

CSD Pool Property Coverage Document

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PROPERTY COVERAGE DOCUMENT

This is a Master Coverage Document under which an individual Certificate Holder's Declarations (hereafter referred to as "Declarations") is issued to the **Named Member** identified on each Declaration. A **Named Member** must be a member in good standing with the Special District Association of Colorado with all dues paid throughout the Coverage Period before coverage will be provided hereunder. Defined terms appear in boldface type. Any discrepancies which may exist between the terms and conditions of this Coverage Document and the provisions of the Intergovernmental Agreement for the **Pool** will be governed by the Intergovernmental Agreement.

Coverage under this Coverage Document is subject to the Common Terms and Conditions found in form CTC 01 01 25. The descriptions in the section headings and sub-headings of this Coverage Document are inserted solely for convenience and do not constitute any part of the terms or conditions hereof.

1. LIMITS OF COVERAGE

- A. For perils covered under the Property Section of this Coverage Document (other than for **Earthquake** and **Flood**), the limit hereunder for each **Member** shall be that amount shown on the Property or Inland Marine Schedule.
- B. For the perils of **Earthquake**, the limit shall be \$2,000,000 per **Occurrence** and annual aggregate, unless a higher limit is specifically provided by endorsement.
- C. For the perils of **Flood**, the limit shall be \$2,000,000 per **Occurrence** and annual aggregate, unless a higher limit is specifically provided by endorsement.
- D. In the event of a total loss to any **Real Property(s)** covered hereunder, the limit of recovery shall not exceed the total of values shown on the Property Schedule plus twenty-five (25) percent of that amount.
- E. For an **Act of Terrorism** or an **Act of Sabotage**, the per **Member** limit of \$20,000,000 shall apply and the total coverage available to all **Members** in any single January 1 through December 31 coverage period will be limited to \$100,000,000. Once this \$100,000,000 limit is exhausted there will no longer be any coverage provided to the membership during the January 1 through December 31 coverage period.
- F. The following per **Occurrence** sublimits, which are part of and not in addition to the Limits of Coverage shown on the Property or Inland Marine Schedule, shall apply at each scheduled **Premises** unless a higher Limit of Coverage is shown on the schedule(s):

- \$ 1,000,000 Newly Acquired/Constructed/Affixed **Real Property**
- \$ 500,000 Errors and Omissions
- \$ 250,000 Each for:
 - Business Income including Extra Expense/Rental Income
 - Newly Acquired **Business Personal Property**
 - Electronic Data Processing Equipment, Electronic Data and Media**
 - Wind and Hail Damage Resistant Roofing Upgrade
 - Green Construction Upgrade
- \$ 100,000 Each for:
 - Contractor's Equipment** – Rented, Leased, or Hired
 - Accounts Receivable
 - Expediting Expense
 - Fine Arts**
 - Fire Department Service Charges & Extinguishing Expenses
 - Off-Premises Utility Service Interruption
 - Property in the Care of Carriers or Bailees
 - Property in Transit
 - Underground Pipes within 1,000 feet of Scheduled **Premises**
 - Professional Services
 - Valuable Papers and Records**
- \$ 25,000 Each for:
 - Real Property** and/or **Business Personal Property** at **Unscheduled Location(s)**
 - Personal Property of Officials, Employees, or Volunteers
 - Loss Adjustment Expense
 - Pollutant Clean-Up and Removal
 - Plants, Trees, or Shrubs
 - Software **Computer Virus**
 - Outdoor Property**
 - Sirens and Antennas
- \$ 10,000 Each for:
 - Evacuation Expense Reimbursement
 - Money & Securities – Inside or Outside the **Real Property**
 - Miscellaneous Tools
 - Off-Site Storage
 - Arson, Theft and Vandalism Reward
 - Fire Extinguisher Recharge Expense
 - Non-Owned Third Party Debris Removal
 - Contractor's Equipment** – Rental Reimbursement

2. DEDUCTIBLE

- A. Unless otherwise stated herein, all losses, damages, or expenses arising out of any one **Occurrence** shall be adjusted as one loss and from the amount of such adjusted loss shall be deducted the sum shown on the Property and/or Inland Marine Schedