



ARIZONA MUNICIPAL RISK RETENTION POOL MUNICIPAL LIABILITY COVERAGE AGREEMENT

NOTICE

THIS COVERAGE AGREEMENT IS ISSUED BY ARIZONA MUNICIPAL RISK RETENTION POOL ("POOL"). THIS AGREEMENT PROVIDES COVERAGE ON A CLAIMS MADE AND REPORTED BASIS. EACH OF THE COVERAGE AGREEMENTS INCLUDES SPECIAL REQUIREMENTS FOR PROVIDING WRITTEN NOTICE TO THE POOL. THIS COVERAGE AGREEMENT PROVIDES GENERAL LIABILITY AND MUNICIPAL MANAGEMENT PRACTICES LIABILITY COVERAGE ONLY FOR DAMAGES AWARDED AGAINST A MEMBER AS A RESULT OF A CLAIM FIRST MADE AGAINST A MEMBER AND REPORTED TO THE POOL IN WRITING DURING THE RATING PERIOD OR AN EXTENDED REPORTING PERIOD.

PLEASE READ THIS COVERAGE AGREEMENT CAREFULLY. ALL TERMS IN QUOTES HAVE A SPECIAL MEANING FOUND UNDER **SECTION VII, DEFINITIONS** OR IN THE **COMMON CONDITIONS**.

IN CONSIDERATION OF THE PAYMENT OF THE PREMIUM SHOWN IN THE DECLARATIONS AND IN RELIANCE ON ALL OF THE STATEMENTS AND REPRESENTATIONS MADE DURING THE APPLICATION PROCESS TO THE POOL, AND SUBJECT TO ALL THE TERMS, CONDITIONS AND LIMITS OF THIS COVERAGE AGREEMENT, THE POOL AGREES AS FOLLOWS:

SECTION I - COVERAGE AGREEMENTS

A. GENERAL LIABILITY COVERAGE AGREEMENT

1. The Pool will pay "damages" the "member" is legally obligated to pay for "bodily injury", "property damage" or "personal and advertising injury". This Coverage Agreement only applies if:
 - a. prior to the effective date of this policy, no "member" knew that the "claim" for "bodily injury", "property damage" or "personal and advertising injury" was reasonably likely to be made;
 - b. the "bodily injury" or "property damage" is caused by an "occurrence" which happened after the "retroactive date";
 - c. the "claim" is first made against any "member" during the "rating period", and the "claim" is reported to the Pool in writing during the "rating period" or any applicable extended reporting period; and
 - d. the "bodily injury" or "property damage" is first sustained or the "personal and advertising injury" is first committed after the "retroactive date" and prior to the end of the "rating period" in the "coverage territory".
2. The Pool has the right and duty to defend the "member" against any "suit" seeking covered "damages". The Pool may, at the Pool's discretion, investigate any "claim" and settle any "claim" or "suit."
3. The Pool has no obligation to pay "damages", defend any "member" or incur any expense after the applicable limit of liability shown in the Declarations has been paid.

B. MUNICIPAL MANAGEMENT PRACTICES LIABILITY COVERAGE AGREEMENT

1. The Pool will pay "damages" the "member" is legally obligated to pay for a "wrongful act". This Coverage Agreement only applies if:
 - a. prior to the effective date of this policy, no "member" knew that the "claim" resulting from a "wrongful act" was reasonably likely to be made;

- b. the "wrongful act" happened after the "retroactive date";
 - c. the "claim" is first made against any "member" during the "rating period", and the "claim" is reported to the Pool in writing during the "rating period" or any applicable extended reporting period; and
 - d. the "wrongful act" is first committed after the "retroactive date" and prior to the end of the "rating period" in the "coverage territory".
- 2. The Pool has the right and duty to defend the "member" against any "suit" seeking covered "damages". The Pool may, at the Pool's discretion, investigate any "claim" and settle any "claim" or "suit."
 - 3. The Pool has no obligation to pay "damages", defend any "member" or incur any expense after the applicable limit of liability shown in of the Declarations has been paid.

Damages attributable to "bodily injury", "property damage" or "personal and advertising injury" will be covered by this policy only to the extent they fall within the coverage provided by Coverage Agreement A.

SECTION II - COVERED EXPENSES AND COSTS

A. FOR ANY "CLAIM" THE POOL INVESTIGATES OR SETTLES OR ANY "SUIT" THE POOL DEFENDS, THE POOL WILL PAY:

- 1. "Loss adjustment expense" the Pool incurs, subject to the "loss adjustment expense" limitations in this section and other "member" obligations contained in this Policy.
- 2. The cost of bonds to release attachments, but only for bond amounts within the applicable Limit Of Liability. The Pool does not have to furnish these bonds.
- 3. All reasonable expenses incurred by a "member" at the Pool's request to assist in the investigation or defense of the "claim" or "suit", including actual loss of earnings up to \$100 a day because of time off from work.
- 4. All costs, other than attorney's fees, taxed against the "member" in the "suit".
- 5. Prejudgment interest awarded against the "member" on that part of the judgment the Pool pays. If the Pool makes an offer to pay the applicable Limit Of Liability, the Pool will not pay any prejudgment interest incurred that accrued after the offer.
- 6. All interest on the full amount of any judgment that accrues after entry of the judgment and before the Pool has paid, offered to pay, or deposited in court the part of the judgment that is within the applicable Limit of Liability.

These payments will not reduce the Limits Of Liability unless otherwise noted in the Limits of Liability section.

B. FOR ANY "DECLARATORY RELIEF CLAIM" OR "INJUNCTIVE RELIEF CLAIM" THAT IS NOT BROUGHT WITH A "CLAIM" FOR "DAMAGES" THE POOL WILL PAY:

- 1. 50% of the first \$25,000 of "loss adjustment expense; and
- 2. 25% of the next \$25,000 of "loss adjustment expense".
- 3. The "Named Member" shall pay all "loss adjustment expense" in excess of \$50,000.
 - a. The Pool may pay any part or all of the "loss adjustment expense" amount to effect settlement of any "claim" or "suit". The "Named Member" shall promptly reimburse the Pool for its share of "loss adjustment expense".
 - b. The most the Pool will pay for all "loss adjustment expense" arising out of "injunctive relief claims" and "declaratory relief claims" made during the "rating period" is \$100,000.

SECTION III - EXCLUSIONS

This Policy does not apply to:

A. AIRCRAFT, DRONE OR WATERCRAFT

"Damages" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, drone or watercraft owned or operated by or rented or loaned to any "member". Use includes operation and "loading or unloading".

This Exclusion does not apply to:

1. A watercraft while ashore on premises the "member" owns or rents;
2. A watercraft that is:
 - a. Less than 26 feet long; and
 - b. Not being used to carry persons or property for a charge;

B. AUTO

"Damages" arising out of the ownership, maintenance, use or entrustment to others of any "auto," owned or operated by or rented or loaned to any "member." use includes operation and "loading or unloading."

This exclusion does not apply to

1. Parking an "auto" on, or on the ways next to, premises the "member" owns or rents, provided the "auto" is not owned by or rented or loaned to any "member".
2. "Bodily injury" or "property damage" caused by the "Named Member's" work servicing or repairing vehicles provided the damage occurs off the "Named Member's" premises and when no "member" had care, custody or control of the vehicle.
3. "Damages" sustained by a suspect arising from lawful and official law enforcement operations conducted in pursuit of that suspect.

C. ASBESTOS

"Damages" arising directly or indirectly out of, resulting from, caused by or contributed to by:

1. The use, sale, installation, removal, abatement, distribution, or containment of or exposure to asbestos, asbestos products, asbestos-containing material, asbestos fibers, or asbestos dust;
2. The actual or threatened abatement, mitigation, removal or disposal of asbestos, asbestos products, asbestos-containing material, asbestos fibers, or asbestos dust;
3. Any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with (1) or (2) above; or
4. Any obligation of the "member" to indemnify any party in connection with (1), (2) or (3) above.

D. BREACH OF CONTRACT

"Damages" arising out of any breach of an express or implied contract or warranty including, but not limited to, any "claim" for amounts due under the terms of any contractual obligation. This exclusion does not apply to liability the "member" would have in the absence of the contract.

E. CONTRACTUAL LIABILITY

"Damages" which a "member" is obligated to pay by reason of the assumption of liability in a contract. This Exclusion does not apply to liability for "damages":

1. That the "member" would have in the absence of the contract; or
2. Assumed by a "member" in a "covered contract", provided the "wrongful act" or "occurrence" giving rise to the "damages" occurs subsequent to the execution of the contract.

F. DAMAGE TO IMPAIRED PROPERTY OR PROPERTY NOT PHYSICALLY INJURED

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

1. A defect, deficiency, inadequacy or dangerous condition in "the Member's product" or "the Member's work"; or
2. A delay or failure by the "member" or anyone acting on the "member's" behalf to perform a contract or agreement in accordance with its terms.

This Exclusion does not apply to the loss of use of other property arising out of the sudden and accidental physical injury to "the Member's product" or "the Member's work" after it has been put to its intended use.

G. DAMAGE TO PROPERTY

"Property damage" to:

1. Property the "member" owns, rents, or occupies, including any costs or expenses incurred by the "member", or by any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
2. Premises the "member" sells, gives away or abandons, if the "property damage" arises out of any part of those premises;
3. Property loaned to a "member";
4. Personal property in the care, custody or control of a "member";
5. That particular part of real property on which the "member" or any contractors or subcontractors working directly or indirectly on the "member's" behalf are performing operations, if the "property damage" arises out of those operations; or
6. That particular part of any property that must be restored, repaired or replaced because "the member's work" was incorrectly performed on it.

Paragraph (2) of this Exclusion does not apply if the premises are "the member's work" and were never occupied, rented or held for rental by the "member".

Paragraphs (3), (4), (5) and (6) of this Exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this Exclusion does not apply to "property damage" included in the "products-completed operations hazard".

H. DAMAGE TO THE MEMBER'S PRODUCT

"Property damage" to "the Member's product" arising out of it or any part of it.

I. DAMAGE TO THE MEMBER'S WORK

"Property damage" to "the Member's work" arising out of it or any part of it.

J. DATA SECURITY EVENT

"Damages" arising out of any **"Data Security Event"**.

K. DISHONEST, FRAUDULENT, CRIMINAL OR MALICIOUS ACTS

"Damages" arising out of:

1. Any dishonest, fraudulent, criminal, knowingly wrongful or malicious act, error or omission, committed by the "member", including the willful or reckless violation of any statute or ordinance; or
2. Any criminal proceedings or any proceedings under any open meeting law against any "member."

L. EMPLOYER'S LIABILITY

"Bodily injury" to:

1. An "employee" of a "member" arising out of and in the course of:
 - a. Employment by the "member"; or
 - b. Performing duties related to the "member's" municipal activities; or
2. The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (a) above.

This Exclusion applies:

1. Whether the "member" 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.

This Exclusion does not apply to liability assumed by the "member" under a "covered contract".

M. EMPLOYEE WAGES OR BENEFITS

"Damages" that are:

1. Claimed increases in wages or benefits; or
2. Fringe benefits, educational expenses, overtime or similar payments arising out of an "employment-related practices claim".

N. EMPLOYMENT RELATED LAWS

"Damages" arising out of an obligation imposed by or an alleged violation of:

1. any workers' compensation law;
2. any occupational disease law;
3. any unemployment compensation law;
4. any social security or disability benefits law;
5. the Employee Retirement Income Security Act;

6. the U.S. Longshoreman and Harbor Workers' Act;
7. the Federal Employers' Liability Act;
8. the Jones Act;
9. the Fair Labor Standards Act; or
10. the Migrant & Seasonal Agricultural Worker Protection Act.

O. EXPECTED OR INTENDED DAMAGES

Under the coverage provided under the General Liability Coverage Agreement in paragraph A above, any "damages" expected or intended from the standpoint of the "member". This exclusion does not apply to "bodily injury" or "property damage" that is the direct result of an act that the "member" believes to be necessary to safeguard or preserve or protect person or property.

Under the coverage provided under the Municipal Management Practices Liability in paragraph B above, "damages" arising out of a "wrongful act" the "member" knew or reasonably should have known to be wrongful at the time the act was committed. This exclusion does not apply to a "Member" for negligence in training, hiring or supervising an employee or agent.

P. FIDUCIARY LIABILITY

"Damages" arising out of any "wrongful act" committed by any "member" in a fiduciary capacity

Q. GENERAL LIABILITY

"Damages" for "bodily injury", "property damage" or "personal and advertising injury" are not covered by Municipal Management Practices Liability Coverage Agreement in paragraph B above. "Damages" for "bodily injury", "property damage" or "personal and advertising injury" will be covered only to the extent they fall within the coverage provided under the General Liability Coverage Agreement in paragraph A above. This exclusion does not apply if the "bodily injury", "property damage" or "personal and advertising injury" is sustained in the course of lawful and official law enforcement operations. In that case, those "damages" will only be covered under the Municipal Management Practices Liability Coverage Agreement.

R. INADEQUACY OF PERFORMANCE OF INVESTMENT/ADVICE

"Damages" arising out of:

1. Failure of any investment to perform;
2. Errors in providing information on past performance of investment vehicles;
3. Advice given to any person with respect to that person's decision to participate or not to participate in any plan included in the "employee benefit program"; or
4. The investment of or failure to invest funds.

S. INSUFFICIENCY OF FUNDS

"Damages" arising out of an insufficiency of funds to meet any obligations under any plan included in the "employee benefit program".

T. INSURANCE AND BONDS

"Damages" arising out of the purchase of or failure to purchase or maintain any insurance, other risk transfer agreement or bonds, including notary bonds.

U. INTELLECTUAL PROPERTY

"Damages" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights.

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

V. LAND USE

"Damages" arising out of

1. any taking, annexation, condemnation, inverse condemnation, adverse possession, or dedication by adverse use of land or property, whether or not as a result of the denial of substantive or procedural due process or both.
2. actual or alleged physical occupation, invasion, or use of property by the Member;
3. Reduction or invalidation of special assessment; or
4. actual or alleged negligent inspection or enforcement of any building, plumbing, electrical, fire or similar codes.

W. LEAD

"Damages" arising directly or indirectly out of, resulting from, caused by or contributed to by:

1. The toxic or pathological properties of lead, lead compounds or lead contained in any materials;
2. The actual or threatened abatement, mitigation, removal or disposal of lead, lead compounds or materials containing lead;
3. Any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with (1) or (2) above; or
4. Any obligation of the "member" to indemnify any party in connection with (1), (2) or (3) above.

X. LIQUOR LIABILITY

"Damages" for which any Covered Entity may be held liable by reason of:

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; or
3. Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This Exclusion applies only if the Covered Entity:

- a) Is in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages; or
- b) Serves or furnishes alcoholic beverages without a charge if a license is required for such activities. For the purposes of this provision, license does not mean a consumption and display permit.

Y. MATERIAL PUBLISHED WITH KNOWLEDGE OF FALSITY

"Personal and advertising injury" arising out of oral or written publication of material, if done by or at the direction of the "member" with knowledge of its falsity.

Z. MATERIAL PUBLISHED PRIOR TO RATING PERIOD

"Personal and advertising injury" arising out of oral or written publication of material whose first publication took place before the beginning of the "rating period".

AA. MOBILE EQUIPMENT

"Damages" arising out of the transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any "member".

BB. MUNICIPAL ACTIVITIES, SERVICES AND FACILITIES

1. "Damages" arising out of:

- a. The complete or partial failure to adequately supply gas, oil, water, electricity or steam;
- b. The failure or bursting of any dam, dike, levee or canal;
- c. The detention or confinement of any person or persons in any jail, holding cell or similar detention facility if the "wrongful act" resulting in such "damages" occurs after a continuous detention or confinement period of 30 days, or in any detention facility which is intended and regularly used for confinement of persons for periods in excess of 30 days;
- d. The ownership, operation, maintenance or use of any landfill or dump; or

2. "Damages" arising out of the ownership, operation, maintenance or use of any:

- a. Airport; or
- b. Hospital, nursing home or medical clinic.

3. Exclusion 1.a. does not apply if the failure to supply results from the sudden or accidental injury to tangible property owned or used by the "member".

Subject to above 3 above the "Failure to Supply" limit is \$1,000,000 per Claim / \$1,000,000 Aggregate and is the most the pool will pay for the sum of "damages" and "loss adjustment expense" arising out of all "failure to supply claims" made during the rating period.

CC. OTHER THAN MONEY DAMAGES

Any loss, cost or expense arising out of any judgment for declaratory relief or injunctive relief.

DD. POLLUTION

1. "Damages" for which a "member" would not have been liable in whole or in part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

2. Any loss, cost or expense arising out of any:

- a. Request, demand, order or statutory or regulatory requirement that any "member" or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- b. "Claim" or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

3. This Exclusion does not apply to "damages" arising out of the use of insecticide applied for pest control, provided the use of the product was in compliance with the law.

EE. PRIOR KNOWLEDGE

"Damages" arising out of any "wrongful act" or "occurrence" that any "member" knew or reasonably should have known, prior to the effective date of this Coverage Agreement, was likely to result in a "claim".

FF. PRIOR ACTS

"Damages" arising out of any "wrongful act" or "occurrence" committed before the "retroactive date" of this Coverage Agreement.

GG. PROFESSIONAL SERVICES

"Damages" arising out of the rendering of or failure to render professional services by any professional listed below:

1. Attorney; but this Exclusion does not apply to a staff attorney employed full-time by the "member";
2. Architect;
3. Doctor of Medicine;
4. Dentist;
5. Nurse, except with respect to activities in the capacity of an emergency medical technician or first responder;
6. Pharmacist; or
7. Emergency Medical Technicians and First Responders, except with respect to activities while responding to emergencies.

HH. QUALITY OR PERFORMANCE OF GOODS - FAILURE TO CONFORM TO STATEMENTS

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in an "advertisement".

II. RECALL OF PRODUCTS, WORK OR IMPAIRED PROPERTY

"Damages" claimed for any loss, cost or expense incurred by the "member" or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

1. "The Member's product";
2. "The Member's work"; or
3. "Impaired property"

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

JJ. SECURITIES CLAIMS

"Damages" arising out of any "Securities Claim".

KK. SILICA

"Damages" arising out of an exposure to or the existence of "silica".

LL. SOVEREIGN IMMUNITY

The Pool has no obligation to pay "damages" that the "member" would not be obligated to pay under applicable governmental or sovereign immunity law if this Coverage Agreement had not been obtained. The existence of this Coverage Agreement does not constitute a waiver of any statutory immunity or limitation on the amount of "damages" that can be awarded against a "member".

MM. SPECIAL EVENTS

"Damages" arising out of a "member's" ownership, sponsorship, maintenance or operation of any:

1. Mechanically operated amusement devices;
2. "Mobile equipment", "auto", snowmobile, motorcycle or other item in or while being prepared for any racing, pulling, pushing, speed, demolition or stunting activity;
3. Rodeos;
4. Fireworks displays or exhibitions;
5. Ski facility;
6. Climbing wall;
7. Trampoline or rebound device; or
8. Skateboard facility or skateboard activity.

This Coverage Agreement also does not apply to any "damages" arising out of the cancellation of any event.

NN. TAXATION

"Damages" arising out of the assessment, adjustment, collection or refunding of taxes.

OO. VOLUNTEER WORKERS

"Damages" as a result of "bodily injury" or "personal and advertising injury" to:

1. Any "volunteer worker" while acting on behalf of the "member"; or
2. The spouse, child, parent, brother or sister of that "volunteer worker" as a consequence of Paragraph (1) above

if the "volunteer worker" is:

- a. An employee within the meaning of a Workers' Compensation law or similar law, or
- b. Covered under a Voluntary Compensation endorsement to a Workers' Compensation coverage agreement or insurance policy.

PP. STORAGE TANKS

"Damages" arising out of the presence, ownership or use of any "storage tank".

QQ. WAR AND MILITARY ACTION

"Damages" due to:

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.

RR. WRONG DESCRIPTION OF PRICES

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in an "advertisement".

SECTION IV - LIMITS OF LIABILITY AND DEDUCTIBLES

A. LIMITS OF LIABILITY

1. The Limits Of Liability shown in the Declarations and the rules below fix the most the Pool will pay regardless of the number of:
 - a. "Members" involved;
 - b. "Claims" made or "suits" brought;
 - c. Persons or organizations making "claims" or bringing "suits"; or
 - d. A "claim" and its "related claims" share one applicable limit.
2. For any "claim" or "suit" seeking "damages" for which coverage is provided by both Coverage Agreement A and Coverage Agreement B, only one Limit of Liability will apply. The "Named Member" is entitled to choose which Limit will apply.
3. Each sublimit stated below applies as part of, and not in addition to, any overall applicable coverage limit. Each sublimit is the maximum limit amount potentially recoverable for all "damages" arising from or relating to that particular "claim" or "suit."
4. The General Aggregate Limit is the most the Pool will pay for the sum of all "damages" and medical expenses covered by this Coverage Agreement. If "loss adjustment expenses" erode a particular limit, those expenses are also subject to this aggregate limit.
5. The Products-Completed Operations Aggregate Limit is the most the Pool will pay under Coverage A – General Liability for "damages" because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
6. Subject to 5. above, the Each Claim-Occurrence/Offense Limit is the most the Pool will pay for "damages" under Coverage A – General Liability arising out of any one "occurrence" or offense.
7. The Each Claim-Wrongful Act Limit is the most the Pool will pay for "damages" under Coverage B. – Municipal Management Practice Liability arising out of any one "wrongful act".
8. The Medical Payments Each Accident Limit is the most the Pool will pay for all medical expenses because of "bodily injury" sustained in any one "occurrence".
9. The Medical Payments Each Person Limit is the most the Pool will pay for all medical expenses because of "bodily injury" sustained by any one person in any one "occurrence".

10. Sublimit-Back Wages

- a. The "Back Wages" Aggregate Limit is the most the Pool will pay for the sum of "damages" and "loss adjustment expense" arising out of all "employment-related practices claims" and "suits" seeking "back wages" made during the "rating period".
- b. Subject to a. above, the Back Wages Each Claim Limit is the most the Pool will pay for the sum of "damages" and "loss adjustment expense" arising out of any one "employment-related practices claim" seeking "back wages" made during the "rating period".
- c. Subject to b. above, payment for past or back wages is limited to the claimant's regular salary for the twelve month period immediately preceding the "wrongful act" without adjustment for actual or possible overtime, incentive pay, or promotional or merit increases. Regular salary includes on-call wages.

11. Sublimit-Fire Damage

Exclusions E. and F do not apply to damage by fire to premises while rented to the "Named Member" or temporarily occupied by the "Named Member" with permission of the owner, but the Fire Damage Limit is the most the Pool will pay for "damages" for "property damage" by fire to any one premises.

12. Land Use

- a. The Land Use Liability Aggregate Limit is the most the Pool will pay for the sum of "damages" and "loss adjustment expense" arising out of all "land use liability claims" made during the "rating period".
- b. Subject to a. above, the Land Use Liability Each Claim Limit is the most the Pool will pay for the sum of "damages" and "loss adjustment expense" arising out of any one "land use liability claim" made during the "rating period".
- c. The Pool shall be reimbursed by the "member" for 20% of the "damages" and "loss adjustment expense" paid under 12 a & b above.

13. Sublimit-Organic Pathogens

- a. The Organic Pathogen Aggregate Limit is the most the Pool will pay for the sum of "damages" and "loss adjustment expense" arising out of all "organic pathogen claims" made during the "rating period".
- b. Subject to a. above, the Organic Pathogen Each Claim Limit is the most the Pool will pay for the sum of "damages" and "loss adjustment expense" arising out of any one "organic pathogen claim" made during the "rating period".

14. Sublimit-Pollution Liability

Paragraph (1) of Exclusion DD – Pollution does not apply to "damages" arising out of a "Sudden Pollution Event".

- a. The Pollution Liability Each Event Limit is the most the Pool will pay for the sum of "damages" and "loss adjustment expense" arising out of any one "Sudden Pollution Event".
- b. Subject to a. above, the Pollution Liability Each Claimant Limit is the most the Pool will pay for the sum of "damages" and "loss adjustment expense" arising out of all injury or damage sustained by any one person or organization in any one "Sudden Pollution Event".

15. The Limits Of Liability apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the "rating period" shown in the Declarations, unless the "rating period" is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits Of Liability.

B. DEDUCTIBLES

1. The Pool's obligation to pay "damages" on a "member's" behalf applies only to the amount of "damages" in excess of any Deductible amount stated in the Declarations.
2. The Aggregate Deductible amount applies to all "damages" arising out of "claims" made during the "rating period".
3. Subject to Paragraph 2. above, the Each Claim-Wrongful Act and Each Claim-Occurrence/Offense Deductible amount applies to all "damages" as the result of any one "wrongful act", "occurrence" or offense, regardless of the number of persons or organizations who sustain "damages".
4. The Pool may pay any part or all of the Deductible amount to effect settlement of any "claim" or "suit". The "member" shall promptly reimburse the Pool for such part of the Deductible amount as has been paid by the Pool.
5. The Member is not obligated to pay a deductible for any "land use liability claim", "organic pathogens claim", "back wages", or claim arising out of a "Sudden Pollution Event."

SECTION V - MEMBERS

A. INDIVIDUALS AND ORGANIZATIONS THAT QUALIFY AS MEMBERS

1. The city, town or other governmental body or entity identified as the "Named Member" in the Declarations.

Unless specifically identified by endorsement, "member" does not include:

- a. A gas, airport, electrical, or steam utilities commission;
 - b. A port authority, housing and redevelopment authority, economic development authority, area or municipal redevelopment authority, or similar agency;
 - c. A municipal power agency or municipal gas agency;
 - d. A hospital or nursing home board or commission;
 - e. A welfare or public relief agency;
 - f. A school board; or
 - g. A "joint venture", except as provided in Paragraph 2.c.(2) below.
2. Each of the following is also a "member" for liability while acting within the scope of their duties in the positions described:
 - a. Any of the "Named Member's" elected or appointed officials;
 - b. Any person serving on the "Named Member's" council;
 - c. Any "employee" of the "Named Member", while acting within the course and scope of their duties on behalf of:
 - (1) The "Named Member"; or
 - (2) Another governmental entity pursuant to a mutual aid agreement;
 - d. Any person on a "Named Member's" board, commission, agency or committee that is not excluded under Paragraph 1. above;
 - e. Any "volunteer worker" or volunteer organization only while acting on behalf of the "Named Member" and subject to the "Named Member's" direction and control;

- f. Any "Named Member" relief association and its officers and "employees"; and
- g. Any other authorized person or agent of the "Named Member" while acting on behalf of the "Named Member", including the "Named Member's" "leased workers".

This provision does not include independent contractors.

- 3. No person or organization described under Paragraph 2. is a "member" with respect to any "claim" or "suit" against that person or organization by any other "member".

SECTION VI - ADDITIONAL COVERAGES

A. MEDICAL PAYMENTS

- 1. The Pool will pay the medical expenses identified below resulting from "bodily injury" caused by an "occurrence" on the "covered premises", provided that:
 - a. The "bodily injury" arises out of a condition in or on the "covered premises";
 - b. The "occurrence" takes place during the "rating period";
 - c. The expenses are incurred and reported to the Pool within one year of the date of the accident; and
 - d. The injured person submits to examination, at the Pool's expense, by physicians of the Pool's choice as often as the Pool reasonably requires.
- 2. The Pool will make these payments regardless of fault.
- 3. The Pool will pay reasonable expenses for:
 - a. First aid administered at the time of an accident;
 - b. Necessary medical, surgical, x-ray and dental services, including prosthetic devices;
 - c. Necessary ambulance, hospital, professional nursing and funeral services; and
 - d. Replacement or repair of damaged eyeglasses or clothing.
- 4. Exclusions

The Pool will not pay expenses for "bodily injury":

- a. Any "member"
 - To any "member".
- b. Hired Person
 - To a person hired to do work for or on behalf of any "member" or a tenant of any "member".
- c. Injury On Normally Occupied Premises
 - To a person injured on that part of premises the "member" owns or rents that the person normally occupies.
- d. Workers Compensation And Similar Laws
 - To a person, whether or not an "employee" of any "member", if benefits are payable or must be provided under a workers' compensation or disability benefits law or a similar law.
- e. Athletic Activities

To a person injured while practicing, instructing, training for or taking part in athletics, whether on an organized or non-organized basis.

f. Products-Completed Operations Hazard

Included within the "products-completed operations hazard".

g. Liability Exclusions

Excluded under Coverages A & B.

h. Independent Contractors

Arising out of operations performed for the "member" by an independent contractor.

i. Maintenance And Repair

To any person while engaged in:

(1) Maintenance and repair of the "covered premises"; or

(2) Alteration, demolition or new construction at such premises.

j. Member Or Guest

To a member or guest of any club, tourist court or trailer park operated or owned by the "member".

k. Snowmobiles

Arising out of the operation or use of any snowmobile or trailer designed for use therewith.

Exclusions a., c., i. and j. do not apply to a "volunteer worker" described in the definition of "covered premises".

5. As soon as practicable, but in no event later than the termination of the "rating period" or any applicable Extended Reporting Period, the injured person or someone on the injured person's behalf shall:

a. Give the Pool written proof of "claim", under oath if required, and

b. After each request from the Pool, execute authorization to enable the Pool to obtain copies of medical reports and records.

B. CRISIS INTERVENTION COVERAGE

1. The Pool will reimburse the "Named Member" for costs incurred by the "Named Member" to provide the following services:

a. On-premises mental health crisis and grief counseling, by a licensed counselor, for employees or officials of the "Named Member" in need of such services for a period of one week after a "Traumatic Work-Related Event" occurs;

b. A 24-hour, 7-day per week crisis hotline for a period of up to 3 months after a "Traumatic Work-Related Event" occurs;

c. Crisis follow-up and relapse prevention services, by a licensed counselor, for employees or officials of the "member" in need of such services for a period of up to 3 months after a "Traumatic Work-Related Event" occurs;

- d. A media specialist to handle crisis-related external communications with electronic, print, television and radio media for up to one month after a "Traumatic Work-Related Event" occurs.
- 2. The Limit of this Additional Coverage for each "Traumatic Work-Related Event" is \$25,000. The annual aggregate limit of this Additional Coverage is \$25,000.

SECTION VII - DEFINITIONS

- A. **"ADVERTISEMENT"** means a notice that is broadcast or published to the general public or specific market segments about goods, products or services for the purpose of attracting customers or supporters.
- B. **"AUTO"** means:
 - 1. A land motor vehicle, trailer or semi-trailer designed for travel on public roads; or
 - 2. An all-terrain vehicle licensed for road use;including any attached machinery or equipment. But "auto" does not include "mobile equipment".
- C. **"BACK WAGES"** means the regular salary for the twelve month period immediately preceding the "wrongful act" without adjustment for actual or possible overtime, incentive pay, or promotional or merit increases. Regular salary includes on-call wages.
- D. **"BODILY INJURY"** means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
- E. **"CAFETERIA PLANS"** means any plan authorized by applicable law to allow employees to elect to pay for certain benefits with pre-tax dollars.
- F. **"CLAIM"** means a written demand for money or services.
- G. **"COVERAGE TERRITORY"** means:
 - 1. The United States of America (including its territories and possessions) and Canada;
 - 2. International waters or airspace, but only if the "wrongful act", "occurrence" or offense occurs in the course of travel or transportation between any places included in 1 above; or
 - 3. All other parts of the world if the "claim" for "damages" arises out of:
 - a. Goods or products made or sold by the "member" in the territory described in 1 above; or
 - b. The activities of a person whose home is in the territory described in a. above, but is away for a short time on the "member's" business;provided a "member's" responsibility to pay "damages" is determined in a "suit" on the merits, in the territory described in 1 above or in a settlement the Pool agrees to.
- H. **"COVERED CONTRACT"** means:
 - 1. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to the "member" or temporarily occupied by the "member" with permission of the owner is not a "covered contract";
 - 2. A sidetrack agreement;
 - 3. Any easement or license agreement, including those for vehicle or pedestrian private railroad crossings at grade, but not including easements or license agreements in connection with construction or demolition operations on or within 500 feet of a railroad;
 - 4. An obligation, as required by ordinance, to indemnify a municipality;

5. An elevator maintenance agreement;
6. That part of any other contract or agreement pertaining to the "member's" municipal activities under which the "member" assumes the tort liability of another party to pay "damages" to a third person or organization if the contract or agreement is made prior to the date of the "wrongful act" giving rise to claimed "damages". Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph 6 does not include that part of any contract or agreement:

- a. That indemnifies a railroad for "damages" arising out of construction or demolition operations within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;
- b. That indemnifies an architect, engineer or surveyor for "damages" arising out of:
 - (1) Preparing, approving, or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings, designs and specifications; or
 - (2) Giving directions or instructions, or failing to give them, if that is the primary cause of the "damages"; or
- c. Under which the "member", if an architect, engineer or surveyor, assumes liability for "damages" arising out of the "member's" rendering or failure to render professional services.

I. "COVERED PREMISES" means:

All premises owned or rented to the "member"; and

1. The ways on land next to premises the "member" owns; or,
2. Any location in the "coverage territory" if the person making the "claim" is a "volunteer worker" who is:
 - a. Subject to the "member's" direction and control;
 - b. Injured while acting on behalf of the "member"; and
 - c. Not covered by the "member" for worker's compensation, disability, or medical benefits.

J. "DAMAGES" means money paid to another for injury.

"Damages" does not include:

1. Taxes, fines or penalties, including those imposed under the Internal Revenue Code or any similar state or local law;
2. Repayment of any tax or assessment that was wrongfully obtained, or any interest on such tax or assessment; or
3. Amounts paid or payable for the purchase or permanent acquisition of property or property rights, or for the right to permanently enforce an ordinance, regulation, or restriction on the use of property.

K. "DATA SECURITY EVENT" means:

1. a Privacy Event;
2. unauthorized access to or use of a Member's Computer System;

3. a denial of service attack upon or directed at the Member's Computer System; or
4. malicious code or computer virus created or transmitted by, or introduced into a Member's Computer System.

L. "DECLARATORY RELIEF CLAIM" means any "claim" arising out of a request for a court of competent jurisdiction to decide the rights and obligations of the parties pursuant to the state of Arizona or Federal statutes on declaratory relief.

M. "DISCRIMINATION" means violation of a person's civil rights with respect to such person's race, color, national origin, religion, gender, marital status, age, sexual orientation or preference, physical or mental condition, or any other protected class or characteristic established by any federal, state or local statutes, rules or regulations.

N. "EMPLOYEE" means any natural person:

1. While in the "Named Member's" service;
2. Who the "Named Member" compensates directly by salary, wages or commissions;
3. Who the "Named Member" has the right to direct and control while performing services for the "Named Member"; and
4. "Leased worker".

"Employee" does not mean or include any agent, independent contractor or representative acting in the same general capacity.

O. "EMPLOYEE BENEFIT PROGRAM" means a program providing some or all of the following benefits to "employees", whether provided through a "cafeteria plan" or otherwise:

1. Group life insurance; group accident or health insurance; dental, vision and hearing plans; and flexible spending accounts; provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to those "employees" who satisfy the plan's eligibility requirements;
2. Profit sharing plans, employee savings plans, employee stock ownership plans, pension plans and stock subscription plans, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to all "employees" who are eligible under the plan for such benefits;
3. Unemployment insurance, social security benefits, workers' compensation and disability benefits; and
4. Vacation plans, including buy and sell programs; leave of absence programs, including military, maternity, family, and civil leave; tuition assistance plans; transportation and health club subsidies.

P. "EMPLOYMENT-RELATED PRACTICES CLAIM" means a "claim" or "suit" alleging:

1. Demotion or failure to promote, negative evaluation, reassignment or discipline of the "Named Member's" current "employee" or wrongful refusal to employ;
2. Wrongful termination, meaning the actual or constructive termination of an "employee":
 - a. In violation or breach of applicable law or public policy;
 - b. Which is determined to be in violation of a contract, other than any employment contract, which stipulates financial consideration is due as the result of a breach of the contract;

- c. Wrongful denial of training, wrongful deprivation of career opportunity;
- d. Negligent hiring or supervision which results in any of the other offenses listed in this definition;
- e. Retaliatory action against an "employee" because the "employee" has:
 - (1) Declined to perform an illegal or unethical act;
 - (2) Filed a complaint with a governmental authority or a "suit" against the "member" or any other "member" in which "damages" are claimed;
 - (3) Testified against the "member" or any other "member" at a legal proceeding; or
 - (4) Notified a proper authority of any aspect of the "member's" municipal activities which is illegal;
- f. Coercing an "employee" to commit an unlawful act or omission within the scope of that person's employment;
- g. Work-related harassment;
- h. Employment-related libel, slander, invasion of privacy, defamation or humiliation; or
- i. Other work-related verbal, physical, mental or emotional abuse arising from "discrimination".

Any "claim" qualifying as an "employment-related practices claim" will be considered to be an "employment-related practices liability claim" in its entirety, regardless of whether the "claim" may assert other "claims" or "damages".

Q. "IMPAIRED PROPERTY" means tangible property, other than "the Member's product" or "the Member's work", that cannot be used or is less useful because:

- 1. It incorporates "the Member's product" or "the Member's work" that is known or thought to be defective, deficient, inadequate or dangerous; or
- 2. The "member" has failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by:

- 3. The repair, replacement, adjustment or removal of "the Member's product" or "the Member's work"; or
- 4. The "member's" fulfilling the terms of the contract or agreement.

R. "INJUNCTIVE RELIEF CLAIM" means any "claim" arising out of an injunction or request for an injunction:

- 1. Forbidding the "member" to do some act, which the "member" intends or is attempting to commit;
- 2. Restraining the "member" in the continuance of an act; or
- 3. Requiring the "member" to undertake requested action

pursuant to the state of Arizona or Federal statutes on injunctive relief.

S. "JOINT VENTURE" means a joint powers agreement, intergovernmental agreement, mutual aid agreement, or any similar agreement, including any entity, corporation, association, partnership or other arrangement formed by that agreement.

T. "LAND USE LIABILITY CLAIM" means any "claim" directly relating to:

- 1. The enforcement or interpretation of a land use, zoning or subdivision ordinance or regulation; or

2. The "Named Member's" regulatory approval or disapproval of any development or redevelopment project.

Any "claim" qualifying as a "land use liability claim" under 1 or 2 above will be considered to be a "land use liability claim" in its entirety, regardless of whether the "claim" may assert other "claims" or "damages".

U. "LEASED WORKER" means a person leased to the "Named Member" by a labor leasing firm under an agreement between the "Named Member" and the labor leasing firm, to perform duties related to the conduct of the "Named Member's" municipal operations.

V. "LOADING OR UNLOADING" means the handling of property:

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

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

W. "LOSS ADJUSTMENT EXPENSE" means expenses incurred and allocated to any "claim" or "suit" for investigation, defense, and administration.

"Loss adjustment expense" does not include:

1. Salaries and expenses of employees of the Pool or the Pool's Administrator, other than that portion of the Pool's employed attorney's fees, salary and expenses allocated to a specific "claim" or "suit"; or
2. Salaries of the "Named Member's" "employees" or the "member's" office expenses.

X. "MEMBER" means anyone or any entity who qualifies under Section V.

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

1. Bulldozers, farm machinery, forklifts, all-terrain vehicles not licensed for road use, and other vehicles designed for use principally off public roads;
2. Street cleaning equipment not licensed for road use;
3. Vehicles that travel on crawler treads;
4. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - a. Power cranes, shovels, loaders, diggers or drills; or
 - b. 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:
 - a. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - b. Cherry pickers 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":

- a. Street cleaning equipment, if licensed for road use;
- b. Equipment designed primarily for:
 - (1) Snow removal; or
 - (2) Road maintenance, but not construction or resurfacing;
- c. Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- d. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

Z. **"OCCURRENCE"** means an accident, including continuous or repeated exposure to substantially the same general harmful conditions. A series of "occurrences" related by cause, fact or service will be considered one "occurrence" deemed to have only occurred when the first "occurrence" in the series happened.

AA. **"ORGANIC PATHOGEN CLAIM"** means any "claim" or "suit" seeking "damages" arising from any bacterium, virus, fungus, mold or mildew, or any of their mycotoxins, spores, scents or other by-products. Any "claim" qualifying as a "organic pathogen claim" will be considered to be an "organic pathogens claim" in its entirety, regardless of whether the "claim" may assert other "claims" or "damages".

BB. **"PERSONAL AND ADVERTISING INJURY"** means injury arising out of the following offenses:

- 1. False arrest or imprisonment;
- 2. Malicious prosecution;
- 3. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy;
- 4. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- 5. Oral or written publication, in any manner, of material that violates a person's right of privacy;
- 6. The use of another's advertising idea in the "Named Member's" "advertisement";
- 7. Infringing upon another's copyright, trade dress or slogan in the "Named Member's" "advertisement"; or
- 8. Assault or battery committed for the purpose of protecting persons or property or incident to an arrest.

For the offense of malicious prosecution, the injury is deemed to have been occurred and the offense committed only at the time the prosecution was initiated.

Any series of "personal and advertising injury" offenses related by cause, fact or service will be considered one "personal and advertising injury" offense deemed to only have been committed when the first "personal and advertising injury" offense was committed.

CC. **"PERSONAL INFORMATION"** means:

- 1. An individual's name or initials in combination with any one or more of the following data elements, when the data element is not encrypted:
 - a. The individual's social security number.

- b. The individual's number on a driver license or identification license issued pursuant to applicable state law.
- c. The individual's financial account information in combination with any required security code, access code or password.

2. "Personal information" does not mean any publicly available information.

DD. "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.

EE. "PRODUCTS-COMPLETED OPERATIONS HAZARD" includes all "bodily injury" and "property damage" occurring away from premises the "member" owns or rents and arising out of "the Member's product" or "the Member's work" except:

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

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

FF. "PROPERTY DAMAGE" means:

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

Electronic data or information is not tangible property for purposes of this definition.

GG. "RATING PERIOD" means the Rating Period shown in the Declarations.

HH. "RELATED CLAIMS" means all claims that allege the same or related "wrongful acts", "occurrences" or offenses. A wrongful act, "occurrence" or offense is related if it is one of a series of events or shares a common cause, fact or service.

II. "RETROACTIVE DATE" means the date identified as such in the Declarations.

JJ. "SECURITIES CLAIM" means any "suit" or "claim" for any relief, including informal or formal investigations or enforcement actions brought by any Federal or State agency or office, and licensure or disciplinary proceedings instituted by any Federal or State agency or office, or instituted by the Financial Institution Regulatory Authority ("FINRA") and any similar industry regulatory authority performing the same or a similar function as FINRA, or international, national, or regional stock, commodities, or futures exchanges, arising out of any actual or alleged violation of:

- 1. The Securities Act of 1933;
- 2. The Securities Exchange Act of 1934;
- 3. The Public Utilities Holding Act of 1935;

4. The Trust Indenture Act of 1939;
5. The Investment Company act of 1940;
6. The Investment Advisors Act of 1940;
7. Any state Blue Sky Laws; including any rules, regulations or amendments issued in relation to the acts referenced in 1-6 above; or
8. Any common law claim arising out of or in any way concerning or related to:
 - a. The promotion, issuance, sale or solicitation for sale of securities, bonds, debentures, stocks, options, warrants, trusts, real estate, REIT, or any other investment of any kind by any "member"; or
 - b. Recommendations, representations, or opinions concerning investment advice given by any "member" or any person or organization referred to by any "member" in connection with the performance or nonperformance of any securities, bonds, debentures, stocks, options, warrants, trusts, real estate, REIT, or any other investment of any kind by any "member"; or
 - c. The provision or furnishing of, by any "member", any information, data, statistics, projections, or other written or oral communication subsequently used, in any manner whatsoever, by the other party in making any decisions regarding any securities, bonds, debentures, stocks, options, warrants, trusts, real estate, REIT, or any other investment of any kind; or
 - d. Any common law principles of liability, if made in connection with an actual or alleged violation of any law listed in 1-7 above.

"Securities Claim" includes claims arising out of the solicitation of, attempt to commit, or conspiracy to commit, any act described in the preceding paragraphs.

KK. "SILICA" means silicon dioxide (occurring in crystalline, amorphous and impure forms), silica particles, silica dust or silica compounds.

LL. "SUDDEN POLLUTION EVENT" means a discharge, dispersal, release or escape of "pollutants" which:

1. Begins during the "rating period";
2. Begins at an identified time and place;
3. Ends, in its entirety, at an identified time within 48 hours of the beginning of the discharge, dispersal, release or escape of the "pollutants";
4. Is not a repeat or resumption of a previous discharge, dispersal, release or escape of the same "pollutant" from essentially the same source within 12 months of a previous discharge, dispersal, release or escape; and
5. Does not originate from a "Storage Tank."

To be a "Sudden Pollution Event", the discharge, dispersal, release or escape of "pollutants" need not be continuous. However, if the discharge, dispersal, release or escape is not continuous, then each and all discharges, dispersals, releases or escapes of the same "pollutants" from essentially the same source, considered together, must satisfy this definition to be considered a Sudden Pollution Event.

The "member" must notify the Pool of the "Sudden Pollution Event" as soon as practicable, but no more than 14 days after its ending.

MM. "SUIT" means a civil proceeding in which covered "damages" are alleged. "Suit" includes:

1. An arbitration proceeding to which the "member" must submit or does submit with the Pool's consent; or
2. Any other alternative dispute resolution proceeding to which the "member" submits with the Pool's consent.

"Suit" does not mean any criminal proceeding against any "member" or any open meeting law proceeding.

NN. "THE MEMBER'S PRODUCT":

1. Means:
 - a. Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (1) The "Named Member";
 - (2) Others trading under the "Named Member's" name; or
 - (3) A person or organization whose business or assets the "Named Member" has acquired; and
 - b. Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
2. Includes:
 - a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "the Member's product"; and
 - b. The providing of or failure to provide warnings or instructions.
3. Does not include vending machines or other property rented to or located for the use of others but not sold.

OO. "THE MEMBER'S WORK":

1. Means:
 - a. Work or operations performed by the "Named Member" or on the "Named Member's" behalf; and
 - b. Materials, parts or equipment furnished in connection with such work or operations.
2. Includes:
 - a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "the Member's work; and
 - b. The providing of or failure to provide warnings or instructions.

PP. "TRAUMATIC WORK-RELATED EVENT" is an unforeseen event that occurs at the premises described in the Declarations and results in loss of life or serious injury of a person while on those premises.

QQ. "STORAGE TANK" means any storage tank, including any attached pumps, valves or piping, either on or buried below the surface of the ground or water, or which, at any time, had been buried under the surface of the ground or water and then subsequently exposed by any means. For the purposes of this definition, "buried" means that at least 10% of it is below the surface of the ground or water.

RR. "VOLUNTEER WORKER" means a person who:

1. Is not the "Named Member's" "employee";
2. Donates his or her work;
3. Acts at the direction of and within the scope of duties determined by the "Named Member"; and
4. Is not paid a fee or salary by the "Named Member" or anyone else for their work performed for the "Named Member".

SS. "WRONGFUL ACT" means any actual or alleged negligent act, error, omission, misstatement, misleading statement, neglect, or breach of duty by a "member".

However, "wrongful act" shall not mean any act:

1. Which is criminal, wanton or reckless;
2. Which constitutes:
 - a. Malfeasance in office;
 - b. Willful neglect of duty;
 - c. Bad faith;
 - d. Dishonesty; or
 - e. The willful violation of a statute or ordinance.
3. For which the "Named Member" is not authorized to indemnify any person by law or public policy.

