binding on the Trust.

## B. WHO IS AN INSURED

1. You.
2. Anyone else occupying a “covered auto” or a temporary substitute for a “covered auto.” An “auto” only qualifies as a temporary substitute when it is being used to replace a “covered auto” that is out of service because of its breakdown, repair, servicing, “loss” or destruction.
3. Anyone for damages he or she is entitled to recover because of “bodily injury” sustained by another Insured as a result of an accident involving the owner or driver of an “underinsured motor vehicle.”

## C. EXCLUSIONS

This insurance does not apply to any of the following:

1. Any claim settled without the Trust’s consent.

2. The direct or indirect benefit of any insurer or self-insurer under any workers' compensation, disability benefits or similar law.
3. "Bodily injury" sustained by you or any "family member" while "occupying" or struck by any vehicle owned by you or any "family member" that is not a "covered auto." This includes a trailer of any type used with that vehicle.
4. Anyone using a vehicle without a reasonable belief that the person is entitled to do so.
5. Punitive or exemplary damages.

#### D. LIMIT OF INSURANCE

1. Regardless of the number of "covered autos," Insureds, premiums paid, claims made or vehicles involved in the "accident," the most the Trust will pay for all damages resulting from any one "accident" is the LIMIT OF INSURANCE for UNDERINSURED MOTORIST COVERAGE shown in the Declarations.
2. No one will be entitled to receive duplicate payments for the same elements of "bodily injury" or loss under this Coverage Form and any Liability Coverage Form, Medical Payments Coverage endorsement or Uninsured Motorists Coverage endorsement attached to this Coverage Part.

The Trust will not make a duplicate payment under this Coverage for any element of compensatory damages for "bodily injury" for which payment has been made by or for anyone who is legally responsible.

The Trust will not pay for any element of compensatory damages for "bodily injury" if a person is entitled to receive payment for the same element of damage or loss under any workers' compensation, disability benefits or similar law.

#### E. CHANGES IN CONDITIONS

1. The OTHER INSURANCE Condition is replaced by the following:
  - a. With respect to coverage the Trust provides when a "covered auto" you own is involved in an "accident", the LIMIT OF INSURANCE for UNDERINSURED MOTORIST COVERAGE applicable to that "covered auto" will apply for

damages for which the owner or operator of the “underinsured motor vehicle” is legally responsible.

b. If an Insured sustains “bodily injury” while “occupying” a vehicle not owned by that person or while not “occupying” any vehicle, the injured person may elect the policy under which he can collect underinsured motorists coverage, and is not barred from making subsequent elections if recovery is unavailable under previous elections.

If there is any other applicable insurance available under more than one policy or provision of coverage:

(1) The maximum recovery under all coverage forms or policies combined will not exceed the maximum amount payable for any one vehicle under the coverage form or policy with the highest applicable limit of liability.

(2) Subject to paragraph (1) above, any insurance the Trust provides with respect to a vehicle you do not own shall be excess over any other collectible insurance.

(3) The Trust will pay only its share of the loss. The Trust’s share is the proportion that its Limit of Insurance bears to the total of all applicable limits covering on the same basis.

2. The SUBROGATION Condition is changed by adding the following:

a. The Trust shall be entitled to a recovery only after the Insured has been fully compensated for damages.

b. If the Trust makes any payment and the Insured recovers from another party, the Insured shall hold the proceeds in trust for the Trust and pay it back the amount the Trust has paid.

## F. UIM ARBITRATION

1. If the Trust and an Insured disagree whether the Insured is legally entitled to recover damages from the owner or driver of an “underinsured motor vehicle” or do not agree as to the amount of damages, either party may make a written demand for arbitration. In this event, each party will select an arbitrator. The two arbitrators will

select a third. If they cannot agree within 30 days, either may request that selection be made by a judge of a court having jurisdiction. Each party will pay the expenses it incurs and bear the expenses of the third arbitrator equally.

2. Unless both parties agree otherwise, arbitration will take place in the county in which the Insured lives. Local rules of law as to arbitration procedure and evidence will apply. A decision agreed to by two of the arbitrators will be binding.

## G. ADDITIONAL DEFINITIONS

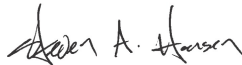
The following are added to the DEFINITIONS Section:

1. "Underinsured motor vehicle" means a land motor vehicle or trailer for which a bodily injury liability bond or policy applies at the time of the "accident" but the amount paid for "bodily injury" under that bond or policy to an Insured is not enough to pay the full amount the "insured" is legally entitled to recover as damages caused by the "accident."

However, "underinsured motor vehicle" does not include any vehicle:

- a. Owned by a governmental unit or agency; or
- b. Designed for use mainly off public roads while not on public roads.
- c. 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;
- d. For which an insuring or bonding company denies coverage or is or becomes insolvent; or
- e. That is a hit-and-run vehicle whose operator or owner cannot be identified and that hits or causes an "accident" resulting in "bodily injury" without hitting:
  - (1) You or any "family member";
  - (2) A vehicle which you or any "family member" are "occupying"; or
  - (3) Your "covered auto."

Countersigned by:



Authorized Representative

# UTAH PERSONAL INJURY PROTECTION

For a “covered auto” licensed or principally garaged in Utah, this endorsement modifies insurance provided under the following:

Policy Number: 12180-LIABILITY  
Named Insured: Lehi City  
Policy Period: 11/01/2018 12:01 a.m. MST and continuous until cancelled.

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

## A. COVERAGE

The Trust will pay Personal Injury Protection benefits in accordance with Title 31A Utah Code Annotated to or for an Insured who sustains “bodily injury” caused by an “accident” arising out of the use of a “covered auto” as an auto.

Subject to the limits shown in the Schedule, these Personal Injury benefits consist of:

1. Medical expenses. Reasonable expenses incurred for necessary medical, surgical, x-ray, dental and rehabilitation services, including prosthetic devices, necessary ambulance, hospital and nursing services, and any nonmedical remedial care and treatment rendered in accordance with a recognized religious method of healing; however, it does not include expenses in excess of those for a semi-private room, unless more intensive care is medically required.

2. Work loss.

a. The lesser of \$250 per week or 85% of any loss of gross income and loss of earning capacity per person from inability to work, for a maximum of 52 consecutive weeks after the loss which shall run from the Loss of gross income or earning capacity and not from the date of the accident, except that this benefit need not be paid for the first three days of disability, unless the disability continues for longer than two consecutive weeks after the date of injury; and

b. An allowance for services actually rendered or reasonably incurred that, but for the “bodily injury” the Insured would have performed during



his or her lifetime for his or her household commencing three days after the date of the “bodily injury” and continuing for a maximum of 365 consecutive day thereafter. If such Insured’s inability to perform such services continues in excess of 14 consecutive days after the date of the “bodily injury,” this three day elimination period shall not be applicable.

3. Funeral expenses. Funeral, burial or cremation expenses incurred.

4. Survivor loss. Compensation on account of the death of the Insured and is payable only to natural persons who are the Insured’s heirs.

## B. WHO IS AN INSURED

1. You, unless you are injured in an “accident” which resulted from the use or operation of any motor vehicle which is owned by you and which is not a “covered auto.”

2. Any person while “occupying” a “covered auto” with the consent of the “insured.”

3. Any person while “occupying” any other “covered auto” other than a public or livery conveyance, operated by you or a “family member.”

4. A “pedestrian” if the “accident” involved the use of a “covered auto.”

## C. EXCLUSIONS

We will not pay Personal Injury Protection benefits for “bodily injury”:

1. Sustained by the Insured while “occupying” an “auto” owned by or furnished for the regular use of that Insured or any “family member” that is not a “covered auto.”

2. Sustained by any person while operating the “covered auto” without the express or implied consent of the “insured” or while not in lawful possession of the “covered auto.”

3. Sustained by a “pedestrian” if the “accident” occurs outside the state of Utah. This exclusion does not apply to a “family member” of an Insured.

4. Sustained by any person if such person’s conduct contributed to his injury under either of the following circumstances:

- a. Causing injury to himself or herself intentionally, or
  - b. While committing a felony.
5. Sustained by any person arising out of the use of any “auto” while located for use as a residence or premises.
  6. Due to war, whether or not declared, civil war, insurrection, rebellion or revolution, or to any act or condition incident to any of the foregoing.
  7. Resulting from the radioactive, toxic, explosive or other hazardous properties of nuclear material.

#### D. LIMIT OF INSURANCE

1. Regardless of the number of Insureds, policies or bonds applicable, claims made, premiums paid or “covered autos” to which this coverage applies, the most the Trust will pay for Personal Injury Protection benefits for “bodily injury” sustained by an Insured in any one “accident” is the Limit Per Person amount shown in the Schedule.
2. Any amount payable under this coverage will be reduced by the amount paid, payable or required to be provided for “bodily injury”:
  - a. Under any workers' compensation plan or any similar statutory plan;
  - b. By the United States or any of its agencies because of his or her being on active duty in the military services.

#### E. CHANGES IN CONDITIONS

1. The following is added to the INSURED’S DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT or LOSS Condition:
  - a. If an Insured or his or her legal representative or survivor institutes legal actions to recover damages for “bodily injury,” he or she must promptly give the Trust a copy of the summons and complaint or other process served in connection with the legal action.
  - b. The Insured or someone on his or her behalf must promptly give the Trust written proof of claim, under oath if required, including:

(1) Full particulars of the nature and extent of the “bodily injury,” treatment and rehabilitation received and contemplated; and

(2) Such other information that will help the Trust determine the amount due and payable.

2. The following is added to SUBROGATION Condition:

a. If the Trust makes any payment to any Insured under this coverage and that person recovers from another party, he or she shall hold the proceeds in trust for the Trust and pay it back the amount the Trust has paid. The Trust will have a lien against such payment, and may give notice of the lien to the person or organization causing “bodily injury,” his or her agent or insurer or a court having jurisdiction in the matter.

b. Any Insured receiving payment must hold in trust for the Trust’s benefit all rights of recovery he or she has against the party causing “bodily injury.”

c. That person must do everything necessary to secure such rights and must do nothing to impair them.

d. That person must execute and deliver to the Trust instruments and papers that may be appropriate to secure his or her and the Trust’s rights and obligations established by this provision.

## F. COORDINATION AND NON-DUPLICATION

1. No Insured may recover duplicate payments for the same elements of loss under this or any other insurance.

2. This insurance is primary only for “bodily injury” sustained by an Insured in an “accident” arising out of the use or operation of a “covered auto.”

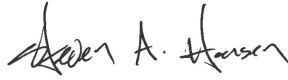
3. If an Insured is entitled to Personal Injury Protection benefits under more than one policy, the maximum recovery under all policies combined will not exceed the amount payable under the policy with the highest dollar limit of benefits. The Trust’s share is the proportion that the Trust’s Limit of Insurance bears to the total of all applicable limits covering on the same basis.

4. Personal Injury Protection benefits paid or payable under this Coverage Form or any other Coverage Form or policy providing auto insurance because of "bodily injury" sustained by an Insured shall be primary to any Auto Medical Payments Coverage provided under this Coverage Form.

G. PREMIUM RECOMPUTATION

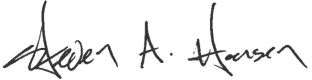
The premium for this policy is based on rates which have been established in reliance upon the limitations on the right to recover for damages imposed by the provisions of Title 31A, Utah Code Annotated. If a court declares any of these provisions unenforceable, we have the right to re-compute the premium, and the provisions of this endorsement are voidable or subject to amendment at our option.

Countersigned by:



Authorized Representative

**DECLARATORY, INJUNCTIVE RELIEF AND LAND USE DEFENSE  
ENDORSEMENT**

Named Insured  Lehi City	Endorsement Number  DEC_12180_2018
Policy Number  12180-LIABILITY	Endorsement Effective  11/01/2018
Countersigned by   (Authorized Representative)	

**This Endorsement modifies the insurance provided under the following policies:**

COMPREHENSIVE GENERAL LIABILITY

In consideration of premium paid, this Endorsement, if shown in the Declarations, provides added coverage benefits. Unless indicated in this Endorsement, all of the terms, conditions, definitions, limitations and exclusions of the above referenced policy or policies apply. **Read the entire Endorsement carefully to determine your rights, duties and what is and is not covered.**

**1. INSURING AGREEMENT**

a. The Trust will have the right and duty to defend any “claim” or “suit” seeking declaratory or injunctive relief, or arising out of any “land use” dispute which occurs during the policy period. If the Trust defends such a “claim” or “suit,” the Trust retains the right to select defense counsel to defend the Insured. However:

- (1) The amount the Trust will pay under this Endorsement to defend any such “claim” or “suit” is limited as described in this Endorsement;
- (2) The Trust may, at its discretion, investigate any “claim” or “suit” seeking declaratory or injunctive relief, or arising out of any “land use” dispute;
- (3) The Trust has the right, but not the duty, to settle any “claim” or “suit” covered by this Endorsement; and
- (4) This Endorsement provides limited defense benefits to the Named Insured, but provides no indemnification to any Insured for “claims” or “suits” seeking declaratory or injunctive relief, or arising out of any “land use” dispute.

## 2. LIMIT OF INSURANCE

a. Notwithstanding the Supplementary Payments provision, the coverage amount set forth below represents the limit of all payments, including, without limitation, defense costs and attorney fees, available for any “claim” or “suit” defended by the Trust under this Endorsement. The Trust shall have no obligation to indemnify any Insured under this Endorsement. The Trust’s obligations to defend under this Endorsement will cease upon exhaustion of the Declaratory, Injunctive Relief and Land Use Defense coverage limit.

\$25,000 per Claim/Suit  
\$50,000 Aggregate Limit per Policy Period

b. All payments made under this Endorsement shall erode the coverage limit applicable under this Endorsement. The Trust’s right and duty to defend ends when the amount of coverage available under this Endorsement has been exhausted. Once the coverage available under this Endorsement has been exhausted, the defense of any “claim” or “suit” being defended by the Trust under this Endorsement shall revert to and become the sole responsibility of the Named Insured.

## 3. DEFINITIONS

The following definitions apply as used in this Endorsement:

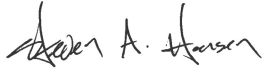
a. “Claim” means any demand seeking declaratory or injunctive relief, or arising from a “land use” dispute.

b. “Inverse Condemnation” means a claim that an Insured has taken or diminished the value of land or property through: land use restrictions, laws, permits or regulations, on such land or adjacent land or air space; or by use by the Insured of such land, adjacent land or air space.

c. “Land Use” means the regulation of the use of land or real property which may include, without limitation, the application, interpretation and enforcement of land use restrictions, laws, permits or regulations, and may involve constitutional claims, claims of eminent domain, condemnation, “inverse condemnation,” or adverse possession.

d. “Suit” means a formal civil or arbitration proceeding seeking declaratory or injunctive relief, or arising from a “land use” dispute.

**NO-FAULT SEWAGE AND POTABLE WATER ENDORSEMENT**

Named Insured  Lehi City	Endorsement Number  NFS_12180_2018
Policy Number  12180-LIABILITY	Endorsement Effective  11/01/2018
Countersigned by   (Authorized Representative)	

**This Endorsement modifies the insurance provided under the following:**

COMPREHENSIVE GENERAL LIABILITY

In consideration of premium paid, this Endorsement, if shown in the Declarations, provides added coverage benefits. Unless indicated in this Endorsement, all of the terms, conditions, definitions, limitations and exclusions of the above referenced policy or policies apply. **Read the entire Endorsement carefully to determine your rights, duties and what is and is not covered.**

**1. INSURING AGREEMENT**

a. Release of Sewage. Notwithstanding Exclusions “k.,” “m.” and “n.,” the Trust will pay on behalf of the Insured damages sustained by a third-party person, firm or entity relying on the Insured to provide sewage treatment services caused by the “release of sewage.”

b. Sudden and Accidental Release. Notwithstanding Exclusion “k.,” the Trust will pay on behalf of the Insured “property damages” to any third-party person, firm or entity caused by the sudden, accidental and unintended release of “potable water” from pipes or utilities owned by the Insured.

**2. LIMIT OF INSURANCE**

Coverage under this Endorsement is limited up to \$5,000 per Household/Business, \$100,000 Aggregate per policy period. Notwithstanding the Supplementary Payments provision, any coverage provided under this Endorsement is inclusive of defense costs, and is not in excess of defense costs, and the Trust’s obligations to indemnify or defend the Insured against any “claim” or “suit” which falls within this Endorsement will cease upon exhaustion of the limits set forth in this Endorsement.

### **3. DEFINITIONS**

The following definitions apply as used in this Endorsement:

a. “Release of sewage” means an “occurrence” where solid, liquid, or gaseous “pollutants” cause “property damage” or “bodily injury” by passing back through the toilets and/or drains located in the premises owned or leased by any third-party person, firm or entity relying upon the Insured for sewage treatment services. Solid, liquid or gaseous “pollutants” which cause “property damage” or “bodily injury” by any means other than passing back through the toilets and/or drains located in the premises owned or leased by such third-party persons, firms or entities, does not constitute “release of sewage” and damages caused thereby are not covered under this Endorsement.

b. “Potable water” means water that is intended to be used for human consumption.

### **4. PROOF OF CLAIM**

As soon as practicable, any third-party person, firm or entity seeking coverage under this Endorsement shall provide the Trust written proof of claim, and such other information and documentation the Trust may reasonably require, in order to determine the amount payable under this Endorsement.

### **5. SUBROGATION**

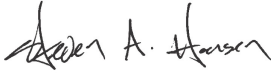
If payment is made under this Endorsement, the Trust shall be subrogated to the rights of the third-party to whom payment was made, to the extent of the payments made, and that third-party must do whatever is reasonably necessary to secure and not prejudice those rights.

### **6. NONDUPLICATION OF BENEFITS AND OTHER INSURANCE**

No third-party shall recover duplicate benefits for the same elements of damage under this or any other insurance. In the event a third-party has other valid and collectible insurance available, the coverage provided under this Endorsement shall be secondary.



**MALFEASANCE DEFENSE ENDORSEMENT**

Named Insured  Lehi City	Endorsement Number  MAL_12180_2018
Policy Number  12180-LIABILITY	Endorsement Effective  11/01/2018
Countersigned by   (Authorized Representative)	

**This Endorsement modifies the insurance provided under the following:**

COMPREHENSIVE GENERAL LIABILITY  
PUBLIC OFFICIAL’S ERRORS AND OMISSIONS LIABILITY  
LAW ENFORCEMENT LIABILITY

In consideration of premium paid, this Endorsement, if shown in the Declarations, provides added coverage benefits. Unless indicated in this Endorsement, all of the terms and conditions of the above referenced policies apply. **Read the entire Endorsement carefully to determine your rights, duties and what is and is not covered.**

**1. INSURING AGREEMENT**

a. The Trust will have the right and duty to defend any “claim” or “suit” brought against an Insured person alleging an act of “malfeasance” that arises out of such person’s employment, service, election or appointment with the Named Insured, which occurs during the policy period. If the Trust defends such a “claim” or “suit,” the Trust retains the right to select defense counsel to defend the Insured. However:

- (1) The amount the Trust will pay under this Endorsement to defend any such “claim” or “suit” is limited as described in this Endorsement;
- (2) The Trust may, at its discretion, investigate any “claim” or “suit” alleging “malfeasance”;
- (3) The Trust has the right, but not the duty, to settle any “claim” or “suit” covered by this Endorsement;

(4) The Trust will have no duty to defend any “claim” or “suit” once there is an admission or judicial determination that an act of “malfeasance” actually occurred; and

(5) This Endorsement provides limited defense benefits only, but provides no indemnification to any Insured for “claims” or “suits” arising from any actual or alleged act of “malfeasance.”

## **2. LIMIT OF INSURANCE**

a. Notwithstanding the Supplementary Payments provision, the coverage amount set forth below represents the limit of all payments, including, without limitation, defense costs and attorney fees, available for any “claim” or “suit” defended by the Trust under this Endorsement. The Trust shall have no obligation to indemnify any Insured under this Endorsement. The Trust’s obligations to defend under this Endorsement will cease upon exhaustion of the Malfeasance Defense coverage limit.

\$10,000 per Claim/Suit  
\$20,000 Aggregate Limit per Policy Period

b. All payments made under this Endorsement shall erode the coverage limit applicable under this Endorsement. The Trust’s right and duty to defend ends when the amount of coverage available under this Endorsement has been exhausted. Once the coverage available under this Endorsement has been exhausted, the defense of any “claim” or “suit” being defended by the Trust under this Endorsement shall revert to and become the sole responsibility of the Insured.

## **3. DEFINITIONS**

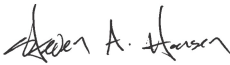
The following definitions apply as used in this Endorsement:

a. “Claim” means any demand arising from an act of “malfeasance.”

b. “Malfeasance” means illegal conduct or the performance of an act outside the official duties of the Named Insured.

c. “Suit” means a formal civil or arbitration proceeding in which an act of “malfeasance” is alleged.

**DAM COVERAGE ENDORSEMENT**

Named Insured  Lehi City	Endorsement Number  DAM_12180_2018
Policy Number  12180-LIABILITY	Endorsement Effective  11/01/2018
Countersigned by   (Authorized Representative)	

**This Endorsement modifies the insurance provided under the following:**

COMPREHENSIVE GENERAL LIABILITY

In consideration of premium paid, this Endorsement, if shown in the Declarations, provides added coverage benefits. Unless indicated in this Endorsement, all of the terms, conditions, definitions, limitations and exclusions of the above referenced policy or policies apply. **Read the entire Endorsement carefully to determine your rights, duties and what is and is not covered.**

**1. INSURING AGREEMENT**

Notwithstanding Exclusion “r.” of the above referenced policy, the Trust will pay “damages” which the “insured” becomes legally obligated to pay where such “damages” have resulted from an “occurrence” causing “bodily injury” or “property damage” arising out of the collapse, flooding, cracking, settling, seepage, underseepage, spillage, subsidence, landslide or earth movement of any of the following dam structures:

- A. Lehi City Sandpit Reservoir / UT53751

Under this Endorsement, the Trust will have the right and duty to defend any “suit” seeking “damages” arising from the failure of the above referenced structures only, and will have no duty to defend or pay “damages” which arise from structures not identified above.

**2. LIMIT OF INSURANCE**

Regardless of the number of: (1) “insureds”; (2) “claims” or “suits” brought; (3) persons or organizations sustaining “damages”; and (4) coverages involved in a loss, the Trust’s liability under this Endorsement is limited as follows:

Coverage under this Endorsement, which shall run concurrently with the Comprehensive General Liability policy, is sub-limited to \$2,000,000 per Occurrence.

All other terms, conditions, definitions, limitations and exclusions remain unchanged. The coverage provided under this Endorsement are part of and not in addition to the limits of coverage provided under the Comprehensive General Liability policy.



## Property Declarations Page

1. **POLICY DECLARATION:** ULGT Property Form No. 12 (11-JPA/Pools)  
**TRUST POLICY NUMBER:** 12180-PROPERTY
2. **MEMBER/NAMED INSURED:** Lehi City
3. **MAILING ADDRESS:** P.O. Box 255, Lehi, UT 84043-0255
4. **POLICY PERIOD:** From: November 1, 2018  
To: November 1, 2019  
(12:01 a.m. Local Standard Time)

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This Property Declarations Page outlines and summarizes the coverages, limits, sublimits, and deductibles for the Member/Named Insured. This document does not create, modify, extend or otherwise affect the terms, conditions, provisions or exclusions as outlined in the Policy. Please refer to the Policy for specific terms, conditions and exclusions.

5. **LIMITS OF LIABILITY:**

\$ 1,000,000,000 Per Occurrence: subject to all Perils, Coverages (subject to policy exclusions) and all Trust Members combined, regardless of the number of Trust Members, coverages, extensions of coverage, or perils insured, subject to the following per occurrence and/or aggregate sub-limits as noted below.

6. **SUB-LIMITS OF LIABILITY:**

The Sub-Limits of Liability set forth below apply to all Trust Members combined, Per Occurrence, subject to any aggregate listed, excess of the Policy Deductibles set forth in Item 7 or Special Terms & Conditions below, unless indicated otherwise. The Sub-Limits of Liability set forth below or as amended by Special Terms & Conditions below do not increase the Limit of Liability set forth in Item 5. above.

A.(i). \$ 25,000,000 \$25,000,000 Dedicated to the City of Lehi Flood Limit - Per Occurrence and in the Annual Aggregate.

<b>(ii).</b>	[NO COVERAGE]	Flood Limit - Per Occurrence and in the Annual Aggregate for all locations in Flood Zones A & V (inclusive of all 100 year exposures).
<b>B.</b>	\$ 25,000,000	\$25,000,000 Dedicated to the City of Lehi Earthquake Shock - Per Occurrence and in the Annual Aggregate.
<b>C.</b>	\$ 100,000,000	Combined Business Interruption, Rental Income and Tax Revenue Interruption 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 the Trust, this sub-limit amount is limited to \$500,000 per subject to maximum of \$2,500,000 Per Occurrence for Business Interruption, Rental Income and Tuition Income combined, and \$5,000,000 per occurrence for Tax Revenue Interruption. Coverage for power generating plants is excluded, unless otherwise specified.
<b>D.</b>	\$ 50,000,000	Extra Expense
<b>E.</b>	\$ 25,000,000	Miscellaneous Unnamed Locations. 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.
<b>F.</b>	See Policy Provisions	Automatic Acquisition. 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.
<b>G.</b>	\$ 1,000,000	Unscheduled Landscaping, tees, sand traps, greens and athletic fields and artificial turf and further subject to \$25,000 / 25 gallon maximum per item
<b>H.</b>	\$ 5,000,000	or 110% of the scheduled values, whichever is greater, for Scheduled Landscaping, tees, sand traps, greens and athletic fields and and artificial turf further subject to \$25,000 / 25 gallon maximum per item.
<b>I.</b>	\$ 50,000,000	Errors & Omissions - This extension does not increase any more specific limit stated elsewhere in this policy or Declarations.
<b>J.</b>	\$ 25,000,000	Course of Construction and Additions (including new) for projects with completed values not exceeding the sub-limit shown.
<b>K.</b>	\$ 2,500,000	Money & Securities for named perils only as referenced within the policy
<b>L.</b>	\$ 2,500,000	Unscheduled Fine Arts
<b>M.</b>	\$ 400,000	Accidental Contamination per occurrence and annual aggregate per Named Insured with \$500,000 annual aggregate. This coverage is shared limit amongst all members of the Alliant Property Program 11-JPA/Pools.
<b>N.</b>	\$ 750,000	Unscheduled Tunnels, Bridges, Dams, Catwalks (except those not for public use), Roadways, Highways, Streets, Sidewalks, Culverts, Street Lights and Traffic Signals unless a specific value has been declared (excluding coverage for the peril of Earthquake Shock, and excluding Federal Emergency Management Agency (FEMA) and/or Office of Emergency Services (OES) declared disasters, providing said declaration provides funding for repairs)

<b>O.</b>	\$ 50,000,000	Increased Cost of Construction due to the enforcement of building codes/ ordinance or law (includes All Risk and Boiler & Machinery)
<b>P.</b>	\$ 25,000,000	Transit
<b>Q.</b>	\$ 2,500,000	Unscheduled Animals; not to exceed \$50,000 per Animal, per Occurrence
<b>R.</b>	\$ 2,500,000	Unscheduled Watercraft up to 27 feet
<b>S.</b>	\$ 25,000,000	Off Premises Services Interruption including Extra Expense resulting from a covered peril at non-owned/operated locations
<b>T.</b>	\$ 5,000,000	Per Occurrence 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 Trust Members who do not purchase optional dedicated Earthquake limits.
<b>U.</b>	\$ 5,000,000	Per Occurrence 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 Trust Members who do not purchase optional dedicated Flood limits.
<b>V.</b>	\$ 3,000,000	Contingent Business Interruption, Contingent Extra Expense, Contingent Rental Values and Contingent Tuition Income separately
<b>W.</b>	\$ 1,000,000	Claims Preparation Expenses
<b>X.</b>	\$ 50,000,000	Expediting Expenses
<b>Y.</b>	\$ 500,000	Jewelry, Furs, Precious Metals and Precious Stones Separately
<b>Z.</b>	\$ 1,000,000	Personal Property Outside of the USA
<b>AA.</b>	180 days	Extended Period of Indemnity
<b>AB.</b>	[Reserved]	
<b>AC.</b>	Included	Per Occurrence for Off Premises Vehicle Physical Damage
<b>AD.</b>	\$ 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.
<b>AE.</b>	[Reserved]	

AF. [Reserved]

AG. \$ 100,000,000 Per Accident Boiler Explosion and Machinery Breakdown, 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 and in the Annual Aggregate for Earthquake Resultant Damage. This coverage is shared limit amongst all members of the Alliant Property Program 11-JPA/Pools.
- \$ 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.

AH. [Reserved]

AI. [Reserved]

**7. 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).**

(A.) Basic (all Other Perils) Deductible, except for those referenced in Specified Perils and Coverages Deductible(s) or Special Terms & Conditions as set forth below:

Item	Deductible Amount	Coverage Description
i.		Applicable as respects Member/Named Insured:
All Risk (Basic) Deductible:	\$ 10,000	Per Occurrence, which will apply in the event a more specific deductible is not applicable to a loss

**(B.) Specified Perils or Coverages Deductible(s):**

Item	Deductible Amount	Coverage Description
i.	\$ 100,000	All Flood Zones Per Occurrence excluding Flood Zones A & V
ii.	N/A – Not Covered	Per Occurrence for Flood Zones A & V (inclusive of all 100 year exposures)



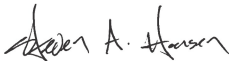
iii.	\$ 100,000	Earthquake Shock: If the stated deductible is a flat dollar amount, the deductible will apply on a Per Occurrence basis, unless otherwise stated. If the stated deductible is on a percentage basis, the deductible will apply Per Occurrence on a Per Unit basis, as defined in the policy form, subject to the stated minimum.
iv.	[Reserved]	
v.	\$ 25,000	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.
vi.	\$ 10,000	Per Occurrence for Contractor's Equipment
vii.	\$ 100,000	Miscellaneous Unnamed Locations, Per Location
viii.	[Reserved]	
ix.	<b>All Risk Deductible (Other):</b>	
	\$ 10,000	Per Occurrence for Specially Trained Animals
	\$ 100,000	Per Occurrence for Unscheduled Tunnels, Bridges, Dams, Catwalks (except those not for public use), Roadways, Highways, Streets, Sidewalks, Culverts, Street Lights and Traffic Signals unless a specific value has been declared (excluding coverage for the peril of Earthquake Shock, and excluding Federal Emergency Management Agency (FEMA) and/or Office of Emergency Services (OES) declared disasters)
	\$ 25,000	Per Vehicle for Licensed Vehicles, Unlicensed Vehicles subject to \$100,000 Maximum Per Occurrence for the peril of Earthquake for Named Insured(s) who do not purchase dedicated Earthquake limits.
	\$ 10,000	Per Item for Contractor's Equipment subject to \$100,000 Maximum Per Occurrence for the peril of Earthquake for Named Insured(s) who do not purchase dedicated Earthquake limits.
	\$ 10,000	Per Occurrence for Fine Arts for the peril of Earthquake for Named Insured(s) who do not purchase dedicated Earthquake limits.
	\$ 25,000	Per Vehicle for Licensed Vehicles, Unlicensed Vehicles subject to \$100,000 Maximum Per Occurrence for the peril of Flood for Named Insured(s) who do not purchase dedicated Flood limits.
	\$ 10,000	Per Item for Contractor's Equipment subject to \$100,000 Maximum Per Occurrence for the peril of Flood for Named Insured(s) who do not purchase dedicated Flood limits.

	\$ 10,000	Per Occurrence 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
x.	\$ 10,000	Except as shown for Specific Objects or Perils
xi.	\$ 10,000	Electronic Data Processing Media
xii.	\$ 10,000	Consequential Damage
xiii.	\$ 10,000	Objects over 200 hp, 1,000 KW/KVA/Amps or Boilers over 5,000 square feet of heating surface
xiv.	\$ 10,000	Objects over 350 hp, 2,500 KW/KVA/Amps or Boilers over 10,000 square feet of heating surface
xv.	\$ 10,000	Objects over 500 hp, 5,000 KW/KVA/Amps or Boilers over 25,000 square feet of heating surface
xvi.	\$ 10,000	Objects over 750 hp, 10,000 KW/KVA/Amps or Boilers over 75,000 square feet of heating surface
xvii.	\$ 10,000	Objects over 25,000 hp, 25,000 KW/KVA/Amps or Boilers over 250,000 square feet of heating surface
xviii.	10 per foot/ \$2,500 Minimum	Deep Water Wells
xix.	24 Hour Waiting Period	Utility Interruption
xx.	24 Hours	Business Interruption/Extra Expense Except as noted below
xxi.	30 days	Business Interruption – Revenue Bond
xxii.	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
xxiii.	5 x 100% of Daily Value	Business Interruption – All Objects at Waste Water Treatment Facilities and All Utilities

**8. Notification of Claims to:**

Utah Local Governments Trust  
Attention: Claims Manager  
55 South Highway 89  
North Salt Lake, UT 84054

Steven A. Hansen  
Chief Executive Officer

  
\_\_\_\_\_ Dated: 09/25/2019

(Authorized Representative)

UTAH LOCAL GOVERNMENTS TRUST  
55 South Highway 89  
North Salt Lake, UT 84054



## Member Property Policy

Coverage Incepting from November 1, 2018 to November 1, 2019

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## SECTION I

### GENERAL PROVISIONS

#### A. INSURING AGREEMENT

In consideration of the premium paid by the Named Insured to the Utah Local Governments Trust (“Company”), the Company agrees to insure the following per the terms and conditions herein.

#### B. NAMED INSURED

AS PER PROPERTY DECLARATIONS PAGE

Lessors and other party(ies) 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 PROPERTY DECLARATIONS PAGE

#### D. POLICY PERIOD

AS PER PROPERTY DECLARATIONS 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 the 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 Declarations Page apply per occurrence to all Trust Members combined, unless indicated otherwise.

##### 2. SUB-LIMITS OF LIABILITY

The following sub-limits of liability are provided as described in the Declarations Page and apply per occurrence to all Trust Members combined, unless indicated otherwise. Coverage is provided only if a sub-limit of liability is shown in the Declarations 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;
- b. Per occurrence, and in the annual aggregate as respects the peril of earthquake shock;
- c. Combined Business Interruption, Rental Income, Tax Interruption and Tuition income (and related fees);
- d. Extra Expense;

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- e. Miscellaneous Unscheduled Property;
- f. Automatic Acquisition. As per policy provisions;
- g. Unscheduled Landscaping, tees, sand traps, greens and 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 the Company;
- h. Scheduled Landscaping, tees, sand traps, greens and 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 the Company;
- 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. Unscheduled Fine Arts (as more fully defined herein);
- m. Accidental Contamination including owned land, land values and water owned by the Named Insured(s);
- n. Unscheduled Tunnels, bridges, dams, catwalks (except those not for public use), roadways, highways, streets, sidewalks, culverts, street lights and traffic signals unless specific values for such items have been reported as part of a Named Insured(s) schedule of values held on file with the Company excluding 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;
- o. Increased Cost of Construction due to the enforcement of building codes / ordinance or law. As per policy provisions;
- p. Transit;
- q. Unscheduled Animals;
- r. Unscheduled Watercraft; up to 27 feet. Unscheduled watercraft over 27 feet if held for sale by the insured.
- s. Off premises services interruption including extra expense resulting from a covered peril at non-owned/operated location(s);
- t. 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 the Company;
- u. 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 the Company;
- v. Separately as respects Contingent Business Interruption, Contingent Extra Expense, Contingent Rental Value, and Contingent Tuition Income;
- w. Claim Preparation Expenses;
- x. Expediting Expenses;
- y. Separately as respects furs, jewelry, precious metals and precious stones;
- z. Personal Property outside the U.S.A.;
- aa. Extended Period of Indemnity
- ab. [Reserved]
- ac. Off Premises Vehicle Physical Damage
- ad. Upgrade to Green Coverage
- ae. [Reserved]
- af. [Reserved]
- ag. Boiler Explosion and Machinery Breakdown

ah. [Reserved]

ai. [Reserved]

**F. [Reserved]**

**G. DEDUCTIBLE PROVISIONS**

If two or more deductible amounts provided in the Declarations 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 Declarations Page, or by endorsement or the coverage part pertaining to the loss.

Unless a more specific deductible is applicable for a particular loss, the “All Risk (Basic) Deductible” shown in the Declarations 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.

**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 Declarations Page. Projects that exceed this amount are subject to underwriting approval, prior to binding. However, inadvertent failure to report projects within USD as per Declarations 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 heat, light, power, gas, water, telephone or similar services to a Named Insured's premises. The coverage provided by this clause is sub-limited to USD as per Declarations Page, and Section 1 (General Provisions) of this form.

### **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 Declarations 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 local or state 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 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 local or state 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 repair or replacement occasioned by the enforcement of any local or state 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.

## **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 Declarations Page, and Section 1 (General Provisions) Clause E 269

of this form. 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.

The coverage provided by this clause is sub-limited to USD as per Declarations Page, and Section 1 (General Provisions) Clause E. of this form.

**15. VEHICLES WHILE ON INSURED PREMISES**

This policy is extended to cover vehicles while on premises of the 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 the Company 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 Company 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 Company.

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 Health Care Facilities and Jails where it is deemed necessary to evacuate patients or inmates 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, all terms and conditions of this clause will apply to the expenses incurred as a result of the evacuation.

## **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 Term, 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.

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 Declarations 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. The Company retains the right to determine the acceptability of all such property(ies). Additional premium will be calculated from the date of acquisition.

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 term, such as those for additions or deletions of values within or greater than as that which is provided in any “Automatic Acquisition sub-limit” 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 location (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 Declarations Page, 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 all 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 Business Interruption and Property Damage loss as a result of accidental contamination, discharge or dispersal from any source to Covered Property, including expenses necessarily incurred to clean up, remove and dispose of contaminated substances 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 Declarations 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.

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, bodies of water, growing crops.
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 Insured 273 unless scheduled and specifically approved by the Company.

7. Underground pipes more than 1,000 feet from the premises of the Insured unless scheduled and specifically approved by the Company.
8. Unscheduled tunnels, bridges, dams, catwalks (except those not for public use), roadways, highways, streets, sidewalks, culverts, streetlights, and traffic signals, excess of the sub-limit terms provided on the Declaration Page.
9. Offshore property, oilrigs, underground mines, caverns 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 Picture Book	USD	52.00
Juvenile Book	USD	41.00
Juvenile Reference Book	USD	52.00
Pamphlets	USD	7.00
Magazines	USD	13.00
Fiction	USD	25.00
Law Periodical	USD	169.00
Non-Fiction	USD	91.00
Reference	USD	126.00
Law Reference	USD	165.00
Art	USD	68.00
Film (16mm)	USD	1,605.00
Film (8mm)	USD	60.00
Film (Super 8mm)	USD	522.00
Strips	USD	11.00
Cassette Film Strips	USD	114.00
Records	USD	91.00
Videos (Tapes and CDs)	USD	70.00
Audio Cassette	USD	33.00
Computer Software (incl. CDs)	USD	1,894.00
(Law) CD ROM	USD	315.00
Books on Tape	USD	81.00
Law Magazines	USD	176.00
Compact Discs	USD	26.00
Paperback Books	USD	42.00

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:

- (i) 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;
- (ii) Replacement shall be effected by the Named Insured with due diligence and dispatch;
- (iii) 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.
- (iv) For historical buildings as more specifically defined in this Section.
- (v) 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 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 Declarations 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:

- (i) Tuition income and related fees which are prevented from being earned or received.
- (ii) Other income derived from:
  - (a) routine and special services;
  - (b) other operating and non-operating revenues, including but not limited to:
    - (1) research grants
    - (2) income under research contracts all dependent on continued operations.
- (iii) Donations and fund raising proceeds:
  - (a) 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.

- (b) 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 20 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 20 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 local or state 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 Declarations 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 caused by damage or destruction to property 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 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 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 Revenue Interruption values, such loss recovery after deductible shall be limited to whichever is the least of:

1. The actual loss sustained;
2. USD5,000,000 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 Declarations 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:
  - i. 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,
  - ii. 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, contamination, 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 normal settling, shrinkage or expansion in building or foundation.
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 283 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, damage, claim, cost, expense or other sum directly or indirectly arising out of or relating to:

mold, mildew, fungus, spores or other microorganism of any type, nature, or description, including but not limited to any substance whose presence poses an actual or potential threat to human health.

This exclusion applies regardless whether there is:

- a. any physical loss or damage to covered property;
- b. any insured peril or cause, whether or not contributing concurrently or in any sequence;
- c. any loss of use, occupancy, or functionality; or
- d. any action required, including but not limited to repair, replacement, removal, cleanup, abatement, disposal, relocation, or steps taken to address medical or legal concerns.

This exclusion replaces and supersedes any provision in the policy that provides insurance, in whole or in part, for these matters.

- 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 alleges 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.

**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 <sup>287</sup> 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. NOTICE OF LOSS**

In the event of loss or damage insured against under this Policy, the Named Insured shall give notice thereof to the Company (Utah Local Governments Trust), 55 South Highway 89, North Salt Lake, UT 84054-0616. TEL NO. (801) 936-6400; (800) 748-4440. 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.

**K. ARBITRATION OF VALUE**

In case the Named Insured and the Company shall fail to agree as to the amount of loss, then, on the written demand of either, each shall select a competent and disinterested appraiser and notify the other of the appraisers selected. The appraiser shall first select a competent and disinterested umpire, and failing to agree upon such umpire, then, on request of the Named Insured or the Company such umpire shall be selected by judge of a court of competent jurisdiction.

The appraisers shall as soon as practicable, appraise the loss stating separately the loss of each item and failing to agree, shall submit their differences only to the umpire. An award in writing so itemized, of any two appraisers when filed with the Company shall determine the amount of loss. Each party shall be responsible for the fees of its selected appraiser; the fees of the umpire shall be paid by the parties equally.

**L. 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.

**M. SUBROGATION**

In the event of any loss payment under this Policy, the Company, shall be subrogated to 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.

**N. 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 sixty (60) days prior to the effective date of cancellation. The mailing of such notice as aforesaid shall be sufficient proof and this Policy and 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.

**O. ABANDONMENT**

There shall be no abandonment to the Company of any property.

**P. ASSIGNMENT**

Assignment or transfer of this Policy shall not be valid except with the written consent of the Company.

**Q. 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.

**R. 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.

**S. 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.

**T. 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.

**U. 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.

**V. FULL WAIVER**

The terms and conditions of this form and any approved endorsements supersede any policy jacket that may be attached hereto.

**W. 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.

**X. 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:

- (1) 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;
- (2) 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:

- (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 Boiler and Machinery Insurer and the Company is limited to 291

to the minimum amount remaining payable under either the boiler and machinery insurance policy(ies).

- (2) The boiler and machinery insurer(s) shall simultaneously pay to the Named Insured, one-half of the said amount, which is in disagreement.
- (3) 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.

- (4) The Named Insured agrees to cooperate in connection with such arbitration but not to intervene therein.
- (5) 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.

#### **Y. 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.

## **Z. 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.

## **AB. 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. We 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 our 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 us of the Named Insured failure to do so, and;
    - (3) Has notified us 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 us 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 our 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 us.

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: 295

- 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.

## **AC. ELECTRONIC DATA**

### **1. Electronic Data Exclusion**

Notwithstanding any provision to the contrary within the Policy or any endorsement thereto, it is understood and agreed as follows:

- a. 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”.

- b. 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

### **2. 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

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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.

## **AD. LOSS ADJUSTMENT SERVICES**

Constitution State Services (CSS) 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.

## **AE. 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 Shock Information Service 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.

## **AF. 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 the Company.

## **SECTION V**

### **FINE ARTS**

#### **A. COVERAGE**

This policy insures against all risks of 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. **Loss Clause:** Any loss hereunder shall not reduce the amount of this Section, except in the event of payment of claim for total loss of an item specifically scheduled hereon.
8. **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.

9. **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.
10. **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.
11. **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.
12. **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.
13. **Packing:** It is agreed by the Named Insured that the property covered hereunder be packed and unpacked by competent packers.
14. **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.
15. **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.

## 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 if 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:

- a. 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;
- b. 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;
- c. 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;

- d. 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**

- a. 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.
- b. Interest charges on any loan to offset impaired collections pending repayment of such sums made uncollectible by such loss or damage.
- c. Collection expense in excess of normal collection cost and made necessary because of such loss or damage.
- d. Other expenses, when reasonably incurred by the Named Insured, in re-establishing records of accounts receivable following such loss or damage.

## SECTION VIII

### 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 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 Declarations 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 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 Declarations Page.

(c) Water Damage

The loss, including salvage expense, with respect to property damaged by water, resulting from any one Accident. The coverage provided by this clause is sub-limited to USD as per Declarations 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 Declarations 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 Declarations 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 Declarations 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 Declarations 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:
  1. Any boiler setting, any insulating or refractory material,
  2. 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 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 Declarations 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) We 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. We 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**

This coverage does not apply to loss:

- a. 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. From 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, the Company 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 Declarations 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 Risks policy that this Extension attaches to, the deductible to be applied to the total loss shall be the applicable Boiler & Machinery deductible.

## **COVERAGE TERRITORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:

Payment of loss under this policy shall only be made in full compliance with all United States of America economic or trade sanction laws or regulations, including, but not limited to, sanctions, laws and regulations administered and enforced by the US Treasury Department's Office of Foreign Assets Control ("OFAC").

**PR 9885 (11/05)**

**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 Company alleges 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 endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

NMA2918  
08/10/2001

## VACANT OR UNOCCUPIED BUILDING EXCLUSION ENDORSEMENT

**This Endorsement modifies the insurance provided under the following:**

### MEMBER PROPERTY POLICY

Unless indicated in this Endorsement, all of the terms, conditions, definitions, limitations and exclusions of the above referenced policy or policies apply. **Read the entire Endorsement carefully to determine your rights, duties and what is and is not covered.**

Notwithstanding section H. 4., “Permits and Privileges,” it is hereby understood and agreed that there SHALL BE NO COVERAGE provided under the above referenced policy for loss or damage to “vacant or unoccupied buildings” owned by, possessed by, leased to, or in the control of, any insured, its agents or employees.

For purposes of this endorsement, “vacant or unoccupied buildings” means any building upon real property that is not substantially occupied on a regular and continuous basis.

The intent of this endorsement is to exclude coverage for loss or damage to buildings that the insured has abandoned and allowed to fall into disrepair.

## NEW VEHICLE TOTAL LOSS REPLACEMENT ENDORSEMENT

**This Endorsement modifies the insurance provided under the following:**

### MEMBER PROPERTY POLICY

Unless indicated in this Endorsement, all of the terms, conditions, definitions, limitations and exclusions of the above referenced policy or policies apply. **Read the entire Endorsement carefully to determine your rights, duties and what is and is not covered.**

In the event of a “total loss” to a “new Vehicle”, on or off premises, where Replacement Cost (New) values are specified, loss or damage shall be based on 100% of the Replacement Cost (New) if the Vehicle is within thirty-six (36) months of its date of manufacture at the time of loss.

For a “total loss” that occurs to a “new Vehicle” beyond thirty-six (36) months of its date of manufacture, recovery shall be based upon Actual Cash Value at the time of loss.

The term “total loss” means a loss in which the cost to repair the Vehicle to its pre-loss condition equals or exceeds the Vehicle’s Actual Cash Value.

As used in the Endorsement, the term “new Vehicle” means a vehicle that has not been previously titled under the motor vehicle laws of any state.



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## London Policy Contract

UNDEWRITTEN BY

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### Beazley Syndicate 2623/623 at

LLOYD'S OF LONDON  
One Lime Street,  
London,  
EC3M 7HA,  
United Kingdom.

## APIP Cyber and Pollution Programs, Inc

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**UMR:** B0180PH1833938

**Policy Number:** PH1833938

**Period:** **From:** 01 July 2018

**To:** 01 July 2019

Both days at 12.01 a.m. Standard Time at the address of the insured.

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](http://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](http://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 YOU07/11

**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**

<b>Underwriters:</b>	Beazley Syndicate AFB 2623 / 623 - 100%
<b>Named Insured:</b>	Any member(s), entity(ies), agency(ies), organisation(s), enterprise(s) and/or individual(s), attaching to each Declaration insured under the <b>ALLIANT PROPERTY INSURANCE PROGRAM (APIP)</b> , 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).
<b>Named Insured Address:</b>	c/o Alliant Insurance Services Houston, LLC 5444 Westheimer, Suite 900 Houston, Texas 77057 United States of America
<b>Notice of Claim, Loss or Circumstance:</b>	Beazley Group Attn: TMB Claims Group 1270 Avenue of the Americas, 12 <sup>th</sup> Floor New York, NY 10020 Email: tmbclaims@beazley.com

**POLICY INFORMATION**

<b>Policy Period:</b>	From: 01 July 2018      To: 01 July 2019 Both at 12:01 a.m. Local Time at the Named Insured Address
<b>Premium:</b>	Per Schedule held on file with the Insurer (Based on TIV on file with the Insurer)
<b>Policy Form:</b>	Beazley InfoSec as attached
<b>Optional Extension Period:</b>	To be determined at the time of election
<b>Optional Extension Premium:</b>	To be determined at the time of election
<b>Waiting Period:</b>	8 Hours
<b>Continuity Date:</b>	Continuity Date: 12.01 a.m. 1 <sup>st</sup> July 2010 Local Standard Time except; H.A.R.P.P. 12.01 a.m. 1 <sup>st</sup> July 2009 Local Standard Time.

## Retroactive Date:

### **APIP:**

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. 1<sup>st</sup> 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. 1<sup>st</sup> July 2010 Local Standard Time (For \$1,500,000 excess \$500,000)

### **CSU:**

12.01 a.m. 1<sup>st</sup> July 2008 Local Standard Time (For California State University and CSU Auxiliary Organisations).

## COVERAGE SCHEDULE (Currency in USD)

	Limit	Retention
<b>Policy Aggregate Limit of Liability:</b>	\$25,000,000; but sublimited to a \$2,000,000 maximum sublimit per Member/Insured (the <b>Member/Insured Limit of Liability</b> ):	<p>\$25,000 per <b>Claim</b> or incident as respects the CSU Auxiliary Organizations only;</p> <p>\$50,000 per <b>Claim</b> or incident for each Member/Insured with total insurable value up to \$500,000,000 at the time of loss</p> <p>\$100,000 per <b>Claim</b> or incident for each Member/Insured with total insurable value greater than \$500,000,000 at the time of loss</p>
<b>Breach Response</b>		
Breach Response Costs	\$500,000	
	The limit increases by 100% if the <b>Insured Organization</b> agrees to utilize services entirely from <b>Beazley Nominated Service Providers</b>	
<b>First Party Loss</b>		
Business Interruption Loss:		
<i>Resulting from Security Breach:</i>	\$2,000,000 per Member/Insured	
<i>Resulting from System Failure:</i>	\$250,000 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>	Not Purchased	
Cyber Extortion Loss:	\$2,000,000 per Member/Insured	
Data Recovery Costs:	\$2,000,000 per Member/Insured	
<b>Liability</b>		
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	
<b>eCrime</b>		
Fraudulent Instruction:	\$50,000 per Member/Insured	
Funds Transfer Fraud:	\$50,000 per Member/Insured	
Telephone Fraud:	\$50,000 per Member/Insured	
<b>Criminal Reward</b>		
Criminal Reward:	\$25,000 per Member/Insured	

## ENDORSEMENTS EFFECTIVE AT INCEPTION

1. 60 Day Premium Payment Warranty – 623AFB00082 (amended).
2. Named Insured List Endorsement.
3. NMA1256 Nuclear Incident Exclusion.
4. NMA1477 Radioactive Contamination Exclusion.
5. Tribal Exclusion Endorsement.
6. Mergers and Acquisitions Clause Amendment Endorsement.
7. New Member Rating Endorsement. Rate of 0.0004781%
8. OTHER INSURANCE Amendment Endorsement.
9. Member or Entity Cancellation Endorsement.
10. Bordereaux Reporting Endorsement.
11. Reinstatement Endorsement - 125% of Annual premium.
12. Website Media Content Liability.
13. Consequential Reputational Loss - USD 50,000 per Insured/member.
14. Retroactive Date Endorsement.
15. Amendatory Endorsement for John Muir Health.
16. Amendatory Endorsement for El Camino Healthcare District.
17. Buy Down Retention Option and Increased Breach Response Costs.
18. GDPR Cyber Endorsement.
19. LMA9104 Policyholder Disclosure Notice of Terrorism Insurance Coverage.
20. Policy Holder Information Packet

# Beazley InfoSec

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 "CSU Auxiliary Organizations" applies separately to each incident, event or related incidents or events giving rise to a **Claim** or **Loss** in respect of "CSU Auxiliary Organizations"

The Retention listed in the Declarations for each "Member/Insured with total insurable value up to \$500,000,000 at the time of loss" 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 loss" 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.



**ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. 180/PH1833938**

**Named Insured:        APIP Cyber and Pollution Programs, Inc as detailed in the declaration page**

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**ENDORSEMENT NO. 1**

EFFECTIVE DATE: 12.01 am 01 July 2018 Local Standard Time, at the address of the Named Insured

**PREMIUM PAYMENT WARRANTY**

IT IS HEREBY WARRANTED that all premium due to Underwriters under this policy is paid within 60 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).

**ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. 180/PH1833938**

**Named Insured: APIP Cyber and Pollution Programs, Inc as detailed in the declaration page**

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**ENDORSEMENT NO. 2**

EFFECTIVE DATE: 12.01 am 01 July 2018 Local Standard Time, at the address of the Named Insured

**NAMED INSURED LIST ENDORSEMENT**

Client limits apply separately for each Client's Total Insurable Values, per schedule on file with the Insurer, subject to the program aggregates.

All other terms and conditions of this Policy remain unchanged.

**ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. 180/PH1833938**

**Named Insured: APIP Cyber and Pollution Programs, Inc as detailed in the declaration page**

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**ENDORSEMENT NO. 3**

EFFECTIVE DATE: 12.01 am 01 July 2018 Local Standard Time, at the address of the Named Insured

**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 of 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

**ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. 180/PH1833938**

**Named Insured: APIP Cyber and Pollution Programs, Inc as detailed in the declaration page**

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**ENDORSEMENT NO. 4**

EFFECTIVE DATE: 12.01 am 01 July 2018 Local Standard Time, at the address of the Named Insured

**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

**ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. 180/PH1833938**

**Named Insured: APIP Cyber and Pollution Programs, Inc as detailed in the declaration page**

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**ENDORSEMENT NO. 5**

EFFECTIVE DATE: 12.01 am 01 July 2018 Local Standard Time, at the address of the Named Insured

**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.

**ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. 180/PH1833938**

**Named Insured:**        **APIP Cyber and Pollution Programs, Inc as detailed in the declaration page**

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**ENDORSEMENT NO. 6**

EFFECTIVE DATE: 12:01 am 01 July 2018 Local Standard Time, at the address of the Named Insured

**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.

**ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. 180/PH1833938**

**Named Insured:**        **APIP Cyber and Pollution Programs, Inc as detailed in the declaration page**

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**ENDORSEMENT NO. 7**

EFFECTIVE DATE: 12.01 am 01 July 2018 Local Standard Time, at the address of the Named Insured

**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:**  
  
0.0004781% 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.
7. The premium attributable to any Member that leaves the APIP program after July 1, 2018 shall be retained by the Underwriters and shall be deemed fully earned.

All other terms and conditions of this Policy remain unchanged.



**ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. 180/PH1833938**

**Named Insured:**        **APIP Cyber and Pollution Programs, Inc as detailed in the declaration page**

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**ENDORSEMENT NO. 8**

EFFECTIVE DATE: 12.01 am 01 July 2018 Local Standard Time, at the address of the Named Insured

**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 respects to ABAG Plan Corporation, California Affiliated Risk Management Authorities, California Sanitation Risk Management Authority (CSRMA), Miami Valley Risk Management Association (MVRMA) and Park District Risk Management Agency (PDRMA) members only, 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.

**ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. 180/PH1833938**

**Named Insured:**        **APIP Cyber and Pollution Programs, Inc as detailed in the declaration page**

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**ENDORSEMENT NO. 9**

EFFECTIVE DATE: 12:01 am 01 July 2018 Local Standard Time, at the address of the Named Insured

**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.

**ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. 180/PH1833938**

**Named Insured: APIP Cyber and Pollution Programs, Inc as detailed in the declaration page**

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**ENDORSEMENT NO. 10**

EFFECTIVE DATE: 12:01 am 01 July 2018 Local Standard Time, at the address of the Named Insured

**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 5<sup>th</sup> 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.

All other terms and conditions of this Policy remain unchanged.

**ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. 180/PH1833938**

**Named Insured: APIP Cyber and Pollution Programs, Inc as detailed in the declaration page**

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**ENDORSEMENT NO. 11**

EFFECTIVE DATE: 12.01 am 01 July 2018 Local Standard Time, at the address of the Named Insured

**REINSTATEMENT ENDORSEMENT**

One Optional Reinstatement agreed hereon at 125% Additional Premium. This Reinstatement shall be at the Insured's option only and must be elected during the Policy Period by notifying the Insured's representatives.

All other terms and conditions remain unchanged.

**ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. 180/PH1833938**

**Named Insured:**            **APIP Cyber and Pollution Programs, Inc as detailed in the declaration page**

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**ENDORSEMENT NO. 12**

EFFECTIVE DATE: 12:01 am 01 July 2018 Local Standard Time, at the address of the Named Insured

**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.

**ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. 180/PH1833938**

**Named Insured: APIP Cyber and Pollution Programs, Inc as detailed in the declaration page**

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**ENDORSEMENT NO. 13**

EFFECTIVE DATE: 12:01 am 01 July 2018 Local Standard Time, at the address of the Named Insured

**CONSEQUENTIAL REPUTATIONAL LOSS**

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. Limit listed in the Declarations under **COVERAGE SCHEDULE** is amended to include:

**Consequential Reputational Loss** USD 50,000

2. Retention listed in the Declarations under **COVERAGE SCHEDULE** is amended to include:

Each incident giving rise to **Consequential Reputational Loss** As per retentions listed in the Schedule

3. **INSURING AGREEMENTS** is amended by the addition of:

**Consequential Reputational Loss**

to indemnify the **Insured Organization** for **Consequential Reputational Loss**, that the **Insured** incurs during the **Notification Period** as a result of (i) an actual or reasonably suspected **Data Breach** or **Security Breach** that the **Insured** first discovers during the **Policy Period** and (ii) for which individuals have been notified pursuant to part 4. of the **Breach Response Services** definition.

4. For purposes of this endorsement, **DEFINITIONS** is amended to include:

**Consequential Reputational Loss** means the **Income Loss** during the **Notification Period**; provided that **Consequential Reputational Loss** shall not mean and no coverage shall be available under this endorsement for any of the following: loss arising out of any liability to any third party for whatever reason; legal costs or legal expenses of any type; loss incurred as a result of unfavorable business conditions, loss of market or any other consequential loss; or costs or expenses the **Insured Organization** incurs to identify, investigate, respond to or remediate an actual or reasonably suspected **Data Breach** or **Security Breach**.

**Income Loss** means the net profit resulting directly from the **Insured Organization's** business operations, before income taxes, that the **Insured Organization** is prevented from earning as a direct result of damage to the **Insured Organization's** reputation caused by an actual or reasonably suspected **Data Breach** or **Security Breach**. In determining **Income Loss**, due consideration shall be given to the prior experience of the **Insured Organization's** business operations before the beginning of the **Notification Period** and to the reasonable and probable business operations the **Insured Organization** could have performed had the actual or reasonably suspected **Data Breach** or **Security Breach** not occurred.

**Income Loss** does not include any internal salary, costs or overhead expenses of the **Insured Organization**.

**Notification Period** means the 30-day period that begins on the specific date on which **Notified Individuals** first receive notification of the incident for which **Notification Services** are provided.

5. **Notice of Claim or Loss** under **GENERAL CONDITIONS** is amended to include:

With respect to **Consequential Reputational 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. The **Named Insured** will provide the Underwriters a proof of **Consequential Reputational Loss**. All loss described in this paragraph must be reported, and all proofs of loss must be provided, to the Underwriters no later than six (6) months after the end of the **Policy Period**. The costs and expenses of preparing and submitting a proof of loss, and establishing or proving **Consequential Reputational Loss** shall be the **Insured's** obligation, and are not covered under this Policy.

All other terms and conditions of this Policy remain unchanged.

**ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. 180/PH1833938**

**Named Insured: APIP Cyber and Pollution Programs, Inc as detailed in the declaration page**

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**ENDORSEMENT NO. 14**

EFFECTIVE DATE: 12.01 am 01 July 2018 Local Standard Time, at the address of the Named Insured

**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 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. 1<sup>st</sup> 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. 1<sup>st</sup> July 2010 Local Standard Time (For \$1,500,000 excess \$500,000)

**CSU:**

12.01 a.m. 1<sup>st</sup> July 2008 Local Standard Time (For California State University and CSU Auxiliary Organisations);

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.

**ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. 180/PH1833938**

**Named Insured: APIP Cyber and Pollution Programs, Inc as detailed in the declaration page**

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**ENDORSEMENT NO. 15**

EFFECTIVE DATE: 12.01 am 01 July 2018 Local Standard Time, at the address of the Named Insured

**AMENDATORY ENDORSEMENT FOR JOHN MUIR HEALTH**

It is hereby understood and agreed that solely with respect to John Muir Health:

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 John Muir Health, 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).

**ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. 180/PH1833938**

**Named Insured: APIP Cyber and Pollution Programs, Inc as detailed in the declaration page**

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**ENDORSEMENT NO. 16**

EFFECTIVE DATE: 12.01 am 01 July 2018 Local Standard Time, at the address of the Named Insured

**AMENDATORY ENDORSEMENT FOR EL CAMINO HEALTHCARE DISTRICT**

It is hereby understood and agreed that solely with respect to El Camino Healthcare District:

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 PH1833956 issued to the Named Insured by the Underwriters. This Policy will recognise erosion of the Beazley Breach Response Policy PH1833956 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 PH1833956 will act towards the erosion of any applicable Retention on this policy with respect to El Camino Healthcare District, 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 PH1833956.

**ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. 180/PH1833938**

**Named Insured: APIP Cyber and Pollution Programs, Inc as detailed in the declaration page**

**ENDORSEMENT NO. 17**

EFFECTIVE DATE: 12:01 am 01 July 2018 Local Standard Time, at the address of the Named Insured

**BUY DOWN RETENTION OPTION AND INCREASED BREACH RESPONSE COSTS**

It is hereby noted and agreed that the following APIP Members have elected to purchase the Buy Down Retention options as outlined in the table below:

<b>APIP Member</b>	<b>Buy Down Option</b>
Asbury Theological Seminary	USD 5,000 Retention
City of Anderson	USD 5,000 Retention
Friends School of Baltimore	USD 5,000 Retention
Lewis County Hospital District No 1 dba Morton General Hospital	USD 5,000 Retention
Montana Municipal Interlocal Authority (MMIA)	1. Pool Members with TIV Under USD 200,000,000 - USD 10,000 Retention 2. Pool Members with TIV between USD 200,000,000 and USD 400,000,000 - USD 25,000 Retention
Mississippi School Boards Association Property Insurance Trust (MSBA)	1. Pool Members with TIV Under USD 100,000,000 - USD 5,000 Retention 2. Pool Members with TIV between USD 100,000,000 and USD 250,000,000 - USD 10,000 Retention
The Unified Government of Athens-Clarke County	USD 10,000 Retention
Town and County of Nantucket	USD 10,000 Retention
VML Insurance Programs (VML)	1. Pool Members with TIV under USD 250,000,000 – 366 members: USD 10,000 Retention 2. Pool Members with TIV between USD 250,000,000 to USD 500,000,000 – 15 members: USD 25,000 Retention 3. Pool Members with TIV over USD 500,000,000 – 9 members: USD 50,000 Retention
Whitman County Hospital District #3	USD 5,000 Retention

It is further noted and agreed that the following APIP Members have elected to purchase the increased limit for Breach Response Costs:

For State of Nevada the limit is increased to USD 1,000,000.

This limit is part of and not in addition to the overall aggregate limit.

All other terms and conditions of this Policy remain unchanged.

**ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. 180/PH1833938**

**Named Insured:**        **APIP Cyber and Pollution Programs, Inc as detailed in the declaration page**

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**ENDORSEMENT NO. 18**

EFFECTIVE DATE: 12.01 am 01 July 2018 Local Standard Time, at the address of the Named Insured

**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;
    - I.
  - (c) Article 33, Communication of a Personal Data Breach to the Supervisory Authority; or
    - II.
  - (d) Article 34, Communication of a Personal Data Breach to the Data Subject.

All other terms and conditions of this Policy remain unchanged.

**ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. 180/PH1833938**

**Named Insured:**            **APIP Cyber and Pollution Programs, Inc as detailed in the declaration page**

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**ENDORSEMENT NO. 19**

EFFECTIVE DATE: 12:01 am 01 July 2018 Local Standard Time, at the address of the Named Insured

**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)

**LLOYD'S  
OF  
LONDON**

The Table of Syndicates referred on the face of this Policy follows:

<b>BUREAU REFERENCE</b>		<b>BROKER NUMBER 0180</b>
<b>PROPORTION %</b>	<b>SYNDICATE</b>	<b>UNDERWRITER'S REFERENCE</b>
82.00	2623	JR904C18APPJ
18.00	623	JR904C18APPJ
<b>TOTAL LINE</b>	<b>No. OF SYNDICATES</b>	
100.00	2	

THE LIST OF UNDERWRITING MEMBERS  
OF LLOYD'S IS IN RESPECT OF 2018  
YEAR OF ACCOUNT

EFFECTIVE FROM: 01 JUL 2018

RISK CODE: CY 100%

Page 1 of 1

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*This insurance is effected 100% with  
Beazley Syndicate 2623/623 at*

**Lloyd's of London**

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**Lloyd's**

One Lime Street London EC3M 7HA



# BBR

## Information Pack



Your Services

# Beazley Breach Response

## Information Packet for privacy breach response and risk management services

Thank you for purchasing a Beazley Breach Response (BBR) insurance policy.

BBR is the industry leading solution for data privacy and security risk management, and provides a range of services designed to help your organization respond to an actual or suspected data breach incident effectively, efficiently, and in compliance with the law.

This Information Packet details the features of your BBR policy and sets out the process for responding to an actual or suspected data breach, including how to obtain the maximum benefit of Beazley's Breach Response Services team. We encourage you to circulate this Information Packet to the members of your data breach incident response team, and incorporate the resources available under the policy as a component of your incident response plan.

Your BBR policy includes an array of benefits and services including:

- Complimentary loss control and risk management information including online resources and value-added educational webinars ([beazleybreachsolutions.com](http://beazleybreachsolutions.com)).
- A computer forensics "Information Security Incident Response" guide to empower your organization's IT staff with knowledge of crucial forensic procedures that can make or break the investigation of a suspected breach.
- Assistance at every stage of the investigation of, and response to, a data breach incident from Beazley's in-house BBR Services team of data privacy attorneys and technical experts.

A single call or email to BBR Services, notifying the team of a suspected data breach will begin activation of the following services:

### **Initial breach investigation and consulting**

- Legal services
- Computer forensic services

### **Response to breach events**

- Notification services including foreign notification where applicable
- Call center services
- Breach resolution and mitigation services
- Public relations and crisis management expenses



beazley

# Risk management tools and resources

As a BBR policy holder, your organization is entitled to enroll in [beazleybreachsolutions.com](http://beazleybreachsolutions.com), a risk management portal that provides educational and loss control information relating to compliance with applicable laws, safeguarding information, preparing to respond to breach incidents and best practices.

If you enroll in [beazleybreachsolutions.com](http://beazleybreachsolutions.com), you will have the opportunity to attend webinars on current topics related to information security and breach preparedness, and be able to receive other risk management tools and information that we periodically make available to our policy holders.

The website includes a wide variety of training resources to help educate employees about privacy and data security risks. You will find overviews, security awareness posters, employee tip sheets, recorded training webinars, and PowerPoint slide decks you can download and adapt.

You will also have access to our online training site, [elearning.beazleybreachsolutions.com](http://elearning.beazleybreachsolutions.com). On this training site, you can upload employee lists, create training assignments for your employees, and track individual completion of training.

## Information Security Incident Response Guide

Beazley, in partnership with Navigant, a leader in complex data management and forensics analysis, developed a joint Information Security Incident Response Guide aimed at providing a roadmap for companies to prepare for and manage the aftermath of a data security breach. The guide, provided to BBR policyholders, addresses the increasing need for effective risk management on the part of companies hoping to limit the damage caused by a data breach.

The Information Security Incident Response Guide addresses information security incidents such as malware intrusions, social engineering attacks, unauthorized network access, lost or stolen devices, and other kinds of data security incidents and breaches. The guide also provides in-depth case studies and best practices for preparation, risk assessment, and incident documentation, highlighting the varied components of an effective response.



# Activation of breach response services

## Beazley Breach Response Services Team

Beazley is committed to providing industry leading data breach response services for our clients. This is why we created the BBR Services team; a dedicated business unit within Beazley, focused exclusively on helping insureds successfully prepare for and respond to breaches. The BBR Services team works in collaboration with you to triage and assess the severity of a data breach incident, while coordinating the range of resources and services you may need to meet legal requirements and maintain customer confidence. BBR Services is your frontline partner in data breach investigation and response, and available to your organization regardless of the size, severity, or cost of a data breach.

## When to notify us?

You should notify Beazley as soon as you suspect that personally identifiable or confidential data for which you are responsible might have been compromised. The sooner you notify us about a potential data breach, the more our BBR Services team can do to help.

It is also important that you contact us first before retaining any service providers as the BBR Services team will take you through the process and work with you to secure services from providers that best match your needs.

## How to notify us?

Send an email to [bbr.claims@beazley.com](mailto:bbr.claims@beazley.com) with the following in your notification email:

- the name of your organization and insurance policy number if possible;
- a short description of the incident;
- the date the incident occurred (if known);
- the date your organization discovered the incident; and
- contact information for the point person handling the investigation.

### Do not:

- email Beazley staff directly to provide the initial notice; or
- include any personally identifiable information or protected health information.

Email is strongly recommended as the best method of notification; you may alternatively provide notice of an incident by calling Beazley's 24-hour hotline, (866) 567-8570, and provide the information described above.

## What happens after notifying us?

A BBR Services team member will respond to the notice generally on the same or next business day and will schedule a phone call to discuss the incident, assist you with any needed breach investigation and response services available under your BBR policy. We recommend that those within your organization who are involved in investigating the incident participate on this phone call.

The BBR Services team will continue to collaborate with you throughout the investigation and response process, to provide guidance and to arrange breach investigation and response services provided by Beazley's network of expert service providers.

## Cyber extortion and ransomware response services?

With thousands of ransomware attacks occurring on a daily basis, ransomware is a threat facing all organizations across all industries. Beazley's dedicated in-house team, Beazley Breach Response (BBR) Services, provides timely ransomware assistance to BBR policyholders based on our repeated and extensive experience handling ransomware incidents.

If your organization is experiencing a ransomware attack, BBR Services assists by:

- Promptly consulting with your team to determine an appropriate response;
- Recommending and facilitating a fast connection with computer forensic services to determine if personally identifiable information or protected health information was compromised; and/or
- Facilitating introductions to service providers who can help you with data decryption, data restoration, or securing bitcoin if your organization decides to pay the ransom.

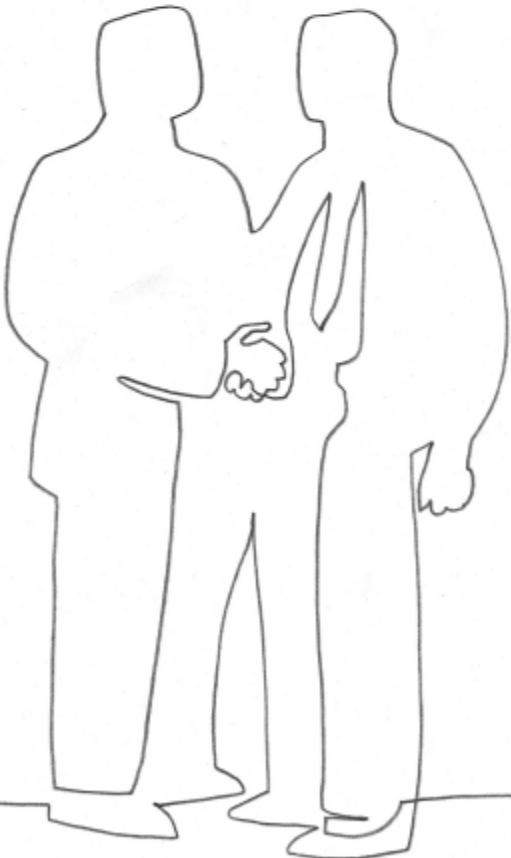
BBR Services has developed a ransomware tip sheet for BBR policyholders that explains the ransomware threat and the immediate steps companies facing this threat should take. This tip sheet can help your organization minimize the impact of a ransomware attack and speed up the recovery time following an attack.

You can download the tip sheet from our policyholder risk management website, [beazleybreacholutions.com](http://beazleybreacholutions.com), or you can email [bbrservices@beazley.com](mailto:bbrservices@beazley.com) to request a copy.

## Legal services

If an incident occurs that might require notification under relevant breach notice laws or regulations, specific Legal Services to assist you in investigating and responding to the incident are included.

BBR Services will arrange Legal Services for you and will connect you to these experts; please do not contact Beazley's partnering law firms directly without the involvement of BBR Services.



### United States

Baker Hostetler LLP  
Theodore J. Kobus III, Lynn Sessions, Craig A. Hoffman,  
Randal L. Gainer, Eric A. Packel and Scott Koller  
[www.bakerlaw.com](http://www.bakerlaw.com)

Buchanan Ingersoll & Rooney PC  
Matt Meade and Pamela Hepp  
[www.bipc.com](http://www.bipc.com)

McDonald Hopkins LLC  
James J. Giszczak and Dominic Paluzzi  
[www.mcdonaldhopkins.com](http://www.mcdonaldhopkins.com)

Mullen Coughlin  
John F. Mullen  
[www.mullen.legal](http://www.mullen.legal)

Norton Rose Fulbright  
David Navetta and Boris Segalis  
[www.nortonrosefulbright.com](http://www.nortonrosefulbright.com)

Vedder Price  
Bruce A. Radke and Michael J. Water  
[www.vedderprice.com](http://www.vedderprice.com)

### Canada

Dentons Canada LLP  
Chantal Bernier and Timothy Banks  
[www.dentons.com/canada](http://www.dentons.com/canada)

Fasken Martineau DuMoulin LLP  
Alex Cameron  
[www.fasken.com](http://www.fasken.com)

nNovation LLP  
Kris Klein  
[www.nNovation.com](http://www.nNovation.com)

### Mexico

Davara Abogados  
Isabel Davara  
[www.davara.com.mx](http://www.davara.com.mx)

Lex Informática  
Joel A. Gómez Treviño  
[www.lexinformatica.com](http://www.lexinformatica.com)

Platero, Galicia & Lemus Abogados  
Luis Mario Lemus Rivero  
[www.pglabogados.com](http://www.pglabogados.com)

R10S Abogados  
Agustín Ríos  
[www.riosabogados.com](http://www.riosabogados.com)

# Computer expert services

In the event that external forensics assistance is needed to assess the impact of a data incident on your computer system, Computer Expert Services will be provided to (1) help to determine whether, and the extent to which, notification must be provided to comply with Breach Notice Laws, and (2) if applicable, give advice and oversight in connection with the investigation conducted by a PCI Forensic Investigator.

The computer security expert that provides Computer Expert Services will require access to information, files and systems and it is important for you to comply with the expert's requests and cooperate with the investigation. Reports or findings of the expert will be made available to you, us, the BBR Services team and any attorney that you retain to provide advice with regard to the incident.

**BBR Services will arrange Computer Expert Services for you and will connect you to these experts; please do not contact Beazley's partnering forensics firms directly without the involvement of BBR Services.**



## United States and Canada

Crypsis  
[www.crypsisgroup.com](http://www.crypsisgroup.com)

Kroll Ontrack  
[www.krollontrack.com](http://www.krollontrack.com)

LMG Security  
[www.lmgsecurity.com](http://www.lmgsecurity.com)

Mandiant®  
[www.mandiant.com](http://www.mandiant.com)

Navigant Consulting, Inc.  
[www.navigant.com](http://www.navigant.com)

RSM  
[www.rsmus.com](http://www.rsmus.com)

SecureWorks  
[www.secureworks.com](http://www.secureworks.com)

Sylint  
[www.sylint.com](http://www.sylint.com)

Verizon Investigative Response Unit  
[www.verizonenterprise.com/products/security/risk-team/investigative-response.xml](http://www.verizonenterprise.com/products/security/risk-team/investigative-response.xml)

## Canada

CGI  
[www.cgi.com](http://www.cgi.com)

Mandiant®  
[www.mandiant.com](http://www.mandiant.com)

Verizon Investigative Response Unit  
[www.verizonenterprise.com/products/security/risk-team/investigative-response.xml](http://www.verizonenterprise.com/products/security/risk-team/investigative-response.xml)

## Mexico

Duriva  
[www.duriva.com](http://www.duriva.com)

KPMG  
[www.kpmg.com.mx](http://www.kpmg.com.mx)

MaTTica  
[www.mattica.com](http://www.mattica.com)

Scitum  
[www.scitum.com.mx](http://www.scitum.com.mx)

## Notification services and call center services

BBR Services will assist you with the notification process, including arranging for notification and/or call center service. BBR Services will walk you through notification details such as how to work with privacy counsel to develop notification letters and how to timely provide notification letters, relevant addresses and other required deliverables to the notification vendor.

Notification letters will be black and white and two-sided; returned mail will be provided to you at your request. Mailing may be staggered to accommodate the number of notifications and anticipated call center volume. For notifications by U.S. mail, the notification vendor will update and mail notifications according to the U.S. Postal Service data base of address changes. Notification services do not include further tracing of individuals whose notifications are returned.

BBR Services will also walk you through developing a set of frequently asked questions (FAQs) for use by the call center and how to anticipate and prepare for call escalations.

### United States

Dasher  
[www.dasherinc.com](http://www.dasherinc.com)

Epiq Corporate Services, Inc.  
[www.epiqsystems.com](http://www.epiqsystems.com)

Garden City Group, LLC  
[www.gardencitygroup.com](http://www.gardencitygroup.com)

Intelligent Business Concepts, Inc.  
[www.intellbc.com](http://www.intellbc.com)

NPC, Inc.  
[www.npcweb.com](http://www.npcweb.com)

### Canada

Epiq Corporate Services, Inc.  
[www.epiqcorporateservices.com](http://www.epiqcorporateservices.com)

Miratel Solutions Inc.  
[www.miratelinc.com](http://www.miratelinc.com)

### Mexico

Business Advantage  
[www.business-advantage.com.mx](http://www.business-advantage.com.mx)

Konecta  
[www.grupokonecta.com](http://www.grupokonecta.com)

Epiq Corporate Services, Inc.  
[www.epiqsystems.com](http://www.epiqsystems.com)

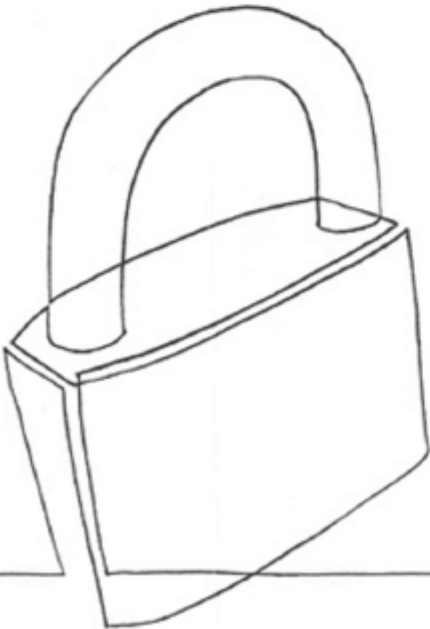


# Breach resolution and mitigation services

Beazley Breach Response includes a number of products that provide Resolution and Mitigation Services, including one and three bureau monitoring and identity monitoring solutions. All the solutions include Identity Restoration services.\* Based on our experience, three bureau credit monitoring is generally appropriate for breaches involving data such as names combined with social security numbers. For breaches involving less sensitive data, one bureau credit monitoring or identity monitoring solutions may be appropriate. The BBR Services team has handled over 6,000 data breaches and will advise you on which products or solutions may be applicable for a particular breach event.

A product or solution may be offered where reasonably practicable and only to the extent available in a particular jurisdiction. Notified Individuals will have up to ninety (90) days from mailing of the notification to subscribe to an offered product or solution and they must qualify for enrollment, complete the enrollment process and agree to the applicable terms and conditions set by the provider. Enrollees of an offered product or solution will have access to the services provided under such product or solution for 12 months from the date of their enrollment.

\* Subscribers will automatically receive access to Identity Restoration services from the date of the notification letter through the full duration of the product term, even if consumers don't enroll in the product. If they do enroll in an IdentityWorks product, identity restoration is extended through the full duration of the product term as well. Product enrollments must occur prior to the Enrollment End Date indicated on the orderform.



## Credit monitoring products

- Experian IdentityWorks<sup>SM</sup>
  - Credit: Ensures they have access to credit monitoring (1 or 3 Bureaus), Identity Restoration services and identity theft insurance to help them regain their security.
  - Minor Plus: Monthly monitoring of Experian information for every enrolled child, internet surveillance, Identity Restoration services and identity theft insurance.
- Equifax Complete<sup>TM</sup> Advantage Plan (for Canadian residents only)
- Equifax Credit File ID Alert<sup>TM</sup> (for Canadian residents only)

## Identity monitoring products

- Experian's Identity and Identity Minor: A solution for when credit monitoring isn't needed. This cost effective product scours chat rooms, blogs, websites and other data sources to identify and alert members of the illegal trading and selling of personal identities. Includes Identity Restoration and identity theft insurance.



## Additional information on products and offerings

Descriptions of each of the credit or identity monitoring products and solutions are attached. Such descriptions are provided by ConsumerInfo.com, Inc. and Equifax Canada Co. and are for informational purposes only and are not part of the Policy. The actual services available with each product or solution are governed by the terms and conditions of the applicable agreements that you must enter into prior to the product or solution being offered to Notified Individuals. Further information about the ConsumerInfo.com and Equifax Canada products can be obtained at the telephone numbers indicated in the applicable description. You may also contact us through your insurance broker to receive additional information about the Services.

## Your responsibilities

To ensure that the Services described above are provided promptly and properly, you must follow the requirements and procedures set forth in the Policy and in this Information Packet. We require your assistance and cooperation with us and with any third party vendors providing Services. Please respond to BBR Services or outside vendor requests and inquiries in a timely manner and enter into necessary contracts required by our vendors for the provision of services. You will be responsible for paying any costs resulting from your failure to timely provide responses, accurate information or approvals necessary for the provision of the Services. There is no coverage under the Policy for any of your internal salary or overhead expenses or for your assistance and cooperation in responding to a breach incident. In the event of a breach incident or suspected incident, do not contact any service providers directly. Instead, you must first provide notice to us at [bbr.claims@beazley.com](mailto:bbr.claims@beazley.com) or at **(866) 567-8570**, as further described on page 3 of this Information Packet and also in Item 9.(b) of the Declarations.

Contacting any of the service providers listed in this Information Packet shall not constitute notice under the terms of the Policy.

As used in this Information Packet, the terms “we” or “us” or have the same meaning as the term “Underwriters” in the Policy and “you” has the same meaning as the “Insured Organization” in the Policy. Capitalized terms not defined in this Information Packet have the same meaning as set forth in the Policy.

## Appendices

Experian IdentityWorks<sup>SM</sup>

Equifax Complete<sup>TM</sup> Advantage Plan

Equifax Credit File ID Alert<sup>TM</sup>



## Beazley Group

Plantation Place South  
60 Great Tower Street  
London EC3R 5AD  
United Kingdom

T +44 (0)20 7667 0623  
F +44 (0)20 7674 7100

.....

30 Batterson Park Road  
Farmington  
Connecticut, 06032  
USA

T +1 (860) 677 3700  
F +1 (860) 679 0247

.....

Two Liberty Place  
50 S. 16th Street, Suite 2700  
Philadelphia  
Pennsylvania, 19102  
USA

T +1 (215) 446 8410  
F +1 (215) 446 8469

.....

## Beazley Insurance Services

101 California Street  
Suite 1850  
San Francisco  
California, 94111  
USA

CA Lic. #OG55497

T +1 (415) 263 4040  
F +1 (415) 263 4099

The logo for Beazley, featuring the word "beazley" in a lowercase, stylized, outlined font.

[beazley.com/bbr](http://beazley.com/bbr)

The descriptions contained in this communication are for preliminary informational purposes only. The product is available on an admitted basis in some but not all US jurisdictions through Beazley Insurance Company, Inc., and is available on a surplus lines basis through licensed surplus lines brokers underwritten by Beazley syndicates at Lloyd's. The exact coverage afforded by the product described herein is subject to and governed by the terms and conditions of each policy issued. The publication and delivery of the information contained herein is not intended as a solicitation for the purchase of insurance on any US risk. Beazley USA Services, Inc. is licensed and regulated by insurance regulatory authorities in the respective states of the US and transacts business in the State of California as Beazley Insurance Services (License#: OG55497). CBSL329\_US\_05/17

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Experian’s **Credit** solution ensures they have access to progressive credit monitoring, identity restoration and identity theft insurance to help them regain their security.

It notifies your customers when their personal information has been compromised and helps them resolve identity theft and other types of criminal activity sooner rather than later.

Experian has managed thousands of data breach incidents in the finance, education, commerce, medical and government sectors. We can manage yours.

Features	Credit
Daily Credit Monitoring	1 or 3 Bureaus
Credit Report Upon Enrollment	✓
Daily Credit Reports (Online)	✓
Identity Restoration	✓
Product Delivery Method	Online (email) Off line (U.S. Mail)
Enrollment (Phone and Online)	✓
ExtendCARE™	✓
Blanket Identity Restoration (Available Upon Notification)	✓
\$1 Million Identity Theft Insurance*	✓

\* Identity theft insurance is underwritten by insurance company subsidiaries or affiliates of American International Group, Inc. (AIG). The description herein is a summary and intended for informational purposes only and does not include all terms, conditions and exclusions of the policies described. Please refer to the actual policies for terms, conditions, and exclusions of coverage. Coverage may not be available in all jurisdictions.

Experian Highlights:

100%

Success Rate Resolving Fraud Cases

100%

Score Received in Client Satisfaction Review

3,000+

Data Breaches Serviced Annually

Experian Data Breach Resolution

Visit: [experian.com/databreach](http://experian.com/databreach)

Call: 1 (866) 751-1323

Email: [databreachinfo@experian.com](mailto:databreachinfo@experian.com)



Experian’s **Minor Plus** provides comprehensive coverage when it comes to protecting a child’s identity.

Minor Plus provides monthly monitoring of Experian® information for every enrolled child, internet surveillance, identity restoration services and identity theft insurance from material damages that may occur against a child whose credit file is misused. It’s an important benefit for your customers and an important opportunity for you.

Experian has managed thousands of data breach incidents in the finance, education, commerce, medical and government sectors. We can manage yours.

Features	Minor Plus
Minor Internet Surveillance	✓
Minor SSN Monitoring	1 Bureau
Identity Restoration	✓
Product Delivery Method	Online (email) Off line (U.S. Mail)
Enrollment (Phone and Online)	✓
ExtendCARE™	✓
Blanket Identity Restoration (Available Upon Notification)	✓
\$1 Million Identity Theft Insurance*	✓

Experian Highlights:

**100%**

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Success Rate Resolving Fraud Cases

**100%**

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Score Received in Client Satisfaction Review

**3,000+**

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Data Breaches Serviced Annually

\* Identity theft insurance is underwritten by insurance company subsidiaries or affiliates of American International Group, Inc. (AIG). The description herein is a summary and intended for informational purposes only and does not include all terms, conditions and exclusions of the policies described. Please refer to the actual policies for terms, conditions, and exclusions of coverage. Coverage may not be available in all jurisdictions.

**Experian Data Breach Resolution**

Visit: [experian.com/databreach](http://experian.com/databreach)

Call: 1 (866) 751-1323

Email: [databreachinfo@experian.com](mailto:databreachinfo@experian.com)

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Experian’s **Identity** and **Identity Minor** is the most cost-effective breach response solution available

Identity and Identity Minor scours chat rooms, blogs, websites and other data sources to identify the illegal trading and selling of personal identities. Detect compromised personal information sooner, no matter where it occurs. Your members can also have peace of mind knowing our identity restoration agents and identity theft insurance are available to them if something were to happen.

Experian has managed thousands of data breach incidents in the finance, education, commerce, medical and government sectors. We can manage yours.

Features	Identity	Identity Minor
Internet Surveillance	✓	-
Minor Internet Surveillance	-	✓
Identity Restoration	✓	✓
Product Delivery Method	Online	Online
Enrollment	Online	Online
ExtendCARE™	✓	✓
Blanket Identity Restoration (Available Upon Notification)	✓	✓
\$1 Million Identity Theft Insurance*	✓	✓

Experian Highlights:

100%

Success Rate Resolving Fraud Cases

100%

Score Received in Client Satisfaction Review

3,000+

Data Breaches Serviced Annually

\* Identity theft insurance is underwritten by insurance company subsidiaries or affiliates of American International Group, Inc. (AIG). The description herein is a summary and intended for informational purposes only and does not include all terms, conditions and exclusions of the policies described. Please refer to the actual policies for terms, conditions, and exclusions of coverage. Coverage may not be available in all jurisdictions.

Experian Data Breach Resolution

Visit: [experian.com/databreach](http://experian.com/databreach)  
 Call: 1 (866) 751-1323  
 Email: [databreachinfo@experian.com](mailto:databreachinfo@experian.com)

# Corporate Data Breach Solutions

## What is Credit Monitoring?

### *Equifax Complete™ Advantage Plan key features*

- > **Online access** to view your Equifax credit report 24/7
- > **Credit monitoring** with e-mail notification of key changes to your credit file
- > **Updates** of your Equifax credit report and score once every three months
- > **Dedicated** customer service

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**EFX** | CIS - 150 - E - 06/13 |

Equifax Canada Co. is Canada's largest credit reporting agency. A credit reporting agency is an independent organization that receives information from credit grantors and other (private and public) sources regarding individuals' credit activity. This information is compiled in a credit report for each Consumer.

Your credit report is a summary of your credit history. Your credit report contains information about your credit cards and loans, such as: when you opened your account, account balance, payment history, etc. Your credit report also includes personal information that is available in public records, such as a bankruptcy.

### What is Credit Monitoring?

Your credit report is updated regularly to reflect credit activity changes. Credit monitoring allows you to have immediate visibility to changes in your credit report, providing you with the confidence that your credit identity is intact.

### Equifax Complete™ Advantage Plan

As a consumer, you can take an active role in monitoring your personal credit information. Using Equifax's online tool, you can view your credit file 24/7 and monitor any changes, maintaining certainty that your credit score and identity have not been compromised.

For further information about Equifax Canada and protecting your identity, please visit [www.equifax.ca](http://www.equifax.ca). You can also visit the Financial Consumer Agency of Canada at [www.fcac-acfc.gc.ca](http://www.fcac-acfc.gc.ca) to learn more about credit reporting agencies.

# Corporate Data Breach Solutions

## What is a Credit Alert Flag

### How will a Credit File Alert Flag protect me from potential fraud activity?

A Credit File Alert Flag is one layer of identity theft protection. It provides peace of mind that your credit file has a warning system for credit lenders should anyone fraudulently try to seek credit in your name.

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Equifax Canada Co. is Canada's largest credit reporting agency. A credit reporting agency is an independent organization that receives information from credit grantors and other (private and public) sources regarding individuals' credit activity. This information is compiled in a credit report for each Consumer.

Your credit file is a summary of your credit history. Your credit file contains information about your credit cards and loans, such as: when you opened your account, account balance, payment history, etc. Your credit file also includes personal information that is available in public records, such as a bankruptcy

### What is a Credit File Alert Flag?

A credit file alert flag is a narrative description that is placed on your credit file. This flag alerts credit grantors that the individual's personal identification may have been compromised. Credit grantors will then need to take further precautions to verify the identity of the person seeking credit. This may take the form of requiring the credit seeker to apply in person rather than over the phone or web, provide photo ID, or answer additional authentication questions. It is at the discretion of the lending institution's authentication protocol processes as to what steps they will take.

A Credit File Alert Flag stays on your credit file for a period of six years and it does **NOT** affect your credit score in any way. You have the option to choose to have it removed at any time within the six years by calling Equifax Canada at 1-800-465-7166.

For further information about Equifax Canada and protecting your identity, please visit [www.equifax.ca](http://www.equifax.ca). You can also visit the Financial Consumer Agency of Canada at [www.fcac-acfc.gc.ca](http://www.fcac-acfc.gc.ca) to learn more about credit reporting agencies.

**Illinois Union Insurance Company  
Chicago, Illinois**

**Declarations**

This Policy is issued by the stock insurance company identified above (hereinafter *the Insurer*).

**THIS POLICY PROVIDES LIABILITY COVERAGE ON A CLAIMS-MADE AND REPORTED BASIS, WHICH COVERS ONLY CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD AND REPORTED TO THE INSURER, IN WRITING, DURING THE POLICY PERIOD OR WITHIN THIRTY DAYS THEREAFTER, UNLESS AN EXTENDED REPORTING PERIOD APPLIES. THIS POLICY ALSO PROVIDES FIRST-PARTY COVERAGES ON A DISCOVERED AND REPORTED BASIS, WHICH COVERS ONLY POLLUTION CONDITIONS AND INDOOR ENVIRONMENTAL CONDITIONS, AS APPLICABLE, FIRST DISCOVERED DURING THE POLICY PERIOD AND FOR WHICH A FIRST-PARTY CLAIM IS REPORTED TO THE INSURER, IN WRITING, DURING THE POLICY PERIOD OR WITHIN THIRTY DAYS THEREAFTER. FINALLY, THIS POLICY PROVIDES COVERAGE FOR EMERGENCY RESPONSE COSTS THAT IS LIMITED BY MORE SPECIFIC REPORTING CRITERIA AND COVERS ONLY EMERGENCY RESPONSE COSTS INCURRED, AND REPORTED TO THE INSURER, IN WRITING, WITHIN THE SPECIFIC TIMING REQUIREMENTS IDENTIFIED IN THIS POLICY. PLEASE READ THIS POLICY CAREFULLY. SOME OF THE PROVISIONS CONTAINED IN THIS POLICY RESTRICT COVERAGE, SPECIFY WHAT IS AND IS NOT COVERED AND DESIGNATE YOUR RIGHTS AND DUTIES. LEGAL DEFENSE EXPENSES ARE SUBJECT TO AND SHALL ERODE THE LIMITS OF LIABILITY AND ANY APPLICABLE SELF-INSURED RETENTION.**

**THE DECLARATIONS, TOGETHER WITH THE COMPLETED AND SIGNED APPLICATION, THIS POLICY, AND ANY ENDORSEMENTS OR SCHEDULES ATTACHED HERETO, CONSTITUTE THE INSURANCE POLICY.**

<b>Policy No.:</b> PPL G24544837 008	<b>Renewal of:</b> PPL G24544837 007
<b>Item 1.</b>	<b>First Named Insured:</b> APIP Cyber and Pollution Programs, Inc
	<b>Address:</b> 325 East Hillcrest Dr., STE 250 Thousand Oaks, CA 91360

**Coverages Purchased:** Coverage A. -  Coverage B. -  Coverage C. -   
 ("X" Indicates Coverage Purchased)

<b>Item 2.</b>	<b>Policy Period:</b> <small>(Local Time of the Address Shown in Item 1., above.)</small>	<b>Policy Inception Date:</b> July 01, 2018 12:01 A.M.	<b>Policy Expiration Date:</b> July 01, 2019 12:01 A.M.
<b>Item 3.</b>	<b>Limits of Liability:</b> In U.S. Dollars	<b>a. \$2,000,000</b>	Per Pollution Condition or Indoor Environmental Condition Limit of Liability
		<b>b. \$25,000,000</b>	Total Policy and Program Aggregate Limit of Liability for all Pollution Conditions and Indoor Environmental Conditions
<b>Item 4.</b>	<b>Self-Insured Retention / Deductible Period:</b> In U.S. Dollars	<b>a. \$75,000</b>	Per Pollution Condition or Indoor Environmental Condition
		<b>b. 10</b>	Days Per Pollution Condition or Indoor



		<b>Environmental Condition</b>
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<b>Item 5.</b>	<b>Retroactive Dates:</b>	<input type="checkbox"/> if checked Exposure-Specific Retroactive Dates are designated via endorsement.  <b>Coverage A</b> Premises Pollution Condition Liability: 07/01/2011 Premises Indoor Environmental Condition Liability: 07/01/2011 Premises Pollution Condition First-Party Claims: 07/01/2011 Premises Indoor Environmental Condition First-Party Claims: 07/01/2011  <b>Coverage B</b> Transportation Liability: 07/01/2011 Transportation First-Party Claims: 07/01/2011  <b>Coverage C</b> Non-Owned Disposal Sites Liability : 07/01/2011  If <b>“FULL RETRO”</b> is indicated in the Retroactive Date column above, then retroactive coverage is afforded pursuant to this Policy for that specific exposure, subject to any other corresponding exposure-specific Retroactive Date added to this Policy by endorsement.
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<b>Item 6.</b>	<div style="background-color: black; width: 100px; height: 15px; margin-bottom: 5px;"></div> <div style="background-color: black; width: 100px; height: 15px; margin-bottom: 5px;"></div>  <div style="background-color: black; width: 100px; height: 15px; margin-bottom: 5px;"></div>	<div style="background-color: black; width: 100%; height: 15px; margin-bottom: 5px;"></div>  <div style="background-color: black; width: 100%; height: 15px; margin-bottom: 5px;"></div>  <div style="background-color: black; width: 100%; height: 15px; margin-bottom: 5px;"></div>
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<b>Item 7.</b>	<b>Producer:</b> Name & Address	ALLIANT INSURANCE SERVICES INC 1301 DOVE STREET SUITE 200 NEWPORT BEACH, CA 92660
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<b>Item 8.</b>	<b>a. Notice of Claim or Pollution Condition</b>	<b>b. All other Notices</b>
<b>Notices</b>	CHUBB Environmental Risk Claims Manager CHUBB USA Claims P.O. Box 5103 Scranton, PA 18505-0510 Fax: (866) 635-5687  First Notice Fax: (800) 951-4119 First Notice Email: <a href="mailto:CasualtyRiskEnvironmentalFirstNotice@chubb.com">CasualtyRiskEnvironmentalFirstNotice@chubb.com</a>	Environmental Risk Underwriting Officer CHUBB Environmental Risk P.O. Box 1000 436 Walnut Street – WA 07A Philadelphia, PA 19106
	<b>Environmental Incident Alert - 24 Hour Emergency Response Hotline</b>	<b>1-888-310-9553</b>

<b>Item 9.</b>	<b>Covered Locations:</b>	<p>The locations included on the SOVs below (submitted to the Underwriter in March of 2017), and such member on the SOV is also scheduled on the policy via the Named Insured Schedule Endorsement:</p> <ul style="list-style-type: none"> <li>• APIP DEC 1 – SOVs</li> <li>• APIP DEC 2 – SOVs</li> <li>• APIP DEC 3 – SOVs</li> <li>• APIP DEC 4 – SOVs</li> <li>• APIP DEC 5 – SOVs</li> <li>• APIP DEC 11 – SOVs</li> <li>• APIP DEC 12 – SOVs</li> <li>• APIP DEC 14 – SOVs</li> <li>• APIP DEC 19 – SOVs</li> <li>• APIP DEC 25 - SOVs</li> <li>• APIP DEC 26 – SOVs</li> <li>• APIP DEC 27 – SOVs</li> <li>• APIP DEC 28 – SOVs</li> <li>• APIP DEC 29 – SOVs</li> <li>• APIP DEC 30 – SOVs</li> <li>• APIP DEC 32 – SOVs</li> <li>• APIP DEC 33 – SOVs</li> <li>• APIP DEC 34 – SOVs</li> </ul> <p><input type="checkbox"/> if checked here, schedule of Covered Locations is designated via endorsement.</p>
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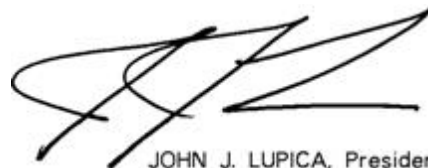
**Endorsements and Notices Attached at Policy Issuance:**

<b>Endorsement Number:</b>	<b>Form Number:</b>	<b>Form Name:</b>
1	PF-32460 (11/10)	Schedule of Named Insureds Endorsement
2	PF-44890 (09/14)	Schedule of Additional Insureds (Broad with By Contract) Endorsement
3	PF-48605 (01/17)	Asbestos and/or Lead-Based Paint Coverage (Inadvertent Disturbance) Endorsement
4	PF-44912 (09/14)	Schedule of Covered Locations (AP) Endorsement
5	PF-44957 (09/14)	Notice of Cancellation Amendatory (Generic Time Frame) Endorsement
6	PF-44983 (09/14)	Self-Insured Retention Amendatory (Indoor Environmental Conditions) Endorsement
7	PF-44987a (01/17)	Self-Insured Retention Amendatory (Generic) Endorsement
8	PF-44993a (05/16)	Sudden And Accidental Coverage Limitation Endorsement
9	PF-44996 (09/14)	Underground Storage Tank Coverage (Blanket) Endorsement
10	PF-44999 (09/14)	Waiver of Subrogation (By Contract) Endorsement
11	PF-47994 (07/16)	Lead Exclusionary (Potable Water) Endorsement
12	MANU01 (05/15)	Underground Storage Tank Amendatory Endorsement
13	MANU02 (04/15)	Aggregated Self-Insured Retention (Per Named Insured)Endorsement
14	MANU03 (11/15)	Delay Expense Amendatory Endorsement
15	MANU04 (04/15)	Automatic Acquisition And Due Diligence Endorsement
16	MANU05 (11/15)	Exposure-Specific Retroactive Date (Per Named Insured Endorsement)
17	MANU06 (04/15)	Definitions Amendatory Endorsement
18	MANU07 (11/15)	Public Entity Coverage Amendatory Endorsement
19	MANU08 (04/15)	Non-Covered Entities Confirmation Endorsement
20	MANU09 (04/15)	Self-Insured Retention Credit Confirmation Endorsement
21	MANU10 (04/15)	Products Pollution Coverage (Public Entity) Endorsement
22	MANU11 (08/15)	Other Insurance Amendatory (Insured-Specific-Primary)Endorsement
23	MANU12 (04/15)	Per Named Insured Aggregate Sublimit Of Liability Endorsement
24	MANU13 (04/15)	Indoor Environmental Conditions Amendatory (Bacteria and Virus) Endorsement
25	ALL-21101 (11/06)	Trade or Economic Sanctions Endorsement

Endorsement Number:	Form Number:	Form Name:
26	SL-34255a (01/16)	Service Of Suit Endorsement
27	LD-5S23j (03/14)	Signatures
	TRIA24 (01/15)	Policyholder Disclosure Notice of Terrorism Insurance Coverage
	SL-17888 (01/17)	California Surplus Lines Notification
	ALL-20887a (03/16)	Chubb Producer Compensation Practices & Policies
	IL P 001 01 04	U. S. Treasury Department's Office of Foreign Assets Control ("OFAC") Advisory Notice to Policyholders

IN WITNESS WHEREOF, the Insurer has caused this Policy to be countersigned by a duly authorized representative of the Insurer.

DATE: July 01, 2018  
MO/DAY/YR



JOHN J. LUPICA, President

AUTHORIZED REPRESENTATIVE

This Policy is issued by the stock insurance company identified in the Declarations (hereinafter *the Insurer*).

**THIS POLICY PROVIDES LIABILITY COVERAGE ON A CLAIMS-MADE AND REPORTED BASIS, WHICH COVERS ONLY CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD AND REPORTED TO THE INSURER, IN WRITING, DURING THE POLICY PERIOD OR WITHIN THIRTY DAYS THEREAFTER, UNLESS AN EXTENDED REPORTING PERIOD APPLIES. THIS POLICY ALSO PROVIDES FIRST-PARTY COVERAGES ON A DISCOVERED AND REPORTED BASIS, WHICH COVERS ONLY POLLUTION CONDITIONS AND INDOOR ENVIRONMENTAL CONDITIONS, AS APPLICABLE, FIRST DISCOVERED DURING THE POLICY PERIOD AND FOR WHICH A FIRST-PARTY CLAIM IS REPORTED TO THE INSURER, IN WRITING, DURING THE POLICY PERIOD OR WITHIN THIRTY DAYS THEREAFTER. FINALLY, THIS POLICY PROVIDES COVERAGE FOR EMERGENCY RESPONSE COSTS THAT IS LIMITED BY MORE SPECIFIC REPORTING CRITERIA AND COVERS ONLY EMERGENCY RESPONSE COSTS INCURRED, AND REPORTED TO THE INSURER, IN WRITING, WITHIN THE SPECIFIC TIMING REQUIREMENTS IDENTIFIED IN THIS POLICY. PLEASE READ THIS POLICY CAREFULLY. SOME OF THE PROVISIONS CONTAINED IN THIS POLICY RESTRICT COVERAGE, SPECIFY WHAT IS AND IS NOT COVERED AND DESIGNATE YOUR RIGHTS AND DUTIES. LEGAL DEFENSE EXPENSES ARE SUBJECT TO AND SHALL ERODE THE LIMITS OF LIABILITY AND ANY APPLICABLE SELF-INSURED RETENTION.**

Throughout this Policy the words the Insurer shall refer to the company providing this insurance. Other words and phrases that appear in quotation marks have special meanings and are defined in Section V., DEFINITIONS.

In consideration of the payment of the premium and in reliance upon all statements made in the Application to this Policy, including the information furnished in connection therewith, and subject to all terms, definitions, conditions, exclusions and limitations of this Policy, the Insurer agrees to provide insurance coverage to the “insured” as described herein.

## I. INSURING AGREEMENTS

Solely to the extent that the coverages below are identified on the Declarations to this Policy as being underwritten by the Insurer, the Insurer agrees to pay on behalf of the “insured” for “loss”, in excess of the “self-insured retention” or deductible period (as applicable), resulting from:

### A. POLLUTION CONDITIONS OR INDOOR ENVIRONMENTAL CONDITIONS COVERAGE (Coverage A.)

“Claims” and “first-party claims” arising out of: 1) a “pollution condition” on, at, under or migrating from a “covered location”; or 2) an “indoor environmental condition” at a “covered location”, provided the “claim” is first made, or the “insured” first discovers such “pollution condition” or “indoor environmental condition”, during the “policy period”. Any such “claim” or “first-party claim” must be reported to the Insurer, in writing, during the “policy period” or within thirty (30) days after the expiration of the “policy period”, or during any applicable “extended reporting period”.

The coverage afforded pursuant to this Coverage A. only applies to “pollution conditions” or “indoor environmental conditions” that first commence, in their entirety, on or after the retroactive date identified in Item 5. of the Declarations, if applicable, and prior to the expiration of the “policy period”.

### B. TRANSPORTATION COVERAGE (Coverage B.)

“Claims” and “first-party claims” arising out of a “pollution condition” resulting from “transportation”, provided the “claim” is first made, or the “insured” first discovers such “pollution condition”, during the “policy period”. Any such “claim” or “first-party claim” must be reported to the Insurer, in writing, during the “policy period” or within thirty (30) days after the expiration of the “policy period”, or during any applicable “extended reporting period”.

The coverage afforded pursuant to this Coverage B. only applies to “pollution conditions” that first commence, in their entirety, on or after the retroactive date identified in Item 5. of the Declarations, if applicable, and prior to the expiration of the “policy period”.

### C. NON-OWNED DISPOSAL SITE COVERAGE (Coverage C.)

“Claims” arising out of a “pollution condition” on, at, under or migrating from a “non-owned disposal site” 389 provided the “claim” is first made during the “policy period”. Any such “claim” must be reported to the Insurer,

in writing, during the “policy period” or within thirty (30) days after the expiration of the “policy period”, or during any applicable “extended reporting period”.

The coverage afforded pursuant to this Coverage **C.** only applies to “pollution conditions” that are attributable to a “named insured’s” waste generated at a “covered location” and received at the “non-owned disposal site”, in its entirety, on or after the retroactive date identified in Item **5.** of the Declarations, if applicable, and prior to the expiration of the “policy period”.

## II. LIMITS OF LIABILITY AND SELF-INSURED RETENTION

- A.** It is expressly agreed that the Insurer’s obligation to pay for any covered “loss” (exclusive of “business interruption loss”) pursuant to this Policy shall attach to the Insurer only after the “first named insured” has paid, or has provided evidence to the Insurer that another “named insured” has paid, the full amount of the “self-insured retention” with respect to any covered “pollution condition” or “indoor environmental condition”. Under no circumstances, including, but not limited to, an “insured’s” insolvency and/or bankruptcy, shall the Insurer be liable to pay any amount within the “self-insured retention”. In the event that the “first named insured” cannot provide satisfactory evidence that a “named insured” has paid the full amount of the “self-insured retention” with respect to any covered “pollution condition” or “indoor environmental condition”, the “first named insured” shall remain responsible to pay the “self-insured retention” before the Insurer’s payment obligation pursuant to this Policy shall attach with respect to coverage sought by any “insured”.

Notwithstanding the foregoing, if the “insured” agrees with the Insurer to use “mediation” to successfully resolve any “claim” for which “legal defense expenses” have been incurred, then the “self-insured retention” applicable to the “pollution condition” or “indoor environmental condition” that corresponds to such “claim” shall be reduced by fifty percent (50%), subject to a maximum reduction in the “self-insured retention” of twenty-five thousand dollars (\$25,000).

In addition to the foregoing, it is expressly agreed that the Insurer’s obligation to pay for any covered “business interruption loss” pursuant to this Policy shall attach to the Insurer only after the relevant “insured” has also borne the full amount of the “business interruption loss” within the deductible period identified in Item **4.** of the Declarations to this Policy.

- B.** One “self-insured retention” shall apply to all “loss” (exclusive of “business interruption loss”) arising out of the same, continuous, repeated, or related “pollution condition” or “indoor environmental condition”. If the same, continuous, repeated, or related “pollution condition” or “indoor environmental condition” triggers coverage pursuant to multiple coverage parts, or otherwise involves multiple exposures that have been assigned exposure-specific “self-insured retention” amounts by endorsement to this Policy, the single largest of the associated “self-insured retention” amounts identified in: **1)** Item **4.** of the Declarations; **2)** any Supplemental Coverage added by endorsement to this Policy; or **3)** any exposure-specific “self-insured retention” endorsement identified as part of this Policy, shall apply to all “loss” and other covered exposures arising out of such “pollution condition” or “indoor environmental condition”, except for any “catastrophe management costs” that are assigned an exposure-specific “self-insured retention” by endorsement to this Policy, if any (hereinafter Catastrophe Management-Specific SIR Obligation). Amounts within any such Catastrophe Management-Specific SIR Obligation shall be independent of, and shall not otherwise erode, the single largest “self-insured retention” applicable to all other covered exposures arising out of the same “pollution condition” or “indoor environmental condition” as contemplated herein.
- C.** One deductible period shall apply to all “business interruption loss” arising out of the same, continuous, repeated, or related “pollution condition” or “indoor environmental condition”.
- D.** Subject to Subsections **E.** and **F.**, below, the most the Insurer shall pay for all “loss” arising out of the same, continuous, repeated, or related “pollution condition” or “indoor environmental condition” is the Per Pollution Condition or Indoor Environmental Condition Limit of Liability identified in Item **3.a.** of the Declarations to this Policy.
- E.** Subject to Subsection **D.**, above, and Subsection **F.**, below, **\$250,000** shall be the maximum amount the Insurer shall pay for all “catastrophe management costs” arising out of all “pollution conditions” and “indoor environmental conditions”.
- F.** Subject to Subsections **D.** and **E.**, above, the Total Policy and Program Aggregate Limit of Liability identified in Item **3.b.** of the Declarations shall be the maximum liability of the Insurer pursuant to this Policy with respect to all “loss”.
- G.** If the Insurer or an affiliate has issued pollution liability coverage afforded on a discovered and reported basis or claims-made and reported basis consistent with coverage afforded pursuant to this Policy in one or more policy,

periods, and a “pollution condition” or “indoor environmental condition” is first discovered and reported to the Insurer, or a “claim” is first made and reported to the Insurer with respect to a “pollution condition” or “indoor environmental condition”, in accordance with the terms and conditions of this Policy, then:

1. Any continuous, repeated, or related “pollution condition” or “indoor environmental condition” that is subsequently reported to the Insurer during later policy periods shall be deemed to be one “pollution condition” or “indoor environmental condition” discovered during this “policy period”; and
2. All “claims” arising out of:
  - a. The same, continuous, repeated, or related “pollution condition” or “indoor environmental condition” that was discovered during this “policy period”; or
  - b. The same, continuous, repeated, or related “pollution condition” or “indoor environmental condition” that was the subject of a “claim” first made and reported in accordance with the terms and conditions of this Policy,

shall be deemed to have been first made and reported during this “policy period” and no other policy shall respond.

### III. DEFENSE AND SETTLEMENT

- A. The Insurer shall have the right and, subject to the “self-insured retention” obligation, the duty to defend the “insured” against a “claim” to which this insurance applies. The Insurer shall have no duty to defend the “insured” against any “claim” to which this insurance does not apply. The Insurer’s duty to defend the “insured” ends once the Limits of Liability are exhausted or are tendered into a court of applicable jurisdiction, or once the “insured” refuses a settlement offer as provided in Subsection E., below.
- B. The Insurer shall have the right to select legal counsel to: **1)** represent the “insured” for the investigation, adjustment, and defense of any “claims” covered pursuant to this Policy; and **2)** assist the “insured” with clarifying the extent of, and to help minimize, any “first-party remediation costs”. Selection of legal counsel by the Insurer shall not be done without the consent of the “insured”; such consent shall not be unreasonably withheld.

In the event the “insured” is entitled by law to select independent counsel to defend itself at the Insurer’s expense, the attorney fees and all other litigation expenses the Insurer shall pay to that counsel are limited to the rates the Insurer actually pays to counsel that the Insurer normally retains in the ordinary course of business when defending “claims” or lawsuits of similar complexity in the jurisdiction where the “claim” arose or is being defended. In addition, the “insured” and the Insurer agree that the Insurer may exercise the right to require that such counsel: **1)** have certain minimum qualifications with respect to their competency, including experience in defending “claims” similar to those being asserted against the “insured”; **2)** maintain suitable errors and omissions insurance coverage; **3)** be located within a reasonable proximity to the jurisdiction of the “claim”; and **4)** agree in writing to respond in a timely manner to the Insurer’s requests for information regarding the “claim”. The “insured” may at any time, by its signed consent, freely and fully waive its right to select independent counsel.

- C. The “insured” shall have the right and the duty to retain a qualified environmental consultant or “catastrophe management firm” to: **1)** perform any investigation and/or remediation of any “pollution condition” or “indoor environmental condition” covered pursuant to this Policy; or **2)** perform “catastrophe management services” covered pursuant to this Policy, respectively. The “insured” must receive the consent of the Insurer prior to the selection and retention of such consultant or “catastrophe management firm”, except in the event of a “first-party claim” that results in “emergency response costs”.
- D. “Legal defense expenses” reduce the Limits of Liability identified in the Declarations to this Policy, and, unless specifically stated otherwise herein, any applicable Limits or Sublimits of Liability identified in any endorsement hereto. “Legal defense expenses” shall also be applied to the “self-insured retention”.
- E. The Insurer shall present all settlement offers to the “insured”. If the Insurer recommends a settlement which is acceptable to a claimant, exceeds any applicable “self-insured retention”, is within the Limits of Liability, and does not impose any additional unreasonable burdens on the “insured”, and the “insured” refuses to consent to such settlement offer, then the Insurer’s duty to defend shall end. Thereafter, the “insured” shall defend such “claim” independently and at the “insured’s” own expense. The Insurer’s liability shall not exceed the amount for which the “claim” could have been settled if the Insurer’s recommendation had been accepted, exclusive of the “self-insured retention”.

### IV. COVERAGE TERRITORY

The coverage afforded pursuant to this Policy shall only apply to “pollution conditions” or “indoor environmental conditions” located, and “claims” made, within the United States of America.

## V. DEFINITIONS

- A. “Additional insured”** means any person or entity specifically endorsed onto this Policy as an “additional insured”, if any. Such “additional insured” shall maintain only those rights that are specified by endorsement to this Policy.
- B. “Adverse media coverage”** means national or regional news exposure in television, radio, print or internet media that is reasonably likely to have a negative impact on the “insured” with respect to its income, reputation, community relations, public confidence or good will.
- C. “Bodily injury”** means physical injury, illness, disease, mental anguish, emotional distress, or shock, sustained by any person, including death resulting therefrom, and any prospective medical monitoring costs that are intended to confirm any such physical injury, illness or disease.
- D. “Business income”** means:
1. Net profit or loss, before income taxes, including “rental income” from tenants, that would have been realized had there been no “business interruption”;
  2. The “insured’s” continuing operating and payroll expense (excluding payroll expense of officers, executives, department managers and contract employees);
  3. Costs incurred by the “insured” as rent for temporary premises when a portion of a “covered location” becomes untenable due to a “pollution condition” or “indoor environmental condition” and temporary premises are required to continue the “insured’s” operations. Such rental costs cannot exceed the fair rental value of the untenable portion of the “covered location” immediately preceding the “pollution condition” or “indoor environmental condition”.
- E. “Business interruption”** means the necessary partial or complete suspension of the “insured’s” operations at a “covered location” for a period of time, which is directly attributable to a “pollution condition” or “indoor environmental condition” to which Coverage **A.** of this Policy applies. Such period of time shall extend from the date that the operations are necessarily suspended and end when such “pollution condition” or “indoor environmental condition” has been remediated to the point at which the “insured’s” normal operations could reasonably be restored.
- F. “Business interruption loss”** means:
1. “Business income”;
  2. “Extra expense”; and
  3. “Delay expense”.
- G. “Catastrophe management costs”** means reasonable and necessary expenses approved by the Insurer, in writing, except for those expenses incurred during the same seven (7) day period associated with “emergency response costs”, which have been incurred by the “insured” for the following:
1. Responsive consulting services rendered by a “catastrophe management firm”;
  2. Printing, advertising, mailing of materials of public relations materials;
  3. Travel by directors, officers, employees or agents of the “insured”, or the “catastrophe management firm”, incurred at the direction of a “catastrophe management firm”;
  4. To secure the scene of a “pollution condition” or “indoor environmental condition”; or
  5. Sums advanced to third-parties directly harmed by the “pollution condition” or “indoor environmental condition” for their medical costs; funeral costs; psychological counseling; travel expenses costs; temporary living costs or other necessary response costs,
- but solely in those instances when, in the good faith opinion of a “key executive”, the associated “pollution condition” or “indoor environmental condition” has resulted in or is reasonably likely to result in: **a)** “loss” (exclusive of “catastrophe management costs”) that will exceed the applicable “self-insured retention”; and **b)** a need for “catastrophe management services” due to “adverse media coverage”.
- “Catastrophe management costs” do not include any “legal defense expense”.
- H. “Catastrophe management firm”** means any firm that is approved, in writing, except for firms retained for the same seven (7) day period associated with “emergency response costs”, by the Insurer to perform “catastrophe management services” in connection with a “pollution condition” or “indoor environmental condition”.



- I. “Catastrophe management services”** means advising the “insured” with respect to minimizing potential harm to the “insured” from a covered “pollution condition” or “indoor environmental condition” by managing “adverse media coverage” and maintaining and restoring public confidence in the “insured”, and its services or products.
- J. “Claim”** means the written assertion of a legal right received by the “insured” from a third-party, or from another “insured” that is party to an “environmental indemnity obligation”, including, but not limited to, a “government action”, suits or other actions alleging responsibility or liability on the part of the “insured” for “bodily injury”, “property damage” or “remediation costs” arising out of “pollution conditions” or “indoor environmental conditions” to which this insurance applies.
- K. “Covered location”** means:
1. Any location specifically identified in Item **9.** of the Declarations to this Policy;
  2. Any location that is specifically identified on a Schedule of Covered Locations attached to this Policy; and
  3. Any location that meets the prerequisites to coverage identified in the Automatic Acquisition and Due Diligence Endorsement attached to this Policy, if any.
- L. “Delay expense”** means, for a “covered location” under development where a “pollution condition” or “indoor environmental condition” causes a delay in the completion or development during the “business interruption”, any of the following expenses:
1. Additional interest on money the “insured” has borrowed to finance the construction, development, or remediation of a project at a “covered location”;
  2. Additional realty taxes and other assessments;
  3. Additional advertising or promotional expense;
  4. Additional expenses incurred resulting from the renegotiation of leases, including associated usual and customary legal representation expense; and
  5. Additional engineering, architectural, and consulting fees.
- M. “Emergency response costs”** means “first-party remediation costs” incurred within seven (7) days following the discovery of a “pollution condition” or “indoor environmental condition” by a “responsible person” in order to abate or respond to an imminent and substantial threat to human health or the environment arising out of:
1. A “pollution condition” or “indoor environmental condition” on, at, under or migrating from a “covered location”; or
  2. A “pollution condition” resulting from “transportation”,
- provided such “emergency response costs” are reported to the Insurer within fourteen (14) days of when that “responsible person” first became aware of such “pollution condition” or “indoor environmental condition”.
- N. “Environmental indemnity obligations”** means an "insured's" obligations to defend or indemnify a third-party with respect to a “pollution condition” or “indoor environmental condition” to which this insurance otherwise applies, provided that such defense or indemnity obligation is explicitly included within a contract identified or described on the Schedule of Insured Contracts Endorsement attached to this Policy, if any.
- O. “Environmental law”** means any Federal, state, commonwealth, municipal or other local law, statute, ordinance, rule, guidance document, regulation, and all amendments thereto (collectively Laws), including voluntary cleanup or risk-based corrective action guidance, or the direction of an “environmental professional” acting pursuant to the authority provided by any such Laws, along with any governmental, judicial or administrative order or directive, governing the liability or responsibilities of the “insured” with respect to a “pollution condition” or “indoor environmental condition”.
- P. “Environmental professional”** means a licensed professional that is:
1. Mutually agreed upon by the Insurer and the “insured”, except with respect to “emergency response costs”; and
  2. Qualified by licensure, knowledge, skill, education and training to perform an assessment, prepare an investigation protocol, interpret the results and prepare a scope of work to remediate a “pollution condition” or “indoor environmental condition”.

- Q. “Extended reporting period”** means the additional period of time in which to report a “claim” first made against the “insured” during or subsequent to the end of the “policy period”.
- R. “Extra damages”** means punitive, exemplary or multiplied damages, and civil fines, penalties and assessments, but solely to the extent that the punitive, exemplary or multiplied damages, and civil fines, penalties and assessments:
1. Are insurable under applicable law; and
  2. Arise out of a “pollution condition” or “indoor environmental condition” that results in “bodily injury”, “property damage”, “remediation costs” or “first-party remediation costs” to which this insurance otherwise applies.
- S. “Extra expense”** means costs incurred by the “insured” due to a “pollution condition” or “indoor environmental condition” that are necessary to avoid or mitigate any “business interruption”. Such costs must be incurred to actually minimize the amount of foregone “business income” that would otherwise be covered pursuant to this Policy.
- T. “First named insured”** means the person or entity as identified in Item 1. of the Declarations to this Policy. The “first named insured” is the party responsible for the payment of any premiums and the payment of, or evidencing payment of, any applicable “self-insured retention” amounts. The “first named insured” shall also serve as the sole agent on behalf of all “insureds” with respect to the provision and receipt of notices, including notice of cancellation or non-renewal, receipt and acceptance of any endorsements or any other changes to this Policy, return of any premium, assignment of any interest pursuant to this Policy, as well as the exercise of any applicable “extended reporting period”, unless any such responsibilities are otherwise designated by endorsement.
- U. “First-party claim”** means the first-party discovery of a “pollution condition” or an “indoor environmental condition” during the “policy period” by an “insured” to which this insurance applies.
- V. “First-party remediation costs”** means reasonable and necessary “remediation costs” incurred by an “insured” resulting from a “first-party claim”. If no applicable laws exist that govern the remediation, investigation, quantification, monitoring, removal, disposal, treatment, neutralization, or immobilization of such “pollution condition” or “indoor environmental condition” in the jurisdiction of the “covered location”, necessary “remediation costs” may be established by securing the written professional recommendations of an “environmental professional”.
- “First-party remediation costs”** also means reasonable and necessary expenses required to restore, repair or replace real or personal property to substantially the same condition it was in prior to being damaged during the course of responding to a “pollution condition” or “indoor environmental condition”. Such expenses shall not include costs associated with betterments or improvements, except to the extent that such betterments or improvements are exclusively associated with the use of building materials which are environmentally superior to those materials which comprised the original damaged property. Any such environmentally superior material must be: **a)** certified as such by an applicable independent certifying institution, where such certification is available; or **b)** in the absence of any such certification, based solely on the judgment of the Insurer and at its sole discretion.
- W. “Fungi”** means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents, or byproducts produced or released by “fungi”.
- X. “Government action”** means action taken or liability imposed by any Federal, state, commonwealth, municipal or other local government agency or body acting pursuant to the authority of “environmental law”.
- Y. “Illicit abandonment”** means:
1. Solely with respect to coverage for “covered locations”, the intentional placement or abandonment of any solid, liquid, gaseous or thermal irritant, contaminant, or pollutant, including contaminated soil, contaminated silt, contaminated sedimentation, smoke, soot, vapors, fumes, acids, alkalis, chemicals, hazardous substances, hazardous materials, or waste materials, including “low-level radioactive waste”, “mixed waste” and medical, red bag, infectious and pathological wastes, on, at or into a “covered location”, by a person or entity that:
    - a. Is not an “insured”; and
    - b. Is not affiliated by common ownership with an “insured”, and,

2. Solely with respect to coverage for “transportation”, the intentional placement or abandonment of any waste, goods, materials or product beyond the boundaries of a “covered location” during “transportation” by a person or entity that:
  - a. Is not an “insured”; and
  - b. Is not affiliated by common ownership with an “insured”.

“**Illicit abandonment**” does not mean any such placement or abandonment, above, which takes place, in whole or in part, prior to the inception date identified in Item 2. of the Declarations of this Policy.

**Z. “Indoor environmental condition” means:**

1. The presence of “fungi” in a building or structure, or the ambient air within such building or structure; or
2. The discharge, dispersal, release, escape, migration or seepage of *legionella pneumophila* in a building or structure, or the ambient air within such building or structure,

provided that such “fungi” or *legionella pneumophila* are not naturally occurring in the environment in the amounts and concentrations found within such building or structure.

**AA. “Insured”** means the “first named insured”, any “named insured”, any “additional insured”, and any past or present director or officer of, partner in, employee of, temporary or leased worker of, or, with respect to a limited liability company, a member of, any of the foregoing while acting within the scope of his or her duties as such.

**BB. “Key executive”** means the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, President, General Counsel, general partner or managing partner (if the “insured” is a partnership), managing member (if the “insured” is a limited liability company) or sole proprietor (if the “insured” is a sole proprietorship) of the “insured”. A “key executive” also means any other person holding a title designated by the “first named insured”, approved by the Insurer, and identified by endorsement to this Policy.

**CC. “Legal defense expense”** means reasonable legal costs, charges, and expenses, including expert charges, incurred by the “insured”:

1. In the investigation, adjustment or defense of “claims”; or,
2. Solely with respect to those instances where the “insured” has secured the prior consent of the Insurer, except in the event of a “first-party claim” that results in “emergency response costs”, in order to clarify the extent of, minimize, and effect resolution of, any obligation to incur “first-party remediation costs”.

**DD. “Loss” means:**

Coverage A.

1. A monetary judgment, award or settlement of compensatory damages arising from “bodily injury”, “property damage” or “remediation costs”, including associated “extra damages”;
2. “Legal defense expense”;
3. “First-party remediation costs”;
4. “Emergency response costs”;
5. “Business interruption loss”; and
6. “Catastrophe management costs”.

Coverage B.

7. A monetary judgment, award or settlement of compensatory damages arising from “bodily injury”, “property damage” or “remediation costs”, including associated “extra damages”;
8. “Legal defense expense”;
9. “First-party remediation costs”;
10. “Emergency response costs”; and
11. “Catastrophe management costs”.

Coverage C.

12. A monetary judgment, award or settlement of compensatory damages arising from “bodily injury”, “property damage” or “remediation costs”, including associated “extra damages” and “legal defense expense”; and

**13. “Catastrophe management costs”.**

Supplemental Coverages

Any other liability or first-party exposure insured pursuant to any Supplemental Coverage added by endorsement to this Policy.

**EE. “Low-level radioactive waste”** means waste that is radioactive but not classified as the following: high-level waste (spent nuclear fuel or the highly radioactive waste produced if spent fuel is reprocessed), uranium milling residues, and waste with greater than specified quantities of elements heavier than uranium.

**FF. “Mediation”** means a conciliatory, non-binding attempt to resolve a “claim” using a neutral, third-party facilitator.

**GG. “Mixed waste”** means waste containing both radioactive and hazardous components as defined pursuant to United States law within the Atomic Energy Act and the Resource Conservation and Recovery Act, as either may be amended.

**HH. “Named insured”** means the “first named insured” and any other person or entity specifically endorsed onto this Policy as a “named insured”, if any. “Named insureds” shall maintain the same rights pursuant to this Policy as the “first named insured”, except for those rights specifically: **1)** reserved to the “first named insured” as defined herein; or **2)** limited by endorsement to this Policy.

**II. “Natural resource damage”** means injury to, destruction of, or loss of, including the resulting loss of value of, fish, wildlife, biota, land, 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 of America (including the resources of the fishery conservation zone established by the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. § 1801 et. seq.)), any state, commonwealth or local government, or any Native American Tribe, or, if such resources are subject to a trust restriction on alienation, any members of any Native American Tribe, including the reasonable costs of assessing such injury, destruction or loss resulting therefrom.

**JJ. “Non-owned disposal site”** means:

- 1.** Any treatment, storage, transfer, disposal or recycling site or facility located within the United States of America that has not at any time been owned or operated, in whole or in part, by any “insured”, which receives, or has historically received, a “named insured’s” waste for disposal; provided that such treatment, storage, transfer, disposal or recycling site or facility:
  - a.** Was properly permitted and licensed pursuant to “environmental law” to accept the “named insured’s” waste at the time of such disposal by the Federal, state, commonwealth, municipal or other local government agencies or bodies with applicable jurisdiction;
  - b.** Was not owned or operated by any person, corporation or unincorporated association that was in bankruptcy at the time the “named insured’s” waste was received for disposal; and
  - c.** Has not, prior to the time the “named insured’s” waste was received for disposal, been identified on the United States EPA (CERCLA) National Priorities List or pursuant to any functional equivalent of that list made by Federal, state, commonwealth, municipal or other local government agency or body with applicable jurisdiction pursuant to “environmental law”, or
- 2.** Any treatment, storage, transfer, disposal or recycling site or facility specifically identified on a Schedule of Non-Owned Disposal Sites Endorsement attached to this Policy, if any.

**KK. “Policy period”** means:

- 1.** The period of time specifically identified in Item **2.** of the Declarations to this Policy; or,
- 2.** Solely with respect to “covered locations” added to this Policy during the period of time specifically identified in Item **2.** of the Declarations to the Policy, if any, the period of time following the effective date of such addition through the expiration date of the Policy identified in Item **2.** of the Declarations to this Policy; or
- 3.** Any shorter period of time resulting from the cancellation of this Policy.

**LL. “Pollution condition”** means:

- 1.** “Illicit abandonment”; or
- 2.** The discharge, dispersal, release, escape, migration, or seepage of any solid, liquid, gaseous or thermal irritant, contaminant, or pollutant, including soil, silt, sedimentation, smoke, soot, vapors, fumes, acids, alkalis, chemicals, electromagnetic fields (EMFs), hazardous substances, hazardous materials, waste

materials, “low-level radioactive waste”, “mixed waste” and medical, red bag, infectious or pathological wastes, on, in, into, or upon land and structures thereupon, the atmosphere, surface water, or groundwater.

**MM. “Property damage”** means:

1. Physical injury to, or destruction of, tangible property of a third-party, including all resulting loss of use of that property;
2. Loss of use of tangible property of a third-party, that is not physically injured or destroyed;
3. Diminished value of tangible property owned by a third-party; or
4. “Natural resource damages”.

“Property damage” does not mean “remediation costs”.

**NN. “Remediation costs”** means expenses incurred to investigate, quantify, monitor, remove, dispose, treat, neutralize, or immobilize “pollution conditions” or “indoor environmental conditions” to the extent required by “environmental law” in the jurisdiction of such “pollution conditions” or “indoor environmental conditions”.

**OO. “Rental income”** means the actual rental fees lost as a result of a “suspension” of a rented “covered location”.

**PP. “Responsible person”** means any employee of an “insured” responsible for environmental affairs, control, or compliance at a “covered location”, or any “key executive” of, officer or director of, or partner in, an “insured”.

**QQ. “Self-insured retention”** means the largest applicable dollar amount among triggered coverage parts identified in Item 4. of the Declarations to this Policy, or as otherwise designated by endorsement to this Policy, if any.

**RR. “Suspension”** means that part of, or all of, a rented “covered location” is rendered untenable for the purposes identified to the Insurer prior to the inception date of this Policy due to a “pollution condition” or “indoor environmental condition”.

**SS. “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 a 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.

**TT. “Transportation”** means the movement of an “insured’s” waste, materials, goods or products to or from a “covered location” by automobile, aircraft, watercraft, railcar or other conveyance, including any associated loading or unloading thereof, by an “insured”, or any third-party vendor engaged by an “insured” in the business of transporting property for hire, provided that any such movement, and associated loading and unloading activities, are performed beyond the boundaries of a “covered location”.

**UU. “Underground storage tank”** means any tank and associated piping and appurtenances connected thereto which tank has more than ten percent (10%) of its volume below ground.

“Underground storage tank” does not mean:

1. Any flow-through process tank, including, but not limited to, a septic tank, oil/water separator, sump, or any stormwater or wastewater collection/treatment vessel or system; or
2. Any tank that is located below ground, provided that such tank is located on or above the floor of a basement of a building or on or above the floor of any shaft or tunnel.

**VV. “War”** means war, whether or not declared, civil war, martial law, insurrection, revolution, invasion, bombardment or any use of military force, usurped power or confiscation, nationalization or damage of property by any government, military or other authority.

## VI. EXCLUSIONS

This insurance shall not apply to:

### A. Asbestos

“Loss” arising out of or related to asbestos or asbestos-containing materials.

This exclusion shall not apply to:

1. Monetary judgments, awards or settlements of compensatory damages resulting from “bodily injury” or “property damage”, or any associated “extra damages” or “legal defense expenses”;
2. Monetary judgments, awards or settlements of compensatory damages resulting from “remediation costs”, or any associated “extra damages” or “legal defense expense”, arising out of asbestos or asbestos-containing materials discovered in soil or groundwater; and
3. “First-party remediation costs”, “emergency response costs”, “catastrophe management costs” or “business interruption loss”, or any associated “legal defense expense”, resulting from “first-party claims” arising out of asbestos or asbestos-containing materials discovered in soil or groundwater.

### B. Contractual Liability

“Loss” arising out of or related to liability of others assumed by any “insured” through contract or agreement, except if the liability would have attached to the “insured” in the absence of such contract or agreement.

This exclusion shall not apply to “environmental indemnity obligations”.

### C. Criminal Fines and Criminal Penalties

“Loss” arising out of or related to criminal fines, criminal penalties or criminal assessments.

### D. Divested Property

“Loss” arising out of or related to a “pollution condition” on, at, under or migrating from, or “indoor environmental condition” at, any “covered location”:

1. That had been sold, abandoned, or given away by any “insured”, or was condemned (collectively hereinafter Divested), prior to the “policy period”; or
2. When such “pollution condition” or “indoor environmental condition” first commenced after the “covered location” had been Divested.

This exclusion shall not apply to any “pollution conditions” or “indoor environmental conditions” that first commenced, in whole or in part, prior to the effective date that any such “covered location” was Divested as identified on the Divested Properties Coverage Endorsement attached to this Policy, if any.

### E. Employers Liability

“Claims” arising out of or related to “bodily injury” to:

1. Any “insured” or any employee of its parent corporation, subsidiary or affiliate:
  - a. Arising out of, or in the course of, employment by any “insured”, its parent corporation, subsidiary or affiliate; or
  - b. Performing duties related to the conduct of the business of any “insured”, its parent corporation, subsidiary or affiliate.
2. The spouse, child, parent, brother or sister of any “insured” or employee of its parent corporation, subsidiary or affiliate as a consequence of Paragraph 1., above.

This exclusion applies:

1. Whether any “insured” may be liable as an employer or in any other capacity; and
2. To any obligation to share damages with or repay someone else who must pay damages because of such “bodily injury”.

## **F. First-Party Property Damage**

“Loss” arising out of or related to damage to real or personal property owned by, leased to, loaned to, or rented by any “insured”, or otherwise in the care, custody, or control of any “insured”.

This exclusion shall not apply to “first-party remediation costs”, “emergency response costs”, “business interruption loss” and “catastrophe management costs”.

## **G. Fraud or Misrepresentation**

“Loss” arising out of or related to:

1. Fraudulent acts or material misrepresentations on the part of the “first named insured” made:
  - a. Within an Application to this Policy; or
  - b. During the Application or underwriting process prior to the inception date of this Policy, which would have affected the Insurer’s decision to either issue this Policy, or issue this Policy and its endorsements pursuant to the financial terms identified in the Declarations to this Policy; or
2. Fraudulent acts or material misrepresentations on the part of any “responsible person” during the “policy period”.

## **H. Insured’s Internal Expenses**

“Loss” arising out of or related to expenses incurred by any “insured” for services performed by its salaried staff and any employees.

This exclusion shall not apply to:

1. “Emergency response costs”, along with any associated “catastrophe management costs” incurred during that same seven (7) day period; or
2. Any other costs, charges or expenses incurred with the prior approval of the Insurer at its sole discretion.

## **I. Insured vs. Insured**

“Claims” made by any “insured” against any other “insured”.

This exclusion shall not apply to:

1. “Claims” initiated by third-parties, including cross claims, counterclaims or claims for contribution by such parties against any “insured”; or
2. “Claims” that arise out of an indemnification provided by one “insured” to another “insured” in an “environmental indemnity obligation”.

## **J. Intentional Non-Compliance**

“Loss” arising out of or related to the intentional disregard of, or knowing, willful, or deliberate non-compliance with, any law, statute, regulation, administrative complaint, notice of violation, notice letter, instruction of any governmental agency or body, or any executive, judicial or administrative order, by, or at the direction of, any “responsible person”.

## **K. Known Conditions**

“Loss” arising out of or related to “pollution conditions” or “indoor environmental conditions” in existence and reported to a “responsible person”:

1. Prior to the “policy period”; or,
2. Solely with respect to “covered locations” added to this Policy during the period of time specifically identified in Item 2. of the Declarations to the Policy, if any, prior to the effective date of coverage for such “covered location”,

and not affirmatively disclosed to the Insurer in an Application or supplemental underwriting materials provided to the Insurer to secure coverage for such “covered location” pursuant to this Policy.

## **L. Lead-Based Paint**

“Loss” arising out of or related to lead-based paint.

This exclusion shall not apply to:

1. Monetary judgments, awards or settlements of compensatory damages resulting from “bodily injury” or “property damage”, or any associated “extra damages” or “legal defense expenses”;
2. Monetary judgments, awards or settlements of compensatory damages resulting from “remediation costs”, or any associated “extra damages” or “legal defense expenses”, arising out of lead-based paint discovered in soil or groundwater; and
3. “First-party remediation costs”, “emergency response costs”, “catastrophe management costs” or “business interruption loss”, or any associated “legal defense expense”, resulting from “first-party claims” arising out of lead-based paint discovered in soil or groundwater.

**M. Material Change in Risk**

“Loss” arising out of or related to a change in the use or operations at a “covered location” that materially increases the likelihood or severity of a “pollution condition”, “indoor environmental condition”, “claim” or “first-party claim” from the intended uses or operations identified:

1. By the “first named insured” for the Insurer in an Application or supplemental underwriting materials provided prior to the effective date of coverage for such “covered location”, if any; or
2. Solely with respect to “covered locations” added to the Policy pursuant to an Automatic Acquisition and Due Diligence Endorsement attached to this Policy, if any, as part of the due diligence materials and supplemental underwriting materials provided to the Insurer as part of the notice required pursuant to that endorsement, if any.

This exclusion shall only apply to the “covered location” associated with the change in use or operations and shall not limit coverage for other “covered locations” to which this insurance applies.

**N. Non-Owned Disposal Sites**

“Loss” arising out of or related to “pollution conditions” on, at, under or migrating from any treatment, storage, disposal, transfer or recycling site or facility that is not a “non-owned disposal site”.

**O. Underground Storage Tanks**

“Loss” arising out of or related to “pollution conditions” emanating from an “underground storage tank” located at a “covered location”, when the existence of such “underground storage tank” was known to a “responsible person”:

1. Prior to the “policy period”; or,
2. Solely with respect to “underground storage tanks” situated at “covered locations” added to this Policy during the “policy period”, prior to the effective date of coverage for such “covered location”.

This exclusion shall not apply to any “underground storage tank” that:

1. Is identified on the Schedule of Underground Storage Tanks Endorsement or Schedule of Covered Storage Tanks (Financial Responsibility) Endorsement attached to this Policy, if any; or
2. Has been removed or closed-in-place prior to the inception date of this Policy and such removal or closure was conducted in accordance with “environmental law”.

**P. Vehicle Damage**

“Claims” or associated “legal defense expense” for “property damage” to any automobile, aircraft, watercraft, railcar or other conveyance utilized for “transportation”.

**Q. War or Terrorism**

“Loss” arising out of or related to “pollution conditions” or “indoor environmental conditions” attributable, whether directly or indirectly, to any acts that involve, or that involve preparation for, “war” or “terrorism” regardless of any other cause or event that contributes concurrently or in any sequence to the injury or damage.

**R. Workers’ Compensation**

“Loss” arising out of or related to any obligation of any “insured” pursuant to the Jones Act or any workers’ compensation, unemployment compensation, or disability benefits law or related laws.

**VII. REPORTING AND COOPERATION**



- A. Without limiting the specific requirements contained in any Insuring Agreement or any other exposure-specific reporting requirements contained within this Policy, the “insured” shall also see to it that the Insurer receives notice of any “claim” or “first-party claim”, as soon as practicable, by one or more of the following:
1. Provide written notice to the address, fax number, or email address identified in Item **8.a.** of the Declarations to this Policy; or
  2. Provide verbal or electronic notice utilizing the **Environmental Incident Alert 24-hour Emergency Response and Incident Reporting System** by calling the telephone number identified in Item **8.** of the Declarations to this Policy or by using the associated telephone web application, respectively.

Such notice should include reasonably detailed information as to:

1. The identity of the “insured”, including contact information for an appropriate person to contact regarding the handling of the “claim” or “first-party claim”;
  2. The identity of the “covered location”;
  3. The nature of the “claim” or “first-party claim”; and
  4. Any steps undertaken by the “insured” to respond to the “claim” or “first-party claim”.
- B. The “insured” must:
1. As soon as practicable, send the Insurer copies of any demands, notices, summonses or legal papers received in connection with any “claim”;
  2. Authorize the Insurer to obtain records and other information;
  3. Cooperate with the Insurer in the investigation, settlement or defense of the “claim”;
  4. Assist the Insurer, upon the Insurer’s request, in the enforcement of any right against any person or organization which may be liable to the “insured” because of “loss” to which this Policy may apply; and
  5. Provide the Insurer with such information and cooperation as it may reasonably require.
- C. No “insured” shall make or authorize an admission of liability or attempt to settle or otherwise dispose of any “claim”, without the written consent of the Insurer. Nor shall any “insured” retain any consultants or “catastrophe management firms”, or incur any “first-party remediation costs” or “catastrophe management costs” with respect to a “first-party claim”, without the prior consent of the Insurer, except for “emergency response costs”.
- D. Upon the discovery of a “pollution condition” or “indoor environmental condition”, the “insured” shall make every attempt to mitigate any loss and comply with applicable “environmental law”. The Insurer shall have the right, but not the duty, to mitigate such “pollution conditions” or “indoor environmental condition” if, in the sole judgment of the Insurer, the “insured” fails to take reasonable steps to do so. In that event, any “remediation costs” or “catastrophe management costs” incurred by the Insurer shall be deemed incurred by the “insured”, and shall be subject to the “self-insured retention” and Limits of Liability identified in the Declarations to this Policy.

For the purposes of fulfilling the notice requirements contained in the Insuring Agreements to this Policy, notice supplied pursuant to one or more of the verbal or electronic notice mechanisms specifically contemplated in Subsection **A.**, above, or on the Declarations, shall constitute written notice to the Insurer.

## VIII. EXTENDED REPORTING PERIOD

- A. Provided the “first named insured” has not purchased any other insurance to replace this Policy, the “first named insured” shall be entitled to a basic “extended reporting period”, and may purchase an optional supplemental “extended reporting period”, following Cancellation, as described in Subsection **A.**, Paragraph **1.** of Section **IX.**, **GENERAL CONDITIONS**, or nonrenewal of this Policy, in accordance with the terms and conditions described in Subsections **B.** through **D.**, below.
- B. “Extended reporting periods” shall not reinstate or increase any of the Limits of Liability. “Extended reporting periods” shall not extend the “policy period” or change the scope of coverage provided. A “claim” first made against an “insured” and reported to the Insurer within the basic “extended reporting period” or supplemental “extended reporting period”, whichever is applicable, shall be deemed to have been made and reported on the last day of the “policy period”. In addition, if an “insured” first discovers a “pollution condition” or “indoor environmental condition” during the “policy period” and reports such “first-party claim” to the Insurer within the basic “extended reporting period” or supplemental “extended reporting period”, whichever is applicable, the

such “first-party claim” shall also be deemed to have been first discovered and reported on the last day of the “policy period”.

- C. The “first named insured” shall have a ninety (90) day basic “extended reporting period” without additional charge.
- D. The “first named insured” shall also be entitled to purchase a supplemental “extended reporting period” of up to thirty-three (33) months for not more than two hundred percent (200%) of the full premium identified in Item 6. of the Declarations to this Policy, and any additional premiums resulting from coverage added during the “policy period”. Such supplemental “extended reporting period” starts when the basic “extended reporting period” ends. The Insurer shall issue an endorsement providing a supplemental “extended reporting period” provided that the “first named insured”:
  - 1. Makes a written request, to the address identified in Item 8.b. of the Declarations to this Policy, for such endorsement which the Insurer receives prior to the expiration of the “policy period”; and
  - 2. Pays the additional premium when due. If that additional premium is paid when due, the supplemental “extended reporting period” may not be cancelled, provided that all other terms and conditions of the Policy are met.

## IX. GENERAL CONDITIONS

### A. Cancellation

- 1. This Policy may be cancelled only by the “first named insured”, or through the “first named insured’s” agent, by mailing to the Insurer at the address identified in Item 8.b. of the Declarations to this Policy, written notice stating when such cancellation shall be effective.
- 2. This Policy may be cancelled by the Insurer for the following reasons:
  - a. Non-payment of premium; or
  - b. Fraud or material misrepresentation on the part of any “insured”,  
by mailing to the “first named insured” at the “first named insured’s” last known address, written notice stating when, not less than sixty (60) days thereafter, fifteen (15) days if cancellation is for non-payment of any unpaid portion of the premium, such cancellation shall be effective. The mailing of notice shall be sufficient proof of notice. The effective date and hour of cancellation stated in the notice shall be the end of the “policy period”.  
Subparagraph 2.b., herein, shall apply only to that “insured” that engages in the fraud or misrepresentation. This exception shall not apply to any “insured” that is a parent corporation, subsidiary, employer of, or otherwise affiliated by ownership with, such “insured”.
- 3. In the event of cancellation, the premium percentage identified in Item 6. of the Declarations to this Policy shall be the minimum-earned premium upon the inception date of this Policy. Thereafter, the remaining unearned premium, if any, shall be deemed earned by the Insurer on a *pro rata* basis over the remainder of the “policy period”. Any unearned premium amounts due the “first named insured” upon cancellation of this Policy shall be calculated on a *pro rata* basis and refunded within thirty (30) days of the effective date of cancellation.

### B. Inspection and Audit

To the extent of the “insured’s” ability to provide such access, and with reasonable notice to the “insured”, the Insurer shall be permitted, but not obligated, to inspect and sample the “covered locations”. The “insured” shall have the concurrent right to collect split samples. Neither the Insurer’s right to make inspections, the making of said inspections, nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of the “insured” or others, to determine or warrant that such property or operations are safe or in compliance with “environmental law”, or any other law.

The Insurer may examine and audit the “insured’s” books and records during this “policy period” and extensions thereof and within three (3) years after the final termination of this Policy.

### C. Legal Action Against the Insurer

No person or organization other than an “insured” has a right pursuant to this Policy:

- 1. To join the Insurer as a party or otherwise bring the Insurer into a suit against any “insured”; or

2. To sue the Insurer in connection with this insurance unless all of the Policy terms have been fully complied with.

A person or organization may sue the Insurer to recover after an agreed settlement or on a final judgment against an “insured”. However, the Insurer shall not be liable for amounts that are not payable pursuant to the terms of this Policy or that are in excess of the applicable Limit of Liability. An agreed settlement means a settlement and release of liability signed by the Insurer, the “insured”, and the claimant or the claimant’s legal representative.

#### **D. Bankruptcy**

The insolvency or bankruptcy of any “insured”, or any “insured’s” estate, shall not relieve the Insurer of its obligations pursuant to this Policy. However, any such insolvency or bankruptcy of the “insured”, or the “insured’s” estate, shall not relieve the “insured” of its “self-insured retention” or deductible period obligations pursuant to this Policy. This insurance shall not replace any other insurance to which this Policy is excess, nor shall this Policy drop down to be primary, in the event of the insolvency or bankruptcy of any underlying insurer.

#### **E. Subrogation**

In the event of any payment pursuant to this Policy by the Insurer, the Insurer shall be subrogated to all of the rights of recovery against any person or organization, and the “insured” shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. All “insureds” shall do nothing to prejudice such rights. Any recovery as a result of subrogation proceedings arising pursuant to this Policy shall accrue first to the “insureds” to the extent of any payments in excess of the limit of coverage; then to the Insurer to the extent of its payment pursuant to the Policy; and then to the “insured” to the extent of the “self-insured retention”. Expenses incurred in such subrogation proceedings shall 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.

#### **F. Representations**

By accepting this Policy, the “first named insured” agrees that:

1. The statements in the Declarations, schedules and endorsements to, and Application for, this Policy are accurate and complete;
2. Those statements and representations constitute warranties that the “first named insured” made to the Insurer; and
3. This Policy has been issued in reliance upon the “first named insured’s” warranties.

#### **G. Separation of Insureds**

Except with respect to the Limits of Liability, Cancellation condition **2.a.**, and any applicable exclusions, this Policy applies:

1. As if each “named insured” were the only “insured”; and
2. Separately to each “named insured” against whom a “claim” is made,

and any fraud, misrepresentation, breach of a condition or violation of any duty (hereinafter Breach) by an “insured” shall not prejudice coverage for any “named insured” pursuant to this Policy, provided that: **1)** such “named insured” did not participate in, know of or assist in such Breach; and **2)** such “named insured” is not a parent, subsidiary, partner, member, director, officer of, employer of or otherwise affiliated with, the “insured” that committed such Breach.

#### **H. Other Insurance**

If other valid and collectible insurance is available to any “insured” covering “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 shall apply in excess of and shall not contribute with such other insurance.

#### **I. Changes and Assignment**

Notice to or knowledge possessed by any person shall not effect waiver or change in any part of this Policy or estop the Insurer from asserting any right pursuant to the terms of this Policy. The terms, definitions, conditions, exclusions and limitations of this Policy shall not be waived or changed, and no assignment of any interest in this Policy shall bind the Insurer, except as provided by endorsement and attached to this Policy.

#### **J. Headings**

The descriptions in the headings and sub-headings of this Policy are inserted solely for convenience and do not constitute any part of the terms or conditions hereof.

**K. Consent**

Where the consent of the Insurer, or an “insured”, is required pursuant to this Policy, such consent shall not be unreasonably withheld, delayed, conditioned, or denied.

## SCHEDULE OF NAMED INSUREDS ENDORSEMENT

Named Insured APIP Cyber and Pollution Programs, Inc			Endorsement Number 1
Policy Symbol PPL	Policy Number G24544837 008	Policy Period 07/01/2018 to 07/01/2019	Effective Date of Endorsement 07/01/2018
Issued By (Name of Insurance Company) Illinois Union Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

### THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The “insured” and the Insurer hereby agree to the following changes to this Policy:

The persons or entities identified in the Schedule of Named Insureds, below, are “named insureds” pursuant to this Policy.

#### Schedule of Named Insureds

1.	Alaska Municipal League / Joint Insurance Association - City of Fairbanks
2.	Central San Joaquin Valley Risk Management Authority
3.	City of Cathedral City
4.	City of Fontana
5.	City of Newport Beach
6.	City of Oxnard
7.	City of Pomona
8.	City of Riverside
9.	City of San Buenaventura
10.	City of Santa Clara
11.	City of South Bend and Any Subsidiary
12.	City of Tucson
13.	City of Victorville
14.	City/County Capital Improvements & Financial Agency, a JPA
15.	Crawford County
16.	Miami Valley Risk Management Association (MVRMA)
17.	Monterey Bay Area Self Insurance Authority
18.	Reno Sparks Convention & Visitors Authority
19.	CITY OF GLENDALE, Arizona
20.	City and Borough of Juneau
21.	City of Carlsbad
22.	City of Corona
23.	City of Merced
24.	City of Monterey

25.	City of Ontario
26.	City of Palo Alto
27.	City of Santa Ana
28.	City of Santa Barbara
29.	City of Santa Cruz
30.	City of Simi Valley
31.	City of Sparks
32.	City of Tacoma
33.	City of Torrance
34.	Exclusive Risk Management Authority of California (ERMAC)
35.	Municipal Pooling Authority
36.	The Exploratorium
37.	Town of Groton
38.	Alaska Municipal League / Joint Insurance Association
39.	Carson City Consolidated Municipality
40.	City of Anaheim
41.	City of El Cajon
42.	City of Medford
43.	City of Mountain View
44.	City of New Britain
45.	City of Thousand Oaks
46.	Public Agency Risk Sharing Authority of California (PARSAC)
47.	Town of North Haven & Board of Education
48.	ABAG Plan Corporation
49.	Bay Cities Joint Powers Insurance Authority (BCJPIA)
50.	City of Anderson
51.	City of Bell
52.	City of Bellingham
53.	City of Belmont
54.	City of Carson
55.	City of Champaign
56.	City of Clarksville and Clarksville Gas and Water Department
57.	City of Eugene
58.	City of Galesburg
59.	City of Garden Grove
60.	City of Hanford
61.	City of Hillsboro
62.	City of Hoover Alabama
63.	City of LaGrange
64.	City of Lancaster
65.	City of Long Beach
66.	City of Lynnwood

67.	City of Montebello
68.	City of North Las Vegas
69.	City of Peoria
70.	City of Redlands, CA
71.	City of Reno / Reno Redevelopment Agency
72.	City of Renton
73.	City of Sacramento
74.	City of Salem
75.	City of Salinas
76.	City of San Mateo
77.	City of SeaTac
78.	City of Siloam Springs
79.	City of West Covina
80.	Minnesota Association of Townships Insurance Trust
81.	Northern California Cities Self Insurance Fund
82.	Small Cities Organized Risk Effort
83.	Village of Alsip
84.	Babson College
85.	California State University Risk Management Authority - AORMA
86.	California State University Risk Management Authority - Campuses
87.	Casper Community College
88.	Endicott College and its Trustees
89.	Missouri Valley College
90.	Portland Community College District
91.	University of Arkansas at Fort Smith
92.	University of Bridgeport
93.	Aquarium of the Pacific
94.	Bay Area Air Quality Management District
95.	California Association for Park and Recreation Indemnity
96.	California Fair Services Authority
97.	Capitol Area Development Authority
98.	Central Utah Water Conservancy District
99.	Chemical Heritage Foundation
100.	Community Development Commission of the County of Los Angeles
101.	DPMI, Inc., City of Cedar Rapids c/o Park Cedar Rapids
102.	Detroit Regional Convention Facility Authority
103.	Enduris - HPR Properties
104.	Enduris Non - HPR Properties
105.	Harristown Development Corporation
106.	Little Rock Advertising and Promotion Commission

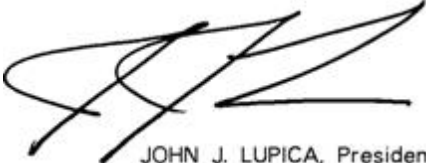
107.	Monterey Bay Unified Air Pollution Control District
108.	Monterey Salinas Transit District
109.	North County Transit District
110.	Regional Transportation Commission of Southern Nevada
111.	Sacramento Public Library
112.	Santa Barbara County Air Pollution Control District
113.	South Coast Air Quality Management District
114.	Special District Risk Management Authority (SDRMA)
115.	Transportation Corridor Agencies of Orange County
116.	Vector Control Joint Powers Agency (VCJPA)
117.	Veterans Memorial Commission
118.	California Joint Powers Risk Management Authority
119.	Delaware Valley Insurance Trust
120.	New Hampshire Public Risk Management Exchange
121.	Public Entity Risk Management Authority
122.	Utah Local Government Trust
123.	Board of County Commissioners of the County of St. Joseph
124.	County of Will
125.	Douglas County
126.	Douglas County Nebraska
127.	Elkhart County Board of Commissioners
128.	Harford County Maryland
129.	Lenoir County
130.	Macon - Bibb County Government
131.	Marion County
132.	State of Wyoming
133.	Sumner County
134.	Dallas Theological Seminary
135.	Maine School Management Association (MSMA)
136.	School District of Kansas City, Missouri
137.	South Bay Area Schools Insurance Authority
138.	Torrance Unified School District
139.	Des Moines Independent Community School District
140.	Los Angeles County Office of Education
141.	Montana Schools Group Insurance Authority-School Leaders Property and Liability Self Insurance Pool
142.	San Mateo County Schools Insurance Group



143.	Bentonville School District
144.	California Risk Management Authority (CRMA)
145.	Clarksville Montgomery County School System
146.	Lawton Board of Education ISD #8
147.	Phillips Exeter Academy
148.	Saint Mary's School
149.	San Diego Unified School District
150.	School Excess Liability Joint Insurance Fund
151.	The School District for the City of Independence, MO
152.	Washoe County School District
153.	Oklahoma Schools Insurance Group
154.	Cairn University
155.	California Western School of Law
156.	Calvary University
157.	Faulkner University
158.	Five Colleges, Incorporated
159.	Howard Payne University
160.	John Brown University
161.	Lewis & Clark Community College
162.	Linfield College
163.	Linn Benton Community College
164.	Northern Wyoming Community College District dba
165.	Ouachita Baptist University
166.	Rosemont College of the Holy Child Jesus
167.	Southwestern Assemblies of God University
168.	The Community College of Baltimore County
169.	University of California Hastings College of Law
170.	City of Naperville
171.	City of Santa Monica
172.	Metro
173.	Rhode Island Interlocal Risk Management Trust
174.	Allen County Board of Commissioners
175.	Douglas County, CO
176.	Kitsap County
177.	Madison County Commission
178.	Polk County
179.	Sampson County
180.	Sedgwick County
181.	South Carolina Counties Property & Liability Trust
182.	State of Michigan

183.	Town and County of Nantucket etal
184.	Washoe County
185.	Wyoming Association of Risk Management Property Insurance Joint Powers Board (WARM)
186.	New Mexico Public Schools Insurance Authority
187.	Northfield Mount Hermon School
188.	Pike County Board of Education
189.	School District No. 1J, Multnomah County, Oregon, aka Portland Public Schools
190.	City of Riverside - Power Plants
191.	City of Santa Clara - Power Plants
192.	Boston Water & Sewer Commission (BWSC)
193.	California Sanitation Risk Management Authority (CSRMA)
194.	City of Waterbury Water and Sewer
195.	District of Columbia Water & Sewer Authority
196.	Freeport Regional Water Authority
197.	Greater Peoria Sanitary and Sewage Disposal
198.	Lakehaven Water & Sewer District
199.	Modesto Irrigation District
200.	Orange County Sanitation District (OCSD)
201.	Rock River Water Reclamation District
202.	San Bernardino Valley Municipal Water District
203.	Water & Sewer Authority of Cabarrus County
204.	Water & Sewer Risk Management Pool
205.	Western Placer Waste Management Authority

All other terms and conditions of this Policy remain unchanged.



JOHN J. LUPICA, President  
 Authorized Representative

**SCHEDULE OF ADDITIONAL INSUREDS (BROAD – WITH BY CONTRACT)  
ENDORSEMENT**

Named Insured APIP Cyber and Pollution Programs, Inc			Endorsement Number 2
Policy Symbol PPL	Policy Number G24544837 008	Policy Period 07/01/2018 to 07/01/2019	Effective Date of Endorsement 07/01/2018
Issued By (Name of Insurance Company) Illinois Union Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

The “insured” and the Insurer hereby agree to the following changes to this Policy:

The persons or entities within the scope of the description contained in the Schedule of Additional Insureds, below, are “additional insureds” pursuant to this Policy, but solely with respect to their vicarious liability arising out of any “named insured’s” direct liability for a “pollution condition” on, at, under or migrating from, or an “indoor environmental condition” at, a “covered location” to which this insurance applies.

**Schedule of Additional Insureds**

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 hereafter 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.

All other terms and conditions of this Policy remain unchanged.



JOHN J. LUPICA, President  
Authorized Representative

**ASBESTOS AND/OR LEAD-BASED PAINT COVERAGE (INADVERTENT  
DISTURBANCE) ENDORSEMENT**

Named Insured APIP Cyber and Pollution Programs, Inc			Endorsement Number 3
Policy Symbol PPL	Policy Number G24544837 008	Policy Period 07/01/2018 to 07/01/2019	Effective Date of Endorsement 07/01/2018
Issued By (Name of Insurance Company) Illinois Union Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

Solely to the extent that there is an X indicated in either Section I. or Section II. of this Endorsement, below, the “insured” and the Insurer hereby agree to the following corresponding changes to this Policy:

I.  Section VI., **EXCLUSIONS**, Subsection A., **Asbestos**, of this Policy is hereby deleted in its entirety and replaced with the following:

**A. Asbestos**

“Loss” arising out of or related to asbestos or asbestos-containing materials.

This exclusion shall not apply to:

1. Monetary judgments, awards or settlements of compensatory damages resulting from “bodily injury” or “property damage”, or any associated “extra damages” or “legal defense expenses”;
2. Monetary judgments, awards or settlements of compensatory damages resulting from “remediation costs”, or any associated “extra damages” or “legal defense expense”, arising out of asbestos or asbestos-containing materials discovered in soil or groundwater;
3. “First-party remediation costs”, “emergency response costs”, “catastrophe management costs” or “business interruption loss”, or any associated “legal defense expense”, resulting from “first-party claims” arising out of asbestos or asbestos-containing materials discovered in soil or groundwater; and
4. “First-party remediation costs” and “emergency response costs”, arising out of asbestos or asbestos-containing material, provided such “remediation costs” are the result of a “pollution condition” that:
  - a. First commence, in their entirety, during the “policy period” or within six (6) calendar days preceding the “policy period”;
  - b. Do not arise out of or relate to any “pollution conditions” which existed, in whole or in part, prior to ;
  - c. Are unintended and unexpected from the standpoint of the “insured”;
  - d. Are sudden, direct, and immediate;
  - e. Are first discovered by the “insured” within seven (7) calendar days of commencement and during the “policy period”; and
  - f. Are reported to the Insurer within twenty-one (21) calendar days following the discovery of such “pollution conditions” by the “insured”.

Notwithstanding any reporting obligations contained in Section I., **INSURING AGREEMENTS**, or Section VII., **REPORTING AND COOPERATION**, of this Policy, generally, it is a condition precedent to coverage pursuant to this Exception 4. that the “insured” also provide conclusive documentation of strict compliance with requirements a. through f.

above, regardless of whether the Insurer was prejudiced by the failure to meet these requirements.

Notwithstanding anything stated in this Exception 4., above, coverage is not afforded pursuant to this Policy for any “first-party remediation costs” arising out of or related to asbestos or asbestos-containing material abatement, removal, or disposal, resulting from, in whole or in part, the maintenance, renovation, or physical improvement of a “covered location” where asbestos or asbestos-containing material was known to be present by a “responsible person”.

II.  Section VI., **EXCLUSIONS**, Subsection L., **Lead-Based Paint**, of this Policy is hereby deleted in its entirety and replaced with the following:

**L. Lead-Based Paint**

“Loss” arising out of or related to lead-based paint.

This exclusion shall not apply to:

1. Monetary judgments, awards or settlements of compensatory damages resulting from “bodily injury” or “property damage”, or any associated “extra damages” or “legal defense
2. Monetary judgments, awards or settlements of compensatory damages resulting from “remediation costs”, or any associated “extra damages” or “legal defense expense”, arising out of lead-based paint materials discovered in soil or groundwater;
3. “First-party remediation costs”, “emergency response costs”, “catastrophe management costs” or “business interruption loss”, or any associated “legal defense expense”, resulting from “first-party claims” arising out of lead-based paint discovered in soil or groundwater; and
4. “First-party remediation costs” and “emergency response costs”, arising out of lead-based paint, provided such “remediation costs” are the result of a “pollution condition” that:
  - a. First commence, in their entirety, during the “policy period” or within six (6) calendar days preceding the “policy period”;
  - b. Do not arise out of or relate to any “pollution conditions” which existed, in whole or in part, prior to ;
  - c. Are unintended and unexpected from the standpoint of the “insured”;
  - d. Are sudden, direct, and immediate;
  - e. Are first discovered by the “insured” within seven (7) calendar days of commencement and during the “policy period”; and
  - f. Are reported to the Insurer within twenty-one (21) calendar days following the discovery of such “pollution conditions” by the “insured”.

Notwithstanding any reporting obligations contained in Section I., INSURING AGREEMENTS, or Section VII., REPORTING AND COOPERATION, of this Policy, generally, it is a condition precedent to coverage pursuant to this Exception 4. that the “insured” also provide conclusive documentation of strict compliance with requirements a. through f., above, regardless of whether the Insurer was prejudiced by the failure to meet these requirements.

Notwithstanding anything stated in this Exception 4., above, coverage is not afforded pursuant to this Policy for any “first-party remediation costs” arising out of or related to lead-based paint abatement, removal, or disposal, resulting from, in whole or in part, the maintenance, renovation, or physical improvement of a “covered location” where lead-based paint was known to be present by a “responsible person”.


**III. Sublimits of Liability** ( Not applicable if **X** indicated herein)

**Per Asbestos/Lead Condition Sublimit of Liability: \$**

**Aggregate Asbestos/Lead Conditions Sublimit of Liability: \$**

The amount that the Insurer shall pay pursuant to this Policy for the coverage afforded pursuant to Exception **4.**, of each exclusion above (as applicable) is subject to the Per Asbestos/Lead Condition Sublimit of Liability and Aggregate Asbestos/Lead Conditions Sublimit of Liability identified above. These Sublimits of Liability shall be subject to, and payments made within these Sublimits of Liability shall erode, the Limits of Liability identified in Item **3.** of the Declarations to this Policy, along with any other applicable exposure-specific Limits or Sublimits of Liability added by endorsement hereto. Under no circumstance shall the Insurer be liable to pay any amount in excess of any applicable Limit or Sublimit of Liability.

All other terms and conditions of this Policy remain unchanged.



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JOHN J. LUPICA, President  
Authorized Representative

**SCHEDULE OF COVERED LOCATIONS (AP) ENDORSEMENT**

Named Insured APIP Cyber and Pollution Programs, Inc			Endorsement Number 4
Policy Symbol PPL	Policy Number G24544837 008	Policy Period 07/01/2018 to 07/01/2019	Effective Date of Endorsement 07/01/2018
Issued By (Name of Insurance Company) Illinois Union Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

Premium increase/(reduction) \$ N/A

In consideration of the indicated adjustment of premium identified above, the “insured” and the Insurer hereby agree to the following changes to this Policy:

The locations identified in the Schedule of Covered Locations, below, are hereby added to this Policy as additional “covered locations”.

**SCHEDULE OF COVERED LOCATIONS**

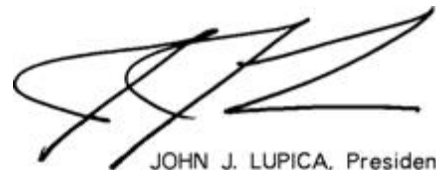
Location

Retroactive Date

1. 23 mile SARI line owned by the Orange County Sanitation District

If a “covered location”, above, is identified with a corresponding Retroactive Date, then that date shall supersede the general Retroactive Date identified for premises coverage afforded pursuant to Coverage **A.** within Item **5.** of the Declarations to this Policy for “pollution conditions” on, at under or migrating from, or “indoor environmental conditions” at, that specific “covered location”. Also, if a “covered location”, above, is identified with the phrase “**FULL RETRO**”, then full retroactive coverage is afforded pursuant to this Policy for “pollution conditions” on, at under or migrating from, or “indoor environmental conditions” at, that specific “covered location”. Notwithstanding the foregoing, any retroactive coverage indicated herein is subject to any other exposure-specific Retroactive Date added to this Policy by endorsement.

All other terms and conditions of this Policy remain unchanged.



JOHN J. LUPICA, President  
Authorized Representative

**NOTICE OF CANCELLATION AMENDATORY (GENERIC TIME FRAME) ENDORSEMENT**

Named Insured APIP Cyber and Pollution Programs, Inc			Endorsement Number 5
Policy Symbol PPL	Policy Number G24544837 008	Policy Period 07/01/2018 to 07/01/2019	Effective Date of Endorsement 07/01/2018
Issued By (Name of Insurance Company) Illinois Union Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

The “insured” and the Insurer hereby agree to the following changes to this Policy:

Section **IX.**, **GENERAL CONDITIONS**, Subsection **A.**, **Cancellation**, Paragraph **2.**, of this Policy is hereby deleted in its entirety and replaced with the following:

**2.** This Policy may be cancelled by the Insurer for the following reasons:

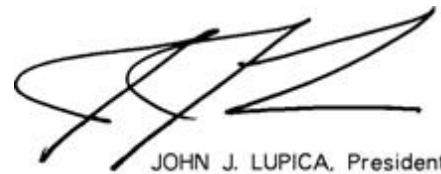
**a.** Non-payment of premium; or

**b.** Fraud or material misrepresentation on the part of any “insured”,

by mailing to the “first named insured” at the “first named insured’s” last known address, written notice stating when, not less than ninety (90) days thereafter, fifteen (15) days if cancellation is for non-payment of any unpaid portion of the premium, such cancellation shall be effective. The mailing of notice shall be sufficient proof of notice. The effective date and hour of cancellation stated in the notice shall be the end of the “policy period”.

Subparagraph **2.b.**, herein, shall apply only to that “insured” that engages in the fraud or misrepresentation. This exception shall not apply to any “insured” who is a parent corporation, subsidiary, employer of, or otherwise affiliated by ownership with, such “insured”.

All other terms and conditions of the Policy remain unchanged.



JOHN J. LUPICA, President  
Authorized Representative



**SELF-INSURED RETENTION AMENDATORY (INDOOR ENVIRONMENTAL CONDITIONS)  
ENDORSEMENT**

Named Insured APIP Cyber and Pollution Programs, Inc			Endorsement Number 6
Policy Symbol PPL	Policy Number G24544837 008	Policy Period 07/01/2018 to 07/01/2019	Effective Date of Endorsement 07/01/2018
Issued By (Name of Insurance Company) Illinois Union Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

The "insured" and the Insurer hereby agree to the following changes to this Policy:

I. Notwithstanding anything identified in Item 4. of the Declarations to this Policy that might be construed to the contrary, \$ 250,000 shall be the "self-insured retention" for each and every "indoor environmental condition" to which this insurance applies.

II.  **Location-Specific Endorsement Application**

Solely to the extent that there is an **X** indicated in this Section II., above, the "insured" and the Insurer hereby agree to the modifications identified in Section I. of this Endorsement only apply to "indoor environmental conditions" at the "covered locations" specifically identified in the Schedule of Covered Locations, below:

**Schedule of Covered Locations**

All other terms and conditions of this Policy remain unchanged.



JOHN J. LUPICA, President  
Authorized Representative

**SELF-INSURED RETENTION AMENDATORY (GENERIC) ENDORSEMENT**

Named Insured APIP Cyber and Pollution Programs, Inc			Endorsement Number 7
Policy Symbol PPL	Policy Number G24544837 008	Policy Period 07/01/2018 to 07/01/2019	Effective Date of Endorsement 07/01/2018
Issued By (Name of Insurance Company) Illinois Union Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

The “insured” and the Insurer hereby agree to the following changes to this Policy:

**I. Pollution Conditions**

Notwithstanding anything identified in Item **4.** of the Declarations to this Policy that might be construed to the contrary, **\$250,000** shall be the “self-insured retention” applicable to any coverage provided pursuant to this Policy for each and every “pollution condition” arising out of Sewage Back Up .

**II. Indoor Environmental Conditions**

Notwithstanding anything identified in Item **4.** of the Declarations to this Policy that might be construed to the contrary, **\$250,000** shall be the “self-insured retention” applicable to any coverage provided pursuant to this Policy for each and every “indoor environmental condition” arising out of Sewage Back Up .

All other terms and conditions of this Policy remain unchanged.



JOHN J. LUPICA, President  
Authorized Representative

## SUDDEN AND ACCIDENTAL COVERAGE LIMITATION ENDORSEMENT

Named Insured APIP Cyber and Pollution Programs, Inc			Endorsement Number 8
Policy Symbol PPL	Policy Number G24544837 008	Policy Period 07/01/2018 to 07/01/2019	Effective Date of Endorsement 07/01/2018
Issued By (Name of Insurance Company) Illinois Union Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

### THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The “insured” and the Insurer hereby agree to the following changes to this Policy:

- I. Section V., **DEFINITIONS**, Subsections Y. and KK., of this Policy are hereby deleted in their entirety and replaced by the following:

Y. “**Indoor environmental condition**” means:

1. The presence of “fungi” in a building or structure, or the ambient air within such building or structure; or
2. The discharge, dispersal, release, escape, migration or seepage of *legionella pneumophila* in a building or structure, or the ambient air within such building or structure,

provided that:

1. Such “fungi” or *legionella pneumophila* are not naturally occurring in the environment in the amounts and concentrations found within such building or structure; and
2. The presence of such “fungi” or the discharge, dispersal, release, escape, migration or seepage of such *legionella pneumophila*:
  - a. First commence during the “policy period”; and
  - b. Do not arise out of or relate to any “indoor environmental conditions” which existed prior to the inception of this Policy; and
  - c. Are unintended and unexpected from the standpoint of the “insured”; and
  - d. Are sudden, direct, and immediate; and
  - e. Are first discovered by the “insured” within seven (7) days of commencement; and
  - f. Are reported to the Insurer within twenty-one (21) calendar days following the discovery of such “indoor environmental conditions” by the “insured”.

It is a condition precedent to coverage pursuant to this Endorsement that the “insured” provide conclusive documentation of strict compliance with requirements a. through f., above, regardless of whether the Insurer was prejudiced by the failure to meet these requirements.

**KK. “Pollution condition”** means the discharge, dispersal, release, escape, migration, or seepage of any solid, liquid, gaseous or thermal irritant, contaminant, or pollutant, including soil, silt, sedimentation, smoke, soot, vapors, fumes, acids, alkalis, chemicals, electromagnetic fields (EMFs), hazardous substances, hazardous materials, waste materials, “low-level radioactive waste”, “mixed waste” and medical, red bag, infectious or pathological wastes, on, in, into, or upon land and structures thereupon, the atmosphere, surface water, or groundwater; provided that such “pollution conditions”:

- a. First commence during the “policy period”; and

- b. Do not arise out of or relate to any “pollution conditions” which existed prior to the inception of this Policy; and
- c. Are unintended and unexpected from the standpoint of the “insured”; and
- d. Are sudden, direct, and immediate; and
- e. Are first discovered by the “insured” within seven (7) days of commencement; and
- f. Are reported to the Insurer within twenty-one (21) calendar days following the discovery of such “pollution conditions” by the “insured”.

It is a condition precedent to coverage pursuant to this Endorsement that the “insured” provide conclusive documentation of strict compliance with requirements a. through f., above, regardless of whether the Insurer was prejudiced by the failure to meet these requirements.

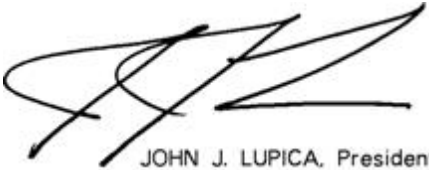
II.  **Location-Specific Endorsement Application**

Solely to the extent that there is an **X** indicated in this Section II., above, the “insured” and the Insurer hereby agree to the modifications identified in Section I. of this Endorsement only apply to “pollution conditions” on, at under or migrating from, and “indoor environmental conditions” at, the “covered locations” specifically identified in the Schedule of Covered Locations, below:

**Schedule of Covered Locations**

	<b>Address</b>	<b>City</b>	<b>State</b>	<b>Zip Code</b>
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 and conditions of this Policy remain unchanged.

A stylized, handwritten signature in black ink, consisting of several overlapping loops and lines.

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JOHN J. LUPICA, President  
Authorized Representative

## UNDERGROUND STORAGE TANK COVERAGE (BLANKET) ENDORSEMENT

Named Insured APIP Cyber and Pollution Programs, Inc			Endorsement Number 9
Policy Symbol PPL	Policy Number G24544837 008	Policy Period 07/01/2018 to 07/01/2019	Effective Date of Endorsement 07/01/2018
Issued By (Name of Insurance Company) Illinois Union Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

### THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The "insured" and the Insurer hereby agree to the following changes to this Policy:

Section **VI.**, **EXCLUSIONS**, Subsection **P.**, **Underground Storage Tanks**, of this Policy is hereby deleted in its entirety.

All other terms and conditions of this Policy remain unchanged.



JOHN J. LUPICA, President  
Authorized Representative

## WAIVER OF SUBROGATION (BY CONTRACT) ENDORSEMENT

Named Insured APIP Cyber and Pollution Programs, Inc			Endorsement Number 10
Policy Symbol PPL	Policy Number G24544837 008	Policy Period 07/01/2018 to 07/01/2019	Effective Date of Endorsement 07/01/2018
Issued By (Name of Insurance Company) Illinois Union Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

### THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The "insured" and the Insurer hereby agree to the following changes to this Policy:

Section **IX.**, **GENERAL CONDITIONS**, Subsection **E.**, **Subrogation**, of this Policy is hereby amended by addition of the following:

Notwithstanding the foregoing, the Insurer hereby waives its rights to subrogate against all counterparties of a "named insured" where such waiver is required by written contract executed between a "named insured" and such counterparty prior to the relevant "claim" or discovery of a "pollution condition" or "indoor environmental condition" to which this insurance applies.

All other terms and conditions of this Policy remain unchanged.



JOHN J. LUPICA, President  
Authorized Representative

## LEAD EXCLUSIONARY (POTABLE WATER) ENDORSEMENT

Named Insured APIP Cyber and Pollution Programs, Inc			Endorsement Number 11
Policy Symbol PPL	Policy Number G24544837 008	Policy Period 07/01/2018 to 07/01/2019	Effective Date of Endorsement 07/01/2018
Issued By (Name of Insurance Company) Illinois Union Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

### **THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

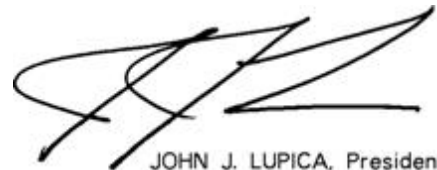
The “insured” and the Insurer hereby agree to the following changes to this Policy:

Section **VI., EXCLUSIONS**, of this Policy is hereby amended by addition of the following:

#### **Lead Contaminated Water**

“Loss” arising out of or related to “pollution conditions” involving, in whole or in part, lead within potable water, regardless of whether any such “pollution conditions” have otherwise been affirmatively disclosed to the Insurer in an Application for coverage pursuant to this Policy.

All other terms and conditions of this Policy remain unchanged.



JOHN J. LUPICA, President  
Authorized Representative



## UNDERGROUND STORAGE TANK AMENDATORY ENDORSEMENT

Named Insured APIP Cyber and Pollution Programs, Inc			Endorsement Number 12
Policy Symbol PPL	Policy Number G24544837 008	Policy Period 07/01/2018 to 07/01/2019	Effective Date of Endorsement 07/01/2018
Issued By (Name of Insurance Company) Illinois Union Insurance Company			

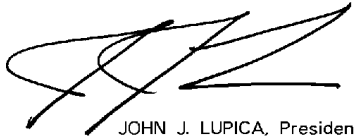
Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

### THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The "insured" and the Insurer hereby agree to the following changes to this Policy:

- I. Section II. LIMITS OF LIABILITY AND SELF-INSURED RETENTION**, is amended to include the following:
- H.** Notwithstanding anything to the contrary contained in the Policy, herein or via endorsement, and solely to the extent that coverage is provided by this Policy for "underground storage tanks" the following shall apply:
    - 1.** Coverage afforded by this Policy for any "underground storage tank" shall be subject to a \$750,000 per "pollution condition" "self-insured retention". However, if said "underground storage tank" is also covered by a Federal, State, County or Municipality administered underground storage tank fund or any functional equivalent to such fund ("The Fund"), or is specifically insured by a separate primary insurance policy purchased to cover said "underground storage tank", such amounts actually paid by The Fund or under such primary insurance policy shall erode the \$750,000 per "pollution condition" "self-insured retention" amount applicable to the "underground storage tank" to which this Policy provides coverage. Should more than one "self-insured" retention apply to a covered "underground storage tank", only the \$750,000 per "pollution condition" "self-insured retention" described herein shall apply.
    - 2.** If at any time during the "policy period", The Fund is terminated, declared insolvent, phased out or in some way made inaccessible to the "insured" for any reason other than the availability of insurance, then the Insurer will pay such amounts excess of any payments already made by The Fund, subject to the "self-insured retention" amount and all of the other terms and conditions of this Policy, provided that no less than \$750,000 per "pollution condition" "self-insured retention" has been paid by the Fund, paid by separate insurance or otherwise paid by the "insured" for "pollution conditions" associated with an "underground storage tank".
    - 3.** It is a condition precedent to coverage pursuant to this Policy that the "insured" take all necessary steps to ensure that it becomes and remains eligible for all available Federal, State, County or Municipality administered underground storage tank funds, or any functional equivalent to such funds.
    - 4.** Regardless of anything to the contrary provided by this Policy or endorsement this Policy shall be excess of The Fund or any insurance policy providing coverage for any "underground storage tank".

All other terms and conditions of this Policy remain unchanged.



JOHN J. LUPICA, President

Authorized Representative

## AGGREGATED SELF-INSURED RETENTION (Per Named Insured) ENDORSEMENT

Named Insured APIP Cyber and Pollution Programs, Inc			Endorsement Number 13
Policy Symbol PPL	Policy Number G24544837 008	Policy Period 07/01/2018 to 07/01/2019	Effective Date of Endorsement 07/01/2018
Issued By (Name of Insurance Company) Illinois Union Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

### THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

I. Item 4.a., **Self-Insured Retention**, of the Declarations is hereby deleted in its entirety and replaced with the following:

- i. **\$75,000** Per Pollution Condition or Indoor Environmental Condition retention
- ii. **\$375,000** Per Named Insured Aggregate retention applicable to all Pollution Conditions or Indoor Environmental Conditions (as applicable)
- iii. **\$37,500** Per Named Insured Maintenance retention Per Pollution Condition or Indoor Environmental Condition, thereafter.

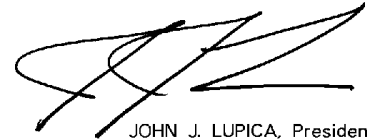
II. Section II., **LIMITS OF LIABILITY AND SELF-INSURED RETENTION**, Subsection B., of this Policy is hereby deleted in its entirety and replaced with the following:

**B.** One "self-insured retention" shall apply to all "loss" (exclusive of "business interruption loss") arising from the same, continuous, repeated, or related "pollution condition" or "indoor environmental condition". If the same, continuous, repeated, or related "pollution condition" or "indoor environmental condition" triggers coverage pursuant to multiple coverage parts, or otherwise involves multiple exposures that have been assigned exposure-specific "self-insured retention" amounts by endorsement to this Policy, the single largest of the associated "self-insured retention" amounts identified in: **1)** Item 4. of the Declarations; **2)** any Supplemental Coverage added by endorsement to this Policy; or **3)** any exposure-specific "self-insured retention" endorsement added to this Policy, shall apply to all "loss" and other covered exposures arising out of such "pollution condition" or "indoor environmental condition", except for any "catastrophe management costs" that are assigned an exposure-specific "self-insured retention" by endorsement to this Policy, if any (hereinafter Catastrophe Management-Specific SIR). Amounts within any such Catastrophe Management-Specific SIR shall be independent of, and shall not otherwise erode, the single largest "self-insured retention" applicable to all other covered exposures arising out of the same "pollution condition" or "indoor environmental condition" as contemplated herein, or any Maintenance "self-insured retention" discussed below. However, such amounts shall be credited against the Aggregate "self-insured retention" discussed below.

Upon exhaustion of the Per Named Insured Aggregate "self-Insured retention" amount identified in Item 4.a.ii of the Declarations, by approved payments made pursuant to multiple "self-insured retentions" by or on behalf of a single "named insured", and applicable to multiple "pollution conditions" or "indoor environmental conditions" to which this insurance applies, including payments for "catastrophe management costs" subject to a Catastrophe Management-Specific SIR, if any, all ongoing and future "loss" attributable to both outstanding and newly discovered "pollution conditions" or "indoor environmental conditions" involving that same "named insured", if any, shall be subject to the reduced Per Named Insured Maintenance "self-insured retention" amount identified in Item 4.a.iii. of the Declarations. With respect to any ongoing "loss" attributable to an outstanding "pollution condition" or "indoor environmental condition" that has been reported to the Insurer prior to exhaustion of the Per Named Insured Aggregate "self-insured retention", if approved payments have been made for "loss" in an amount equal to or in excess of the Maintenance "self-insured retention",

then the “named insureds” shall have no further “self-insured retention” obligation with respect to that specific “pollution condition” or “indoor environmental condition”. Notwithstanding any other provision in this Policy to the contrary, under no circumstances shall the Insurer be liable to pay any amount pursuant to this Policy until the “named insureds” have paid the full amount of the “self-insured retention”, or, in the event of a “named insured”-specific exhaustion event, discussed above, the Per Named Insured Maintenance “self-insured retention”, with respect to each “pollution condition” or “indoor environmental condition.

All other terms and conditions of this Policy remain unchanged.

A handwritten signature in black ink, appearing to read 'J. Lupica', is positioned above the printed name.

JOHN J. LUPICA, President

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Authorized Representative

## DELAY EXPENSE AMENDATORY ENDORSEMENT

Named Insured APIP Cyber and Pollution Programs, Inc			Endorsement Number 14
Policy Symbol PPL	Policy Number G24544837 008	Policy Period 07/01/2018 to 07/01/2019	Effective Date of Endorsement 07/01/2018
Issued By (Name of Insurance Company) Illinois Union Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

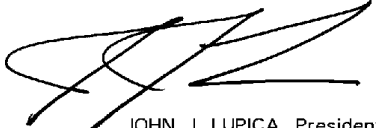
### THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The "insured" and the Insurer hereby agree to the following changes to this Policy:

Section **V. DEFINITIONS**, Subsection **L.**, of this Policy is hereby deleted in its entirety and replaced with the following:

- L. "Delay expense"** means, for a "covered location" under development, where a "pollution condition" or "indoor environmental condition" causes a delay in the completion or development during the "business interruption", any of the following expenses:
1. Additional interest on money the "named insured" has borrowed to finance the construction, development, or remediation of a project at a "covered location";
  2. Additional realty taxes and other assessments;
  3. Additional advertising or promotional expense;
  4. Additional expenses incurred resulting from the renegotiation of leases, including associated usual and customary legal representation expense;
  5. Additional engineering, architectural, and consulting fees; and
  6. Additional expenses incurred resulting from a "named insured's" re-application for LEEDS Certification, including associated engineering, architectural, and consulting fees related to the re-certification process.

All other terms and conditions of this Policy remain unchanged.



JOHN J. LUPICA, President

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Authorized Representative

## AUTOMATIC ACQUISITION AND DUE DILIGENCE ENDORSEMENT

Named Insured APIP Cyber and Pollution Programs, Inc			Endorsement Number 15
Policy Symbol PPL	Policy Number G24544837 008	Policy Period 07/01/2018 to 07/01/2019	Effective Date of Endorsement 07/01/2018
Issued By (Name of Insurance Company) Illinois Union Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

### THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

I. Section IX., **GENERAL CONDITIONS**, of this Policy is hereby amended by addition of the following:

#### **Automatic Acquisition and Due Diligence**

**1. Small Acquisitions and Non-Owned Locations Coverage (New Conditions)**

It is understood and agreed that, for an additional premium amount, any property acquired, or newly leased, operated, managed or maintained (but not owned) (hereinafter Non-Owned Locations), by a "named insured" during the "policy period", which has a Total Insurable Value of less than \$25,000,000, shall automatically be added to the Policy 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, but only where the "named insured" demonstrates, to the Insurer's reasonable satisfaction, that the "loss" results from a "claim" that was first made, or a "pollution condition" or "indoor environmental condition" that was first discovered, on or after the closing date of such acquisition, or the effective date of such Non-Owned Location right or obligation, respectively.

**2. Large Acquisitions Coverage**

It is understood and agreed that, for the additional applicable premium amount, as calculated under Paragraph 4., of this Endorsement, any property acquired by a "named insured", which has a Total Insurable Value equal to or more than \$25,000,000, during the "policy period", shall be added to the Policy as a "covered location" upon the closing date of such acquisition; provided that the Insurer receives written notice of the purchase within one hundred and twenty (120) days of closing or lease effective date, and the "named insured" submits the following:

- a. A Phase I Environmental Site Assessment report commissioned and received by a "named insured" regarding the property that is performed by a qualified environmental consultant in accordance with the ASTM Standard for Environmental Site Assessments: Phase I Environmental Site Assessment Process in effect as of the inception of this Policy; or
- b. A Phase I Environmental Site Assessment report regarding the property 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 the ASTM Standard for Environmental Site Assessments: Phase I Environmental Site Assessment Process in effect as of the inception of this Policy, and that the consultant responsible for the reports has provided the "named insured" with written confirmation that the "named insured", as applicable, is entitled to rely on the conclusions of the reports as if the assessment had been performed on its behalf.

If the Phase I Environmental Site Assessment does not identify any Recognized Environmental Conditions, as defined by the ASTM Standard for Environmental Site Assessments: Phase I Environmental Site Assessment Process in effect as of the inception of this Policy (hereinafter RECs), the property shall automatically be added to the Policy as an additional "covered location" effective on the date the "named insured" acquired the property.

If the Phase I Environmental Site Assessment identifies any RECs, then, before the property may be added to the Policy as a “covered location”, the “named insured” must complete a Phase II Environmental Site Assessment. Thereafter, the Insurer shall have thirty (30) days to review and approve the Phase II Environmental Assessment report. Said approval shall not be unreasonably withheld, but the Insurer reserves the right to limit coverage with respect to any RECs identified at the property, and any “pollution conditions” identified during further investigation of such RECs. Upon such approval, the Insurer shall provide a written endorsement to the “first named insured” confirming the effective date that the property has been added to the Policy as an additional “covered location”, and describing the extent of the coverage being afforded with respect to the RECs and associated “pollution conditions” identified at the property.

**3. Large Non-Owned Locations Coverage (New Conditions)**

It is understood and agreed that, for an additional premium amount, as calculated in Paragraph 4., of this Endorsement, any Non-Owned Location, which is not included as a “covered location” through Paragraph 1. of this Endorsement, shall be added to the Policy as a “covered location” upon the effective date of such Non-Owned Location right or obligation; provided that the Insurer receives written notice of such right or obligation within One hundred and twenty (120) days of its effective date, and the “named insured” submits the following:

- a. Two (2) years worth of currently valued Property insurance loss runs for the property; or
- b. A signed application to the Insurer for the property.

Coverage for such Non-Owned Location shall be limited to those instances where the “named insured” demonstrates, to the Insurer’s reasonable satisfaction, that the “loss” results from a “claim” that was first made, or a “pollution condition” or “indoor environmental condition” that was first discovered, on or after the effective date of such Non-Owned Location right or obligation.

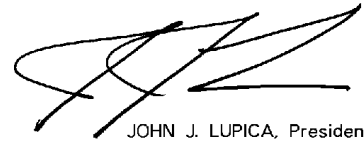
**4. Additional premium for “covered locations” added to this Policy pursuant to Paragraphs 1. through 3., above, shall be calculated on a *pro rata* basis using the following rates:**

**Additional Premium Rate Schedule**

Acquiring Entity/Property Type	Additional Premium Rate
<b>For All Entities Identified upon Endorsement No. 5 of this Policy where the Total Insurable Value of the “covered location” is <u>less</u> than \$25,000,000</b>	<b>\$0.00</b>
<b>For All Entities Identified upon Endorsement No. 5 of this Policy where the Total Insurable Value of the “covered location” is equal to or <u>more</u> than \$25,000,000</b>	<b>\$0.00061386 / \$100 Total insurable Value</b>
<b>For All Entities <u>NOT</u> Identified upon Endorsement No. 5 of this Policy and subsequently added to this Policy as a “named insured” where a “covered location” is added to this Policy pursuant to Paragraphs 2. or 3.</b>	<b>\$0.00061386 / \$100 Total insurable Value</b>

In the event a property of a type not described in the Additional Premium Schedule, above, is Purchased or Otherwise Acquired by a “named insured”, the terms and conditions of this Subsection shall not apply.

All other terms and conditions of this Policy remain unchanged.



JOHN J. LUPICA, President

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Authorized Representative

## EXPOSURE-SPECIFIC RETROACTIVE DATE (Per Named Insured) ENDORSEMENT

Named Insured APIP Cyber and Pollution Programs, Inc			Endorsement Number 16
Policy Symbol PPL	Policy Number G24544837 008	Policy Period 07/01/2018 to 07/01/2019	Effective Date of Endorsement 07/01/2018
Issued By (Name of Insurance Company) Illinois Union Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

### THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The “insured” and the Insurer hereby agree that the following changes to this Policy:

#	<u>Schedule of Named Insured</u>	<u>Retro Active Date</u>
1.	Alaska Municipal League / Joint Insurance Association - City of Fairbanks	7/1/2011
2.	Allen County Board of Commissioners	7/8/2013
3.	Aquarium of the Pacific	7/1/2011
4.	Babson College	7/1/2011
5.	Bay Area Air Quality Management District	7/1/2012
6.	Boston Water & Sewer Commission (BWSC)	7/1/2011
7.	California State University Risk Management Authority - Campuses	7/1/2011
8.	California Western School of Law	7/1/2011
9.	Capitol Area Development Authority	7/1/2011
10.	Carson City Consolidated Municipality	7/1/2013
11.	Central Utah Water Conservancy District	7/1/2015
12.	City and Borough of Juneau	7/1/2011
13.	City of Anaheim	7/1/2011
14.	City of Bell	7/1/2011
15.	City of Belmont	7/1/2011
16.	City of Carlsbad	7/1/2011
17.	City of Cathedral City	7/1/2011
18.	City of Corona	7/1/2011
19.	City of El Cajon	7/1/2011
20.	City of Eugene	7/1/2014
21.	City of Fontana	7/1/2011
22.	City of Garden Grove	7/1/2011
23.	City of Glendale, Arizona	7/1/2011
24.	City of Hanford	9/1/2014
25.	City of Hoover, Alabama	11/10/2012



26.	City of LaGrange	1/1/2015
27.	City of Lancaster	7/1/2011
28.	City of Long Beach	7/1/2011
29.	City of Lynnwood	4/23/2015
30.	City of Medford	7/1/2011
31.	City of Merced	7/1/2011
32.	City of Monterey	7/1/2011
33.	City of Montebello	7/1/2011
34.	City of Mountain View	7/1/2011
35.	City of New Britain	7/1/2011
36.	City of Newport Beach	7/1/2011
37.	City of North Las Vegas	7/1/2014
38.	City of Ontario	7/1/2011
39.	City of Oxnard	7/1/2011
40.	City of Palo Alto	7/1/2011
41.	City of Pomona	7/1/2011
42.	City of Reno / Reno Development Agency	6/15/2013
43.	City of Riverside	7/1/2011
44.	City of Riverside - Power Plants	7/1/2011
45.	City of Sacramento	7/1/2011
46.	City of Salem	7/1/2013
47.	City of San Buenaventura	7/1/2011
48.	City of San Mateo	7/1/2012
49.	City of Santa Ana	7/1/2011
50.	City of Santa Barbara	7/1/2011
51.	City of Santa Clara	7/1/2011
52.	City of Santa Clara - Power Plants	7/1/2011
53.	City of Santa Cruz	7/1/2011
54.	City of Santa Monica	7/1/2011
55.	City of Siloam Springs	10/8/2012
56.	City of Simi Valley	7/1/2011
57.	City of South Bend and any Subsidiary	7/1/2011
58.	City of Sparks	7/1/2013
59.	City of Tacoma	7/1/2011
60.	City of Thousand Oaks	7/1/2011
61.	City of Torrance	7/1/2011
62.	City of Tucson	7/1/2011
63.	City of Victorville	7/1/2011
64.	City of Waterbury Water and Sewer	7/1/2012

65.	Clarksville Montgomery County School System	7/1/2014
66.	Crawford County	7/1/2011
67.	Des Moines Independent Community School District	7/1/2011
68.	Detroit Regional Convention Facility Authority	1/19/2012
69.	District of Columbia Water & Sewer Authority	7/1/2011
70.	Douglas County	7/1/2011
71.	Douglas County Nebraska	7/1/2011
72.	Elkhart County Board of Commissioners	5/1/2013
73.	Endicott College and its Trustees	7/1/2012
74.	Enduris - HPR Properties	7/1/2011
75.	Enduris Non - HPR Properties	7/1/2011
76.	Five Colleges, Incorporated	7/1/2011
77.	Freeport Regional Water Authority	7/1/2011
78.	Harristown Development Corporation	7/1/2011
79.	Harford County Maryland	7/1/2011
80.	John Brown University	7/1/2013
81.	Kitsap County	7/1/2011
82.	Lawton Board of Education ISD #8	7/1/2014
83.	Lenoir County	11/1/2012
84.	Linfield College	7/1/2014
85.	Little Rock Advertising and Promotion Commission	12/3/2013
86.	Los Angeles County Office of Education	7/1/2011
87.	Macon - Bibb County Government	1/1/2014
88.	Madison County Commission	7/1/2013
89.	Marion County	7/1/2013
90.	Metro	7/1/2014
91.	Minnesota Association of Townships Insurance Trust	7/1/2011
92.	Missouri Valley College	7/1/2011
93.	Modesto Irrigation District	7/1/2011
94.	Monterey Bay Unified Air Pollution Control District	7/1/2011
95.	Monterey Salinas Transit District	7/1/2011
96.	North County Transit District	7/1/2011
97.	Northfield Mount Hermon School	7/1/2011
98.	Orange County Sanitation District	7/1/2011
99.	Ouachita Baptist University	7/1/2011
100.	Pike County Board of Education	7/1/2011
101.	Phillips Exeter Academy	7/1/2011

102.	Polk County	7/1/2011
103.	Portland Community College District	7/1/2011
104.	Regional Transportation Commission of Southern Nevada	7/1/2016
105.	Reno Sparks Convention & Visitors Authority	7/1/2014
106.	Rhode Island Interlocal Risk Management Trust	7/1/2015
107.	Rosemont College of the Holy Child Jesus	12/1/2014
108.	Sacramento Public Library	7/1/2011
109.	Sampson County	7/1/2015
110.	San Bernardino Valley Municipal Water District	7/1/2011
111.	San Diego Unified School District	7/1/2011
112.	Santa Barbara County Air Pollution Control District	7/1/2011
113.	School District No. 1J, Multnomah County, Oregon, aka Portland Public Schools	7/1/2011
114.	Sedgwick County	1/1/2013
115.	South Coast Air Quality Management District	7/1/2011
116.	The Community College of Baltimore County	7/1/2011
117.	The Exploratorium	7/1/2012
118.	Torrance Unified School District	7/1/2011
119.	Town of Groton	7/1/2011
120.	Town of North Haven & Board of Education	7/1/2011
121.	Transportation Corridor Agencies of Orange County	7/1/2011
122.	University of Bridgeport	7/1/2012
123.	University of California Hastings College of Law	7/1/2011
124.	University of Arkansas at Fort Smith	7/1/2012
125.	Veterans Memorial Commission	7/1/2011
126.	Washoe County	7/1/2013
127.	Washoe County School District	7/1/2014
128.	Western Placer Waste Management Authority	7/1/2011
129.	Bentonville School District	7/1/2013
130.	Board of County Commissioners of the County of St. Joseph	7/1/2011
131.	Calvary University	9/1/2015
132.	Chemical Heritage Foundation	7/31/2015
133.	City of Clarksville and Clarksville Gas and Water Department	1/1/2016
134.	Linn Benton Community College	7/1/2016
135.	City of Renton	1/1/2016

136.	Early County Board of Education	7/1/2013
137.	Sumner County	7/1/2016
138.	Town and County of Nantucket etal	7/1/2016
139.	Veterans Memorial Commission	7/1/2011
140.	Cairn University	7/1/2017
141.	California Joint Powers Risk Management Authority	7/1/2013
142.	Casper Community College	7/1/2011
143.	City of Anderson	1/1/2017
144.	City of Bellingham	7/1/2017
145.	City of Carson	7/1/2017
146.	City of Champaign	4/1/2016
147.	City of Galesburg	12/31/16
148.	City of Hillsboro	7/1/2017
149.	City of Naperville	7/1/2011
150.	City of Peoria	10/4/2011
151.	City of Redlands, CA	7/1/2016
152.	City of Salinas	7/1/2016
153.	City of SeaTac	1/1/2017
154.	City of West Covina	7/1/2016
155.	County of Will	12/1/2013
156.	Dallas Theological Seminary	7/1/2017
157.	Douglas County, CO	10/1/2016
158.	DPMI, Inc., City of Cedar Rapids c/o Park Cedar Rapids	8/4/2016
159.	Faulkner University	7/1/2016
160.	Greater Peoria Sanitary and Sewage Disposal	3/1/2014
161.	Howard Payne University	3/20/2017
162.	Lakehaven Water & Sewer	9/1/2013
163.	Lewis & Clark Community College	5/1/2014
164.	Montana Schools Group Insurance Authority – School Leaders Property and Liability Self Insurance Pool	7/1/2011
165.	Northern Wyoming Community College District dba Sheraton College	7/1/2017
166.	Rock River Water Reclamation District	5/1/2014
167.	Saint Mary's School	6/30/2017
168.	School District of Kansas City, Missouri	7/1/2017
169.	Southwestern Assemblies of God University	9/1/2016
170.	State of Michigan	10/1/2016
171.	State of Wyoming	7/1/2011
172.	The School District for the City of Independence, MO	12/31/2016

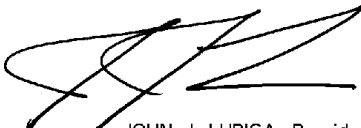
173.	Village of Alsip	5/1/2017
174.	Water & Sewer Authority of Cabarrus County	9/1/2016
175.	Wyoming Association of Risk Management Property Insurance Joint Powers Board (WARM)	7/1/2011

#	<b><u>Schedule of Named Insureds Classified as a Pool or Joint Power Authority</u></b>	<b><u>Retro Active Date</u></b>
1.	ABAG Plan Corporation	7/1/2011
2.	Alaska Municipal League / Joint Insurance Association	7/1/2011
3.	Bay Cities Joint Powers Insurance Authority (BCJPIA)	7/1/2011
4.	California Association for Park and Recreation Indemnity	7/1/2011
5.	California Fair Services Authority	7/1/2011
6.	California Risk Management Authority (CRMA)	7/1/2011
7.	California Sanitation Risk Management Authority (CSRMA)	7/1/2011
8.	California State University Risk Management Authority - AORMA	7/1/2011
9.	Central San Joaquin Valley Risk Management Authority	7/1/2011
10.	City/County Capital Improvements & Financial Agency, a JPA	7/1/2011
11.	Community Development Commission of the County of Los Angeles	7/1/2011
12.	Delaware Valley Insurance Trust	7/1/2011
13.	Exclusive Risk Management Authority of California (ERMCA)	7/1/2011
14.	Maine School Management Association (MSMA)	7/1/2011
15.	Miami Valley Risk Management Association (MVRMA)	7/1/2011
16.	Monterey Bay Area Self Insurance Authority	7/1/2011
17.	Municipal Pooling Authority	7/1/2011
18.	New Hampshire Public Risk Management Exchange	7/1/2011
19.	New Mexico Public Schools Insurance Authority	7/1/2011
20.	Northern California Cities Self-Insurance Fund	7/1/2011
21.	Oklahoma Schools Insurance Group	7/1/2014
22.	Public Agency Risk Sharing Authority of California (PARSAC)	7/1/2011
23.	Public Entity Risk Management Authority	7/1/2014

24.	San Mateo County Schools Insurance Group	7/1/2011
25.	School Excess Liability Joint Insurance Fund	7/1/2011
26.	Small Cities Organized Risk Effort	7/1/2011
27.	South Bay Area Schools Insurance Authority	7/1/2011
28.	South Carolina Counties Property & Liability Trust	7/1/2011
29.	Special District Risk Management Authority (SDRMA)	7/1/2011
30.	Vector Control Joint Powers Agency (VCJPA)	7/1/2011
31.	Water & Sewer Risk Management Pool	7/1/2011
32.	Utah Local Government Trust	5/1/2016

Notwithstanding any more general retroactive date identified in the Declarations of this Policy, coverage shall only be afforded pursuant to this Policy to the “named insureds”, above, for “loss” arising out of “pollution conditions” or “site environmental conditions” that first commence, in their entirety, on or after the corresponding retroactive dates, above, and before the expiration of the “policy period”.

All other terms and conditions of this Policy remain unchanged.



JOHN J. LUPICA, President

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Authorized Representative

## DEFINITIONS AMENDATORY ENDORSEMENT

Named Insured APIP Cyber and Pollution Programs, Inc			Endorsement Number 17
Policy Symbol PPL	Policy Number G24544837 008	Policy Period 07/01/2018 to 07/01/2019	Effective Date of Endorsement 07/01/2018
Issued By (Name of Insurance Company) Illinois Union Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

### THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The “insured” and the Insurer hereby agree to the following changes to this Policy:

**I. Section V. DEFINITIONS, Subsections K. and GG., of this Policy are hereby deleted in their entirety and replaced with the following:**

**K. “Covered location” means:**

1. Any location owned, operated, managed, leased or maintained by the “first named insured” or any other “named insured” upon the inception date identified in Item 2. of the Declarations to this Policy;
2. Any location that meets the prerequisites to coverage identified in the Automatic Acquisition and Due Diligence Endorsement attached to this Policy, if any;
3. Any other location specifically scheduled as a “covered location” by endorsement attached to this Policy, if any; and
4. Any subsurface potable water, wastewater or storm water pipes to or from a “covered location” that is not a pipe, provided that such pipes are located within a one thousand (**1,000**) foot radius of such “covered location”.

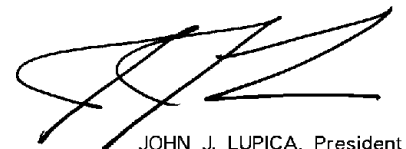
**GG. “Named insured”** means any person or entity specifically endorsed onto this Policy as a “named insured”. Such “named insured” shall maintain the same rights pursuant to this Policy as the “first named insured” except for those rights specifically reserved to the “first named insured” as it is defined above. 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 subject to the specific Aggregate Sublimits of Liability applicable to such pool or Joint Powers Authority by endorsement to this Policy.

**II. Section V., DEFINITIONS, of this Policy is hereby amended to include the addition of the following:**

**“Port”** means a location 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”** means a location 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.

All other terms and conditions of this Policy remain unchanged.



JOHN J. LUPICA, President

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Authorized Representative

## PUBLIC ENTITY COVERAGE AMENDATORY ENDORSEMENT

Named Insured APIP Cyber and Pollution Programs, Inc			Endorsement Number 18
Policy Symbol PPL	Policy Number G24544837 008	Policy Period 07/01/2018 to 07/01/2019	Effective Date of Endorsement 07/01/2018
Issued By (Name of Insurance Company) Illinois Union Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

### THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The “insureds” and the Insurer hereby agree to the following changes to this Policy:

- I. Section I., **INSURING AGREEMENTS**, of this Policy is hereby amended by addition of the following:

#### SUPPLEMENTAL COVERAGE - COVERED OPERATIONS

“Claims” and “first-party claims” arising out of a “pollution condition” or “indoor environmental condition” resulting from “covered operations”, provided the “claim” is first made, or the “insured” first discovers such “pollution condition” or “indoor environmental condition”, during the “policy period”. Any such “claim” or “first-party claim” must be reported to the Insurer, in writing, during the “policy period” or within thirty (30) days after the expiration of the “policy period”, or during any applicable “extended reporting period”.

The coverage afforded pursuant to this Supplemental Coverage shall only apply to “pollution conditions” or “indoor environmental conditions” that first commence, in their entirety, on or after the Retroactive Date identified below and prior to the expiration of the “policy period”.

Retroactive Date: **07/01/2011**

- II. Solely with respect to the coverage afforded pursuant to the Supplemental Coverage in this Endorsement, the following additional provisions apply:

#### Limits of Liability and Self-Insured Retention

**Per Operations Condition Sublimit of Liability: \$2,000,000**

**Aggregate Operations Conditions Sublimit of Liability: \$2,000,000**

The amount that the Insurer shall pay pursuant to this Policy for “loss” for coverage afforded pursuant to this Endorsement shall be subject to the Per Operations Condition Sublimit of Liability and Aggregate Operations Conditions Sublimit of Liability identified above. Therefore, the Per Operations Condition Sublimit of Liability, above, shall be the maximum amount the Insurer shall pay for all “loss” arising out of or related to the same, continuous, repeated, or related “pollution condition” or “indoor environmental condition” resulting from “covered operations” to which this insurance applies. Moreover, the Aggregate Operations Conditions Sublimit of Liability, above, shall be the maximum amount the Insurer shall pay for all “loss” arising out of or related to all “pollution conditions” and “indoor environmental conditions” resulting from “covered operations” to which this insurance applies. These Sublimits of Liability are subject to, and payments made within these Sublimits of Liability shall erode, the Limits of Liability identified in Item 3. of the Declarations to this Policy, along with any other applicable exposure-specific Limits or Sublimits of Liability added by endorsement hereto. Under no circumstance shall the Insurer be liable to pay any amount in excess of any applicable Limit or Sublimit of Liability.

**Per Operations Condition Self-insured Retention: \$75,000**

Notwithstanding anything identified in Item 4. of the Declarations to this Policy that might be construed to the contrary, the Per Operations Condition Self-Insured Retention, above, shall be the “self-insured retention”



applicable to any coverage provided pursuant to this Policy for each “pollution condition” or “indoor environmental condition” resulting from “covered operations” to which this insurance applies.

III. Solely with respect to the coverage afforded pursuant to this Supplemental Coverage, Section V., DEFINITIONS, Subsections M. and CC., of this Policy are hereby deleted in their entirety and replaced with the following:

**M. “Emergency response costs”** means “first-party remediation costs” incurred within seven (7) days following the discovery of a “pollution condition” or “indoor environmental condition” by a “responsible person” in order to abate or respond to an imminent and substantial threat to human health or the environment arising out of:

1. A “pollution condition” or “indoor environmental condition” on, at, under or migrating from a “covered location”;
2. A “pollution condition” or “indoor environmental condition” resulting from “covered operations”; or
3. A “pollution condition” resulting from “transportation”,

provided such “emergency response costs” are reported to the Insurer within fourteen (14) days of when that “responsible person” first became aware of such “pollution condition” or “indoor environmental condition”.

**CC. “Loss”** means:

1. A monetary judgment, award or settlement of compensatory damages arising from “bodily injury”, “property damage” or “remediation costs”, including associated punitive, exemplary or multiplied damages, and civil fines, penalties and assessments, but solely to the extent that the punitive, exemplary or multiplied damages, and civil fines, penalties and assessments:
  - a. Are Insurable under applicable law; and
  - b. Arise out of a “pollution condition” or “indoor environmental condition” that results in “bodily injury”, “property damage” or “first-party remediation costs” to which this insurance otherwise applies;
2. “legal defense expense”;
3. “Emergency response costs”; and
4. “Catastrophe management costs”.

IV. Section V., **DEFINITIONS**, of this Policy is hereby amended by addition of the following:

**“Covered operations”** means any operations specifically identified in the Application and any supporting documentation provided to the Insurer by the “first named insured” prior to the inception date identified in Item 2. of the Declarations to this Policy, and any operations that are performed within the capacity of a public entity which are performed by or on behalf of a “named insured” outside of the physical boundaries of a “covered location”.

**“Covered operations”** does not mean “transportation”.

**“Sewage Backup”** means the reverse flow of sewage via subsurface sewer lines, to or from a “covered location”, into or onto locations that are not “covered locations”, 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.

V. Section V., **DEFINITIONS**, Subsections Z., **OO.** and **SS.**, of this Policy are hereby deleted in their entirety and replaced with the following:

**Z. “Insured”** means the “first named insured”, any “named insured”, any “additional insured” and any of the following:

1. 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.
2. 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.

**OO. “Responsible person”** means any employee of an “insured” responsible for environmental affairs, control, or compliance at a “covered location”, or any “key executive” of, officer or director of, partner in, or elected official of, an “insured”.

**SS. “Transportation”** means:

1. The movement of an “insured’s” waste, materials, goods or products to or from a “covered location” by automobile, aircraft, watercraft, railcar or other conveyance, including any associated loading or unloading thereof, by an “insured”, or any third-party vendor engaged by an “insured” in the business of transporting property for hire, provided that any such movement, and associated loading and unloading activities, are performed beyond the boundaries of a “covered location”; and
2. Automobile livery services conducted by or on behalf of an “insured”.

**VI. Solely with respect to the coverage afforded pursuant to the Supplemental Coverage in this Endorsement, Section VI., EXCLUSIONS, Subsection M., Material Change in Risk, of this Policy is hereby deleted in its entirety and replaced with the following:**

**M. Material Change in Risk**

“Loss” arising out of or related to a change in “covered operations” that materially increases the likelihood or severity of a “pollution condition”, “indoor environmental condition”, “claim” or “first-party claim” from the operations identified by the “first named insured” for the Insurer in an Application or supplemental underwriting materials provided prior to the effective date of coverage for such “covered operations”, if any, and any operations performed by or on behalf of an “insured” that are within the operations of a public entity.

This exclusion shall only apply to the changed operations and shall not limit coverage for other “covered operations” to which this insurance applies.

**VII. Section VI., EXCLUSIONS**, of this Policy is hereby amended by addition of the following:

**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, under 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 been, 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” or “indoor environmental conditions” resulting from, in whole or in part, a “sewage backup”. This exclusion does not apply to “covered locations”.

**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”.

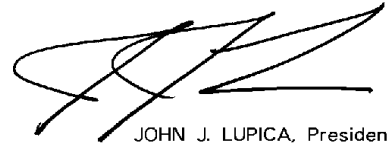
**VIII. Section VII., REPORTING AND COOPERATION**, Subsection **A.**, Paragraph **2.**, of this Policy is hereby deleted in its entirety and replaced with the following:

- 2.** The identity of the “covered location” or a detailed description of the “covered operations”;

**IX. Section IX., GENERAL CONDITIONS**, Subsection **A.**, **Cancellation**, Paragraph **2.**, of this Policy is hereby amended by addition of the following:

- c.** Material change in the “covered operations” from the description identified in the Application to this Policy and supporting materials, which results in an increased likelihood of “claims”, “first-party claims”, “pollution conditions” or “indoor environmental conditions”,

All other terms and conditions of this Policy remain unchanged.



JOHN J. LUPICA, President

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Authorized Representative

## NON-COVERED ENTITIES CONFIRMATION ENDORSEMENT

Named Insured APIP Cyber and Pollution Programs, Inc			Endorsement Number 19
Policy Symbol PPL	Policy Number G24544837 008	Policy Period 07/01/2018 to 07/01/2019	Effective Date of Endorsement 07/01/2018
Issued By (Name of Insurance Company) Illinois Union Insurance Company			

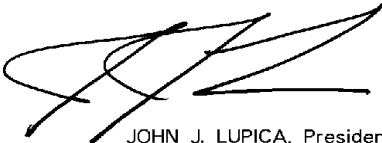
Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

### THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The "insured" and the Insurer hereby agree to the following changes to this Policy:

Notwithstanding anything identified in any Schedule attached to this Policy, or definitional language contained in this Policy, or any endorsement thereto, the "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 a Schedule of Named Insured Endorsement attached to this Policy, are not "insureds" within the meaning of, or provided any insurance pursuant to, this Policy.

All other terms and conditions of this Policy remain unchanged.



JOHN J. LUPICA, President

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Authorized Representative

## SELF-INSURED RETENTION CREDIT CONFIRMATION ENDORSEMENT

Named Insured APIP Cyber and Pollution Programs, Inc			Endorsement Number 20
Policy Symbol PPL	Policy Number G24544837 008	Policy Period 07/01/2018 to 07/01/2019	Effective Date of Endorsement 07/01/2018
Issued By (Name of Insurance Company) Illinois Union Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

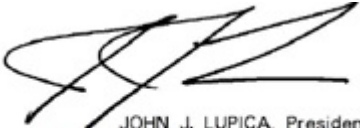
### THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The "insured" and the Insurer hereby agree to the following changes to this Policy:

Section **II. LIMITS OF LIABILITY AND SELF-INSURED RETENTION**, Subsection B. of this policy is hereby amended by addition of the following:

Notwithstanding the foregoing, the Insurer and "insured" hereby agree that, with respect to "pollution conditions" or "indoor environmental conditions" that are covered on a primary basis and to which this Policy applies in excess as contemplated in Section **IX.**, Subsection **H.**, **Other Insurance**, herein, such "pollution conditions" or "indoor environmental conditions" shall not be subject to a "self-insured retention" pursuant to this Policy, provided that: **1)** the applicable deductible or retention amount that is part of the primary insurance has been paid by the applicable "insured" with respect to such "pollution conditions" or "indoor environmental conditions"; and **2)** the aggregate amount of the "insured's" deductible or retention pursuant to the primary insurance, and the amount paid for such "pollution condition" or "indoor environmental condition" pursuant to the primary insurance, equal or exceed the "self-insured retention" amount of this Policy. In the event that the aggregate amount of the deductible or retention and payments made pursuant to the primary insurance does not meet or exceed the "self-insured retention" amount, then the "first named insured" shall remain responsible for any remaining amounts necessary to meet the entirety of its "self-insured retention" obligation pursuant to this Policy.

All other terms and conditions of this Policy remain unchanged.

  
JOHN J. LUPICA, President  
Authorized Representative

## PRODUCTS POLLUTION COVERAGE (Public Entity) ENDORSEMENT

Named Insured APIP Cyber and Pollution Programs, Inc			Endorsement Number 21
Policy Symbol PPL	Policy Number G24544837 008	Policy Period 07/01/2018 to 07/01/2019	Effective Date of Endorsement 07/01/2018
Issued By (Name of Insurance Company) Illinois Union Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

### THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**Per Product Condition Sublimit of Liability: \$2,000,000**

**Aggregate Product Conditions Sublimit of Liability: \$2,000,000**

**Product Pollution-Specific Retroactive Date: 07/01/2011**

The “insured” and the Insurer agree to the following changes to this Policy:

- I. Section I., **INSURING AGREEMENTS**, of this Policy is hereby amended by addition of the following additional coverage part:

**SUPPLEMENTAL COVERAGE – PRODUCTS POLLUTION**

“Claims” arising out of “product pollution”, provided that the “claim” is first made during the “policy period”. Any such “claim” must be reported to the Insurer, in writing, during the “policy period” or within thirty (30) days after the expiration of the “policy period”, or during any applicable “extended reporting period”.

The coverage afforded pursuant to this Supplemental Coverage only applies to “product pollution” that first commences, in its entirety, on or after the Retroactive Date identified on the Products Pollution Coverage Endorsement and prior to the expiration of the “policy period”.

**II. Sublimits of Liability**

The amount that the Insurer shall pay pursuant to this Policy for “product pollution” is subject to the Per Product Condition Sublimit of Liability and Aggregate Product Conditions Sublimit of Liability identified above. Therefore, the Per Product Condition Sublimit of Liability, above, shall be the maximum amount the Insurer shall pay for all “loss” arising out of or related to the same, continuous, repeated, or related “pollution condition” to which this insurance applies. Moreover, the Aggregate Product Conditions Sublimit of Liability, above, shall be the maximum amount the Insurer shall pay for all “loss” arising out of or related to all “pollution conditions” to which this insurance applies. These Sublimits of Liability are subject to, and payments made within these Sublimits of Liability shall erode, the Limits of Liability identified in Item 3. of the Declarations to this Policy, along with any other applicable exposure-specific Limits or Sublimits of Liability added by endorsement hereto. Under no circumstance shall the Insurer be liable to pay any amount in excess of any applicable Limit or Sublimit of Liability.

- III. Solely with respect to coverage afforded pursuant to the Supplemental Coverage added to this Policy pursuant to this Endorsement, Section V., **DEFINITIONS**, Subsection CC., of this Policy are hereby deleted in their entirety and replaced with the following:

**CC. “Loss” means:**

1. A monetary judgment, award or settlement of compensatory damages arising from “bodily injury”, “property damage” or “remediation costs”, including associated punitive, exemplary or multiplied damages, and civil fines, penalties and assessments, but solely to the extent that the punitive, exemplary or multiplied damages, and civil fines, penalties and assessments:
  - a. Are insurable under applicable law; and

b. Arise out of a "pollution condition" or "indoor environmental condition" that results in "bodily injury" or "property damage", or "first-party remediation costs" to which this insurance otherwise applies; and

2. "Legal defense expense".

IV. Section V., **DEFINITIONS**, of this Policy is hereby amended by addition of the following:

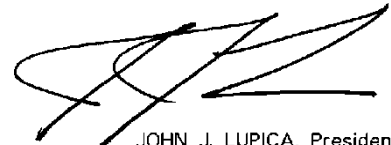
**"Product Pollution"** means a "pollution condition" resulting from the use of potable, reclaimed or recycled water that has been sold or distributed by a "named insured" (hereinafter Product), provided that:

1. The use occurs after the "named insured" has relinquished possession of such Product; and
2. The Product was processed within a potable water or wastewater treatment plant situated at a "covered location".

V. Section VI., **EXCLUSIONS**, Subsection O., **Products Liability**, of this Policy is hereby amended by addition of the following:

This exclusion shall also not apply to coverage afforded for "product pollution" pursuant to the Products Pollution Coverage Endorsement attached to this Policy.

All other terms and conditions of this Policy remain unchanged.



JOHN J. LUPICA, President

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Authorized Representative



**OTHER INSURANCE AMENDATORY (Insured-Specific - Primary) ENDORSEMENT**

Named Insured APIP Cyber and Pollution Programs, Inc			Endorsement Number 22
Policy Symbol PPL	Policy Number G24544837 008	Policy Period 07/01/2018 to 07/01/2019	Effective Date of Endorsement 07/01/2018
Issued By (Name of Insurance Company) Illinois Union Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

The “insured” and the Insurer hereby agree to the following changes to this Policy:

- I. Section IX., **GENERAL CONDITIONS**, Subsection H., **Other Insurance**, of this Policy is hereby deleted in its entirety and replaced with the following:

**H. Other Insurance**

If other valid and collectible insurance is available to the “insured” covering any exposure also covered by this Policy, the insurance afforded by this Policy shall apply as primary insurance.

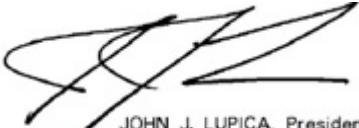
- II.  **Insured-Specific Endorsement Application**

Solely to the extent that there is an X indicated in this Section I., above, the “insured” and the Insurer hereby agree to the modifications identified in Section I. of this Endorsement only apply to coverage afforded to the “insured” specifically identified in the Schedule of Insureds, below:

**Schedule of Insureds**

1. Bay Cities JPA

All other terms and conditions of this Policy remain unchanged.