Any series of "wrongful acts" related by cause, fact or service will be considered one "wrongful act" deemed to have only happened when the first "wrongful act" in the series happened.

SECTION VIII - CONDITIONS

A. WHEN A "CLAIM" IS FIRST MADE AND REPORTED AND RELATED CLAIMS

A "claim" is deemed to have been first made on the date any "member" receives notice of the "claim".

A "claim" is deemed to have been reported to the Pool on the date the Pool receives written notice of the "claim" from the "member".

All "related claims" will be considered to have been first made and reported to the Pool under the coverage in effect at the time the first "claim" is made and reported to the Pool. All "related claims" will be deemed to be one claim for purposes of any applicable Limit of Liability.

B. GOVERNMENTAL TORT LIABILITY LIMITATION

By accepting coverage under this Coverage Agreement, the "member" does not waive any of its statutory immunities for monetary limits of liability (commonly known as tort liability damages caps), and the Pool shall not be liable for any "claims" in excess of the statutory monetary limits unless the statutory tort limitation is found by a court not to apply. If "claims" are asserted in any judicial jurisdiction where statutory liability damage caps do not apply, then the Limits of Liability shown in the Declarations and further described in the Limits of Liability apply.

C. BANKRUPTCY

Bankruptcy or insolvency of the "member" or of the "member's" estate shall not relieve the Pool of any of its obligations hereunder.

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

1. The "member" must see to it that the Pool is notified as soon as practicable of a "wrongful act", "occurrence" or offense which may result in a "claim" or "suit". The notice must include:
 - a. Details sufficient to identify the "member" involved;
 - b. How, when, and where the "wrongful act", "occurrence" or offense took place;
 - c. The names and addresses of any injured persons and witnesses; and
 - d. The nature and location of any injury or damage.Notice of a "wrongful act", "occurrence" or offense is not notice of a "claim".
2. The "member" must provide written notice of any "claim" or "suit" to the Pool or any of its authorized agents as soon as practicable, but not later than the termination of the "rating period" or any applicable Extended Reporting Period.
3. The "member" must:
 - a. Immediately send the Pool copies of any demands, notices, summonses or legal papers received in connection with the "claim" or "suit";
 - b. Authorize the Pool to obtain records and other information;
 - c. Cooperate with the Pool in the investigation or settlement of the "claim" or defense against the "suit"; and
 - d. Assist the Pool, upon the Pool's request, in the enforcement of any right against any person or organization which may be liable to the "member" because of injury or damage to which this coverage may also apply.
4. No "member" will, except at that "member's" own cost, voluntarily make a payment, assume any legal obligation, or incur any expense, other than for first aid, without the Pool's consent.

E. LEGAL ACTION AGAINST THE POOL

No person or organization has a right under this Coverage Agreement:

1. To join the Pool as a party or otherwise bring the Pool into a "suit" to determine any "member's" liability; or
2. To sue the Pool under this Coverage Agreement unless all of its terms have been fully complied with.

A person or organization may sue the Pool to recover on an agreed settlement or on a final judgment against a "member"; but the Pool will not be liable for "damages" that are not payable under the terms of this Coverage Agreement or that are in excess of the applicable Limit Of Liability. An agreed settlement means a settlement and release of liability signed by the Pool, the Member and the claimant or the claimant's legal representative.

Any legal action by a "member" against the Pool for breach of this Coverage Agreement must be filed within one year of the date of the alleged breach.

F. REPRESENTATIONS

By accepting this Coverage Agreement, the "member" agrees:

1. The statements in the Declarations and applications are accurate and complete;
2. Those statements are based upon representations the "member" made to the Pool;
3. The Pool has issued this Coverage Agreement in reliance upon the "member's" representations; and
4. The "member" does not waive any statutory or common law immunity.

G. OTHER INSURANCE

The coverage afforded by this Coverage Agreement is excess coverage over any other insurance, self-insurance or other risk transfer agreement, whether primary, excess, contingent or provided on any other basis, whether collectible or not. This provision does not apply to any policy that is written to be excess over this policy.

H. INSPECTION AND AUDIT

1. The Pool will be permitted, but is not obligated, to inspect the "member's" property and operations. The purpose of these inspections is to assist the Pool in underwriting and assessing the risk. It is understood and agreed that in undertaking these inspections the Pool does not warrant or guarantee that the property or operations are safe or are in compliance with any law, rule, or regulation.
2. The Pool may examine and audit the "member's" relevant books and records at any time during the "rating period" or any extension and within three (3) years after the final termination of this Coverage Agreement.

I. CHANGES, ASSIGNMENT AND SUBROGATION

This Coverage Agreement contains all the agreements between the Pool and all "members" concerning the coverage afforded. The "Named Member" shown in the Declarations is authorized to make changes to the terms of this Coverage Agreement with the consent of the Pool. The Coverage Agreement's terms can be amended or waived only by endorsement issued by the Pool and made a part of this Coverage Agreement.

Assignment of interest or any transfer or waiver of subrogation under this Coverage Agreement shall not bind the Pool unless and until the Pool's consent is endorsed to this Coverage Agreement.

SECTION IX - EXTENDED REPORTING PERIODS

A. EXTENDED REPORTING PERIODS

1. The Pool will provide one or more Extended Reporting Periods, as described below, if:
 - a. This Coverage Agreement is canceled; or
 - b. The Pool renews or replaces this Coverage Agreement with coverage that:
 - (1) Has a "Retroactive Date" later than the date shown in the Declarations; or
 - (2) Does not apply on a claims-made and reported basis.
2. Extended Reporting Periods do not extend the "rating period" or change the scope of coverage provided. They apply to afford a "member" additional time to report an otherwise covered "claim".

Once in effect, Extended Reporting Periods may not be canceled.
3. A Basic Extended Reporting Period is automatically provided without additional charge. This period starts with the end of the "rating period" and lasts for sixty days. During this time a covered "claim" first made during the "rating period" may be reported in writing to the Pool.
4. A Supplemental Extended Reporting Period of unlimited duration is available, but only by an endorsement and for an extra membership fee. This supplemental period starts when the Basic Extended Reporting Period, set forth in Paragraph 3. above, ends.

The "Named Member" must give the Pool a written request for the endorsement within 60 days after the end of the "rating period". The Supplemental Extended Reporting Period will not go into effect unless the "Named Member" pays the additional membership fee when due.

The Pool will determine the additional charge as a percentage of the expiring annual membership fee for this Coverage Agreement as follows:

<i>Number of years since retroactive date shown on Declarations page</i>	<i>Additional Membership Fee</i>
1	50%
2	70%
3	80%
4	90%
5 or more	100%

The Supplemental Extended Reporting Period endorsement shall set forth the terms, not inconsistent with this Section, applicable to the Supplemental Extended Reporting Period.

5. The Extended Reporting Periods do not reinstate or increase the Limits Of Liability.