JOHN J. LUPICA, President  
Authorized Representative

## PER NAMED INSURED AGGREGATE SUBLIMIT OF LIABILITY ENDORSEMENT

Named Insured APIP Cyber and Pollution Programs, Inc			Endorsement Number 23
Policy Symbol PPL	Policy Number G24544837 008	Policy Period 07/01/2018 to 07/01/2019	Effective Date of Endorsement 07/01/2018
Issued By (Name of Insurance Company) Illinois Union Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

### THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The “insured” and the Insurer hereby agree to the following changes to this Policy:

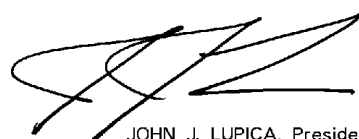
Per Named Insured Aggregate Sublimit of Liability: **\$2,000,000**

Subject to all other terms and conditions of this Policy, the Per Named Insured Aggregate Sublimit of Liability, above, shall apply to all coverage afforded to each “named insured” pursuant to this Policy. Therefore, the Per Named Insured Aggregate Sublimit of Liability is the most the Insurer shall pay for all “loss” on behalf of any of one “named insured” pursuant to this Policy. The Per Named Insured Aggregate Sublimit of Liability shall be subject to, and payments made within this Sublimit of Liability shall erode, the Limits of Liability identified in Item 3. of the Declarations to this Policy, along with any other applicable exposure-specific Limits or Sublimits of Liability added by endorsement hereto. Under no circumstance shall the Insurer be liable to pay any amount in excess of any applicable Limit or Sublimit of Liability.

Joint Power Authority/Pool Aggregate Sublimit of Liability: **\$2,000,000**

Subject to all other terms and conditions of this Policy, the Per Named Insured Aggregate Sublimit of Liability, above, shall apply to all coverage afforded to each Joint Power Authority or Pool identified in the Schedule of Named Insureds, including all of their member “named insured’s”, covered pursuant to this Policy. Therefore, the Per Named Insured Aggregate Sublimit of Liability is the most the Insurer shall pay for all “loss” on behalf of each individual Joint Power Authority or Pool (regardless of how many member “named insured’s” may be covered pursuant to this Policy) covered pursuant to this Policy. The Joint Power Authority/Pool Aggregate shall be subject to, and payments made within this Sublimit of Liability shall erode, the Limits of Liability identified in Item 3. of the Declarations to this Policy, along with any other applicable exposure-specific Limits or Sublimits of Liability added by endorsement hereto. Under no circumstance shall the Insurer be liable to pay any amount in excess of any applicable Limit or Sublimit of Liability.

All other terms and conditions of the Policy remain unchanged.



JOHN J. LUPICA, President

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Authorized Representative

## INDOOR ENVIRONMENTAL CONDITIONS AMENDATORY (Bacteria and Virus) ENDORSEMENT

Named Insured APIP Cyber and Pollution Programs, Inc			Endorsement Number 24
Policy Symbol PPL	Policy Number G24544837 008	Policy Period 07/01/2018 to 07/01/2019	Effective Date of Endorsement 07/01/2018
Issued By (Name of Insurance Company) Illinois Union Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

### THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The “insured” and the Insurer hereby agree to the following changes to this Policy:

- I. Section **V., DEFINITIONS**, Subsection **Y.**, of this Policy is hereby deleted in its entirety and replaced with the following:

**Y. “Indoor environmental condition”** means:

1. The presence of “fungi” in a building or structure, or the ambient air within such building or structure; or
2. The discharge, dispersal, release, escape, migration or seepage of *legionella pneumophila* in a building or structure, or the ambient air within such building or structure; or,
3. Solely with respect to coverage for: **a)** “claims” seeking “remediation costs”; and **b)** “first party remediation costs”, the discharge, dispersal, release, escape, migration or seepage of bacteria (exclusive of *legionella pneumophila*) or viruses in a building or structure, or the ambient air within such building or structure,

provided that:

1. Such “fungi”, bacteria or viruses are not naturally occurring in the environment in the amounts and concentrations found within such building or structure; and
2. Such bacteria and viruses: **a)** are not the result of communicability through human-to-human or bodily fluid contact; and **b)** are required to be reported to any Federal, state, commonwealth, municipal or other local government agency or body with regulatory jurisdiction over the “covered location”.

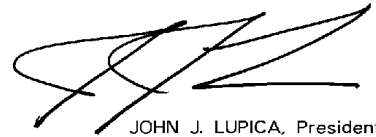
- II.  **Sublimits of Liability**

**Per Bacteria/Virus Condition Sublimit of Liability: \$500,000**

**Aggregate Bacteria/Virus Conditions Sublimit of Liability: \$500,000**

The amount that the Insurer shall pay pursuant to this Policy for “loss” arising out of or related to bacteria (exclusive of *legionella pneumophila*) or viruses is subject to the Per Bacteria/Virus Condition Sublimit of Liability and Aggregate Bacteria/Virus Conditions Sublimit of Liability identified above. Therefore, the Per Bacteria/Virus Sublimit of Liability, above, shall be the maximum amount the Insurer shall pay for all “loss” arising out of or related to the same, continuous, repeated, or related “indoor environmental condition” in any way involving bacteria (exclusive of *legionella pneumophila*) or viruses to which this Endorsement applies. Moreover, the Aggregate Bacteria/Virus Conditions Sublimit of Liability, above, shall be the maximum amount the Insurer shall pay for all “loss” arising out of or related to all “indoor environmental conditions” in any way involving bacteria (exclusive of *legionella pneumophila*) or viruses to which this Endorsement applies. These Sublimits of Liability are subject to, and payments made within these Sublimits of Liability shall erode, the Limits of Liability identified in Item **3.** of the Declarations to this Policy, along with any other applicable exposure-specific Limits or Sublimits of Liability added by endorsement hereto. Under no circumstance shall the Insurer be liable to pay any amount in excess of any applicable Limit or Sublimit of Liability.

All other terms and conditions of this Policy remain unchanged.

A handwritten signature in black ink, appearing to read 'J. Lupica', is positioned above the printed name.

JOHN J. LUPICA, President

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Authorized Representative

## TRADE OR ECONOMIC SANCTIONS ENDORSEMENT

Named Insured APIP Cyber and Pollution Programs, Inc			Endorsement Number 25
Policy Symbol PPL	Policy Number G24544837 008	Policy Period 07/01/2018 to 07/01/2019	Effective Date of Endorsement 07/01/2018
Issued By (Name of Insurance Company) Illinois Union Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

### THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This insurance does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit us from providing insurance, including, but not limited to, the payment of claims. All other terms and conditions of the policy remain unchanged.



JOHN J. LUPICA, President

Authorized Representative

## SERVICE OF SUIT ENDORSEMENT

Named Insured APIP Cyber and Pollution Programs, Inc			Endorsement Number 26
Policy Symbol PPL	Policy Number G24544837 008	Policy Period 07/01/2018 to 07/01/2019	Effective Date of Endorsement 07/01/2018
Issued By (Name of Insurance Company) Illinois Union Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

### **THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

Information about service of suits upon the company is given below. Service of process of suits against the company may be made upon the following person, or another person the company may designate:

Mr. Paul Bech, Esq., Assistant General Counsel  
Chubb  
436 Walnut Street  
Philadelphia, PA 19106-3703

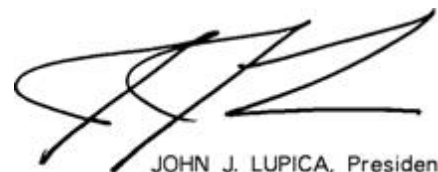
The person named above is authorized and directed to accept service of process on the company's behalf in any action, suit or proceeding instituted against the company. If the insured requests, the company will give the insured a written promise that a general appearance will be entered on the company's behalf if a suit is brought.

If the insured requests, the company will submit to the jurisdiction of any court of competent jurisdiction. The company will accept the final decision of that court or any Appellate Court in the event of an appeal. However, nothing in this endorsement constitutes a waiver of the company's right to: remove an action to a United States District Court, seek a transfer of a case to another court, or to enforce policy provisions governing choice of law or venue selection, as may be permitted by the laws of the United States, or of any state in the United States.

The law of some jurisdictions of the United States of America requires that the Superintendent, Commissioner or Director of Insurance (or their successor in office) be designated as the company's agent for service of process. In these jurisdictions, the company designates the Director of Insurance as the company's true and lawful attorney upon whom service of process on the company's behalf may be made. The company also authorizes the Director of Insurance to mail process received on the company's behalf to the company person named above.

If the insured is a resident of Canada, the insured may also serve suit upon the company by serving the government official designated by the law of the insured's province.

NOTHING HEREIN CONTAINED SHALL BE HELD TO VARY, ALTER, WAIVE OR EXTEND ANY OF THE TERMS, CONDITIONS, OR LIMITATIONS OF THE POLICY TO WHICH THIS ENDORSEMENT IS ATTACHED OTHER THAN AS ABOVE STATED.



JOHN J. LUPICA, President  
Authorized Representative

## SIGNATURES

Named Insured APIP Cyber and Pollution Programs, Inc			Endorsement Number 27
Policy Symbol PPL	Policy Number G24544837 008	Policy Period 07/01/2018 to 07/01/2019	Effective Date of Endorsement 07/01/2018
Issued By (Name of Insurance Company) Illinois Union Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.


THE ONLY SIGNATURES APPLICABLE TO THIS POLICY ARE THOSE REPRESENTING THE COMPANY NAMED ON THE FIRST PAGE OF THE DECLARATIONS.

By signing and delivering the policy to you, we state that it is a valid contract.

**ILLINOIS UNION INSURANCE COMPANY** (A stock company)  
525 W. Monroe Street, Suite 400, Chicago, Illinois 60661

**WESTCHESTER SURPLUS LINES INSURANCE COMPANY** (A stock company)  
Royal Centre Two, 11575 Great Oaks Way, Suite 200, Alpharetta, GA 30022

  
REBECCA L. COLLINS, Secretary

  
JOHN J. LUPICA, President

Authorized Representative

Chubb. Insured.® 455



Illinois Union Insurance Company  
Insurance Company

APIP Cyber and Pollution Programs, Inc  
Policyholder

PPL G24544837 008  
Policy Number

ALLIANT INSURANCE SERVICES INC  
Broker/Producer

**POLICYHOLDER DISCLOSURE  
NOTICE OF TERRORISM INSURANCE COVERAGE**

You were notified that under the Terrorism Risk Insurance Act, as amended, you have a right to purchase insurance coverage for losses resulting from acts of terrorism. *As defined in Section 102(1) of the Act:* The term "act of terrorism" means any act or acts that are 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 certain air carriers or vessels 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.

**YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY YOUR POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT 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 THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 85% FOR YEAR 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 INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM THAT WOULD BE CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.**

**YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A \$100 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 \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.**

You elected **NOT** to purchase terrorism coverage under the Act at the price indicated. ACCORDINGLY, WE WILL **NOT** PROVIDE THIS COVERAGE AND YOU DO NOT OWE THE ADDITIONAL PREMIUM FOR THAT COVERAGE INDICATED BELOW.

Terrorism coverage described by the Act under your policy was made available to you for additional premium in the amount of \$69,591, however you elected to decline such coverage.



- Illinois Union Insurance Company
- Westchester Surplus Lines Insurance Company
- 

Insured:  
APIP Cyber and Pollution Programs, Inc

Attached To Policy No.: PPL G24544837 008  
Effective Date: 07/01/2018

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**CALIFORNIA SURPLUS LINES NOTIFICATION  
NOTICE:**

- 1. THE INSURANCE POLICY THAT YOU (HAVE PURCHASED) (ARE APPLYING TO PURCHASE) 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 OR INTERNET WEB SITE WWW.INSURANCE.CA.GOV. 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 ELIGIBLE 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.**

Applicant Signature \_\_\_\_\_ Date \_\_\_\_\_

NOTHING HEREIN CONTAINED SHALL BE HELD TO VARY, ALTER, WAIVE OR EXTEND ANY OF THE TERMS, CONDITIONS, OR LIMITATIONS OF THE POLICY TO WHICH THIS NOTICE IS ATTACHED OTHER THAN AS STATED ABOVE.

**Chubb Producer Compensation  
Practices & Policies**

Chubb believes that policyholders should have access to information about Chubb's practices and policies related to the payment of compensation to brokers and independent agents. You can obtain that information by accessing our website at <http://www.chubbproducercompensation.com> or by calling the following toll-free telephone number: 1-866-512-2862.

## 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:

- Foreign agents;
- Front organizations;
- Terrorists;
- Terrorist organizations; and
- 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.



## Crime Policy Summary

1. TRUST POLICY NUMBER: 12180-PROPERTY
  2. MEMBER/NAMED INSURED: Lehi City
  3. MAILING ADDRESS: P.O. Box 255, Lehi, UT 84043-0255
  4. POLICY PERIOD: From: November 1, 2018  
To: November 1, 2019  
(12:01 a.m. Local Standard Time)
- 

This Crime Policy Summary outlines the coverages, limit(s), and deductible(s) for the Member/Named Insured. The coverage provided herein is underwritten by National Union Fire Insurance Company of Pittsburgh, Pa. under a Government Crime Policy (“GC Policy”) issued to the Trust. This document does not create, modify, extend or otherwise affect the terms, conditions, provisions or exclusions as outlined in the GC Policy. Please refer to the GC Policy and Declarations for specific terms, conditions and exclusions.

5. COVERAGES:
  - A. Employee Theft – Per Loss Coverage
  - B. Forgery Or Alteration
  - C. Inside The Premises – Theft Of Money And Securities
  - D. Inside the Premises – Robbery Or Safe Burglary
  - E. Outside the Premises
  - F. Computer Fraud
  - G. Funds Transfer Fraud
  - H. Money Orders And Counterfeit Money

6. LIMIT OF INSURANCE – PER OCCURRENCE:

**\$5,000,000\***

**\*The Limit of Liability set forth above applies to all Trust Members combined, Per Occurrence.**

**7. DEDUCTIBLE AMOUNT – PER OCCURRENCE:**

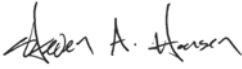
“All Risk (Basic) Deductible” Matching Property Policy

**8. GC POLICY ENDORSEMENTS:**

#1, #2, #3, #4, #5, #6, #7, #8, #9, #10, #11, #12, #13, #14, #15, #16, #17, #18, #19, #20, #21, #22, #23, #24, #25, #26, #27, #28

**9. NOTIFICATION OF CLAIMS TO:**

Utah Local Governments Trust  
Attention: Claims Manager  
55 South Highway 89  
North Salt Lake, UT 84054



Dated: 01/23/2019

Steven A. Hansen  
Chief Executive Officer

UTAH LOCAL GOVERNMENTS TRUST  
55 South Highway 89  
North Salt Lake, UT 84054

**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; 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; 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; 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; 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 33 08 07**

This endorsement, effective *12:01 am July 1, 2018*  
policy number *01-593-77-07*  
issued to *UTAH LOCAL GOVERNMENTS TRUST*

forms a part of

by *National Union Fire Insurance Company of Pittsburgh, Pa.*

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**UTAH CHANGES**

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME POLICY  
EMPLOYEE THEFT AND FORGERY POLICY  
GOVERNMENT CRIME POLICY  
KIDNAP/RANSOM AND EXTORTION POLICY

**A. The following is added to the Cancellation Of Policy Condition:**

(7) If this policy has been in effect for more than 60 days or if this is a renewal of a policy we issued, we may cancel this policy only for one or more of the following reasons:

- (a) Nonpayment of premium;
- (b) Material misrepresentation;
- (c) Substantial change in the risk assumed unless we should reasonably have foreseen the change or contemplated the risk when entering the contract; or
- (d) Substantial breaches of contractual duties, conditions or warranties.

If we cancel for nonpayment of premium, notice of cancellation must state the reason for cancellation.

(8) Notice of cancellation must be delivered or mailed by first class mail.

**B. The following is added and supersedes any other provision to the contrary:**

**NONRENEWAL**

- 1. If we elect to not renew this policy, we will mail, by first class mail, written notice of nonrenewal to the first Named Insured, at the last mailing address known to us, at least 30 days before the expiration or anniversary date of this policy.
- 2. We need not mail this notice if:
  - a. You have accepted replacement

coverage;

b. You have requested or agreed to nonrenewal; or

c. This policy is expressly designated as nonrenewable.

3. If notice is mailed, proof of mailing is sufficient proof of notice.

**C. Under the Commercial Crime Policy and Government Crime Policy, Paragraphs (1) and (4) of the Duties In The Event Of Loss are replaced by the following:**

(1) Notify us or our agent as soon as possible. If you have reason to believe that any loss (except for loss covered under the Employee Theft Insuring Agreement or Forgery Or Alteration Insuring Agreement) involves a violation of law, you must also notify the local law enforcement authorities.

You may fulfill this requirement by mailing the notice to us, postage prepaid, through first class mail deposited in a United States Post Office.

(4) Give us a detailed, sworn proof of loss within 120 days. We will, on request, promptly furnish you with any necessary forms and instructions.

Failure to submit the requested proof of loss within 120 days does not invalidate your claim, if you show that it was not reasonably possible to do so and that you submitted the proof of loss to us as soon as reasonably possible.

You may fulfill this requirement by mailing the proof of loss to us, postage prepaid, through first class mail deposited in a United States Post Office.

- D. Under the Kidnap/Ransom And Extortion Policy, Paragraphs (4) and (6) of the **Duties In The Event Of An Occurrence** Condition is replaced by the following:

- (4) Notify us or our agent as soon as possible. You may fulfill this requirement by mailing the notice to us, postage prepaid, through first class mail deposited in a United States Post Office.

- (6) Give us a detailed, sworn proof of loss within 120 days. We will, on request, promptly furnish you with any necessary forms and instructions.

Failure to submit the requested proof of loss within 120 days does not invalidate your claim, if you show that it was not reasonably possible to do so and that you submitted the proof of loss to us as soon as reasonably possible.

You may fulfill this requirement by mailing the proof of loss to us, postage prepaid, through first class mail deposited in a United States Post Office.

- E. Under the Commercial Crime Policy, Government Crime Policy and Em-

ployee Theft And Forgery Policy, the **Legal Action Against Us** Condition is replaced by the following:

**LEGAL ACTION AGAINST US**

You may not bring any legal action against us involving loss:

1. Unless proof of loss has been waived; or
  2. Unless full payment has been denied; or
  3. Until 60 days after you have filed proof of loss with us;
- whichever is earlier; and
4. Unless brought within 3 years from the date you "discover" the loss.

- F. Under the Kidnap/Ransom And Extortion Policy, the **Legal Action Against Us** Condition is replaced by the following:

**LEGAL ACTION AGAINST US**

You may not bring any legal action against us involving loss:

1. Unless proof of loss has been waived; or
  2. Unless full payment has been denied; or
  3. Until 60 days after you have filed proof of loss with us;
- whichever is earlier; and
4. Unless brought within 3 years from the date you reported the loss to us.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



\_\_\_\_\_  
AUTHORIZED REPRESENTATIVE

**ENDORSEMENT# 2**

This endorsement, effective *12:01 am July 1, 2018* forms a part of  
policy number *01-593-77-07*  
issued to *UTAH LOCAL GOVERNMENTS TRUST*

by *National Union Fire Insurance Company of Pittsburgh, Pa.*

**ECONOMIC SANCTIONS ENDORSEMENT**

Product Name: *Government Crime Policy Admitted CR0026 (05/06)*

*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.

  
\_\_\_\_\_  
AUTHORIZED REPRESENTATIVE

**ENDORSEMENT# 3**

This endorsement, effective *12:01 am July 1, 2018* forms a part of  
policy number *01-593-77-07*  
issued to *UTAH LOCAL GOVERNMENTS TRUST*

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

**ENDORSEMENT# 4**

This endorsement, effective at *12:01 am July 1, 2018* forms a part of  
Policy number *01-593-77-07*  
Issued to: *UTAH LOCAL GOVERNMENTS TRUST*

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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AUTHORIZED REPRESENTATIVE

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**END 004**

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**ENDORSEMENT# 5**

This endorsement, effective at *12:01 am July 1, 2018* forms a part of  
Policy number *01-593-77-07*  
Issued to: *UTAH LOCAL GOVERNMENTS TRUST*

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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AUTHORIZED REPRESENTATIVE

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**END 005**

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**ENDORSEMENT# 6**

**CRIME AND FIDELITY  
CR 25 20 08 07**  
forms a part of

This endorsement, effective *12:01 am July 1, 2018*  
policy number *01-593-77-07*  
issued to *UTAH LOCAL GOVERNMENTS TRUST*

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
\$5,000,000	<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, 2018*  
policy number *01-593-77-07*  
issued to *UTAH LOCAL GOVERNMENTS TRUST*

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"/>	<b>Employee Theft - Per Loss Coverage</b>	<i>\$5,000,000</i>
<input type="checkbox"/>	<b>Employee Theft - Per Employee Coverage</b>	

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

**ENDORSEMENT# 7** (Continued)

Theft Insuring Agreement, as amended by this endorsement.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

A handwritten signature in black ink, appearing to be 'M.H.', is written above a horizontal line.

AUTHORIZED REPRESENTATIVE

**ENDORSEMENT# 8**

This endorsement, effective *12:01 am July 1, 2018* forms a part of  
policy number *01-593-77-07*  
issued to *UTAH LOCAL GOVERNMENTS TRUST*

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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AUTHORIZED REPRESENTATIVE

**ENDORSEMENT# 9**

This endorsement, effective at *12:01 am July 1, 2018* forms a part of  
Policy number *01-593-77-07*  
Issued to: *UTAH LOCAL GOVERNMENTS TRUST*

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**

Page 1 of 1

**ENDORSEMENT# 10**

This endorsement, effective *12:01 am July 1, 2018* forms a part of  
policy number *01-593-77-07*  
issued to *UTAH LOCAL GOVERNMENTS TRUST*

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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AUTHORIZED REPRESENTATIVE

**ENDORSEMENT# 11**

This endorsement, effective *12:01 am July 1, 2018* forms a part of  
policy number *01-593-77-07*  
issued to *UTAH LOCAL GOVERNMENTS TRUST*

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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**ENDORSEMENT# 12**

This endorsement, effective *12:01 am July 1, 2018* forms a part of  
policy number *01-593-77-07*  
issued to *UTAH LOCAL GOVERNMENTS TRUST*

by *National Union Fire Insurance Company of Pittsburgh, Pa.*

**IMPERSONATION FRAUD COVERAGE**

Product Name: *Commercial Crime Policy Admitted CR0026 (05/06)*

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

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)**

It is agreed that in consideration of the additional premium of \$0, the policy is hereby amended as follows:

1. Insuring Agreement "Funds Transfer Fraud" is amended by adding the following to the end thereof:

Impersonation Fraud Coverage

We will also pay for loss of "funds" resulting directly from a "fraudulent instruction" directing a financial institution to transfer, pay or deliver "funds" from your "transfer account."

Notwithstanding the above requirement that the loss of "funds" result directly from a "fraudulent instruction," we will also pay for the loss of "funds" resulting from your receipt of a "fraudulent instruction" from a purported vendor, which advises you that the vendor's bank account information has been changed and you suffer a loss of "funds".

2. Solely with respect to Impersonation Fraud Coverage provided by this endorsement, in Section F. Definitions, the definition of "Fraudulent Instruction" is deleted in its entirety and replaced with the following:

"Fraudulent instruction" means an electronic, telegraphic, cable, teletype, telefacsimile, telephone or written instruction communicated by you or your "employee" based upon an instruction received and relied upon by you or your "employee" which was transmitted:

- a. by a purported director, officer, partner, member or sole proprietor of yours or by another "employee" - or by an individual acting in collusion with such purported director, officer, partner, member, sole proprietor or other "employee" - but which was in fact fraudulently transmitted by someone else without your or your "employee's" knowledge; or

**ENDORSEMENT# 12 (Continued)**

This endorsement, effective *12:01 am July 1, 2018* forms a part of  
policy number *01-593-77-07*  
issued to *UTAH LOCAL GOVERNMENTS TRUST*

by *National Union Fire Insurance Company of Pittsburgh, Pa.*

- 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 05/01/2016.
7. The most we will pay for all loss resulting directly from an "occurrence" under this endorsement is the Impersonation Fraud Limit shown in Section 4 above.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

  
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**END 12**

**ENDORSEMENT# 13**

**CRIME AND FIDELITY  
CR 25 06 08 07**  
forms a part of

This endorsement, effective *12:01 am July 1, 2018*  
policy number *01-593-77-07*  
issued to *UTAH LOCAL GOVERNMENTS TRUST*

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>All</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.



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**ENDORSEMENT# 14**

**CRIME AND FIDELITY  
CR 25 41 08 07**  
forms a part of

This endorsement, effective *12:01 am July 1, 2018*  
policy number *01-593-77-07*  
issued to *UTAH LOCAL GOVERNMENTS TRUST*

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**

<b>Persons Or Classes Of Persons</b>
<i>-Any directors or Trustees of any 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.



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**ENDORSEMENT# 15**

**CRIME AND FIDELITY  
CR 25 40 08 07**  
forms a part of

This endorsement, effective *12:01 am July 1, 2018*  
policy number *01-593-77-07*  
issued to *UTAH LOCAL GOVERNMENTS TRUST*

by *National Union Fire Insurance Company of Pittsburgh, Pa.*

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**INCLUDE 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:

**SCHEDULE**

<input checked="" type="checkbox"/> <b>Employee Theft Insuring Agreement</b>	
<b>Costs, Fees Or Other Expenses</b>	
<b>Limit Of Insurance</b>	<b>Covered Loss</b>
<i>\$75,000</i>	<i>100 %</i>
<input checked="" type="checkbox"/> <b>Computer Fraud Insuring Agreement</b>	
<b>Costs, Fees Or Other Expenses</b>	
<b>Limit Of Insurance</b>	<b>Covered Loss</b>
<i>\$75,000</i>	<i>100 %</i>
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

**ENDORSEMENT# 15** (continued)

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.
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
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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**ENDORSEMENT# 16**

**CRIME AND FIDELITY  
CR 25 08 08 07**  
forms a part of

This endorsement, effective *12:01 am July 1, 2018*  
policy number *01-593-77-07*  
issued to *UTAH LOCAL GOVERNMENTS TRUST*

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**

<b>Names Or Titles Of Non-Compensated Officers</b>
<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.



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**ENDORSEMENT# 17**

**CRIME AND FIDELITY  
CR 25 12 08 07**  
forms a part of

This endorsement, effective *12:01 am July 1, 2018*  
policy number *01-593-77-07*  
issued to *UTAH LOCAL GOVERNMENTS TRUST*

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**

<b>Treasurers Or Tax Collectors</b>
<i>A11</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.



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**END 017**



**ENDORSEMENT# 18**

**CRIME AND FIDELITY  
CR 25 09 08 07**  
forms a part of

This endorsement, effective *12:01 am July 1, 2018*  
policy number *01-593-77-07*  
issued to *UTAH LOCAL GOVERNMENTS TRUST*

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.



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**END 018**

**ENDORSEMENT# 19**

This endorsement, effective *12:01 am July 1, 2018* forms a part of  
policy number *01-593-77-07*  
issued to *UTAH LOCAL GOVERNMENTS TRUST*

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

**ENDORSEMENT# 19 (Continued)**

This endorsement, effective *12:01 am July 1, 2018* forms a part of  
policy number *01-593-77-07*  
issued to *UTAH LOCAL GOVERNMENTS TRUST*

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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AUTHORIZED REPRESENTATIVE



**ENDORSEMENT# 21**

This endorsement, effective *12:01 am July 1, 2018* forms a part of  
policy number *01-593-77-07*  
issued to *UTAH LOCAL GOVERNMENTS TRUST*

by *National Union Fire Insurance Company of Pittsburgh, Pa.*

**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 21**

**ENDORSEMENT# 22**

This endorsement, effective *12:01 am July 1, 2018* forms a part of  
policy number *01-593-77-07*  
issued to *UTAH LOCAL GOVERNMENTS TRUST*

by *National Union Fire Insurance Company of Pittsburgh, Pa.*

**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**" ENDORSEMENT," 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 22**

**ENDORSEMENT# 23**

This endorsement, effective *12:01 am July 1, 2018* forms a part of  
policy number *01-593-77-07*  
issued to *UTAH LOCAL GOVERNMENTS TRUST*

by *National Union Fire Insurance Company of Pittsburgh, Pa.*

**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:

This endorsement, effective *12:01 am July 1, 2018* forms a part of  
policy number *01-593-77-07*  
issued to *UTAH LOCAL GOVERNMENTS TRUST*

by *National Union Fire Insurance Company of Pittsburgh, Pa.*

- (1) owned by the Client;
- (2) held by the Client in any capacity;
- (3) for which the Client is legally liable;

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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 AUTHORIZED REPRESENTATIVE



**ENDORSEMENT# 24**

This endorsement, effective *12:01 am July 1, 2018* forms a part of  
policy number *01-593-77-07*  
issued to *UTAH LOCAL GOVERNMENTS TRUST*

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

No Limit of Insurance during any period will be cumulative with any other amount applicable to the same coverage during any other period.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

  
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AUTHORIZED REPRESENTATIVE

**ENDORSEMENT# 25**

This endorsement, effective *12:01 am July 1, 2018* forms a part of  
policy number *01-593-77-07*  
issued to *UTAH LOCAL GOVERNMENTS TRUST*

by *National Union Fire Insurance Company of Pittsburgh, Pa.*

**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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**END 25**

**ENDORSEMENT# 26**

This endorsement, effective *12:01 am July 1, 2018* forms a part of  
policy number *01-593-77-07*  
issued to *UTAH LOCAL GOVERNMENTS TRUST*

by *National Union Fire Insurance Company of Pittsburgh, Pa.*

**RETROACTIVE DATE**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

This endorsement modifies insurance provided under the following:

**COMMERCIAL CRIME POLICY**

**A. SCHEDULE**

<b>NAMED INSURED: Utah Local Governments Trust</b>
<b>RETROACTIVE DATE: 12:01 A.M. on: May 1, 2016</b>
*Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.

**B. PROVISIONS**

The first paragraph of Section A. **Insuring Agreements** is replaced by the following:

Any loss that you sustain resulting directly from an "occurrence" taking place in its entirety prior to the Retroactive Date shown in the Schedule above 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 shall have a Limit of Liability of \$1,750,000.

Any loss that you sustain resulting directly from an "occurrence" taking place in its entirety after the Retroactive Date shown in the Schedule above 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 shall have a Limit of Liability of \$5,000,000.

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**

  
\_\_\_\_\_  
AUTHORIZED REPRESENTATIVE

**ENDORSEMENT# 27**

This endorsement, effective *12:01 am July 1, 2018* forms a part of  
policy number *01-593-77-07*  
issued to *UTAH LOCAL GOVERNMENTS TRUST*

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**

Lehi City

**ENDORSEMENT# 27 (Continued)**

This endorsement, effective *12:01 am July 1, 2018* forms a part of  
policy number *01-593-77-07*  
issued to *UTAH LOCAL GOVERNMENTS TRUST*

by *National Union Fire Insurance Company of Pittsburgh, Pa.*

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.

  
\_\_\_\_\_  
AUTHORIZED REPRESENTATIVE

**ENDORSEMENT# 28**

This endorsement, effective *12:01 am July 1, 2018*  
policy number *01-593-77-07*  
issued to *UTAH LOCAL GOVERNMENTS TRUST*

forms a part of

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 )
CR0233	08/07	UTAH CHANGES
119679	09/15	ECONOMIC SANCTIONS ENDORSEMENT
99758	08/08	NOTICE OF CLAIM (REPORTING BY E-MAIL)
113013	10/12	PROTECTED INFORMATION EXCLUSION
113024	10/12	INDIRECT OR CONSEQUENTIAL LOSS EXCLUSION
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
116956	01/17	IMPERSONATION FRAUD 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
CR2540	08/07	INCLUDE EXPENSES INCURRED TO ESTABLISH AMOUNT OF COVERED LOSS
CR2508	08/07	INCLUDE SPECIFIED NON COMPENSATED OFFICERS AS EMPLOYEES
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
CR 2505	03/00	INCLUDE LEASED WORKERS AS EMPLOYEES

**ENDORSEMENT# 28**

This endorsement, effective *12:01 am July 1, 2018*  
policy number *01-593-77-07*  
issued to *UTAH LOCAL GOVERNMENTS TRUST*

forms a part of

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
116982	05/15	THIRD PARTY COVERAGE
MNSCPT		ADDITIONAL NAMED INSURED
120271	08/15	BLANKET LOSS PAYEE
MNSCPT		RETROACTIVE DATE
MNSCPT		ADDITIONAL NAMED INSURED
78859	10/01	FORMS INDEX ENDORSEMENT

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



AUTHORIZED REPRESENTATIVE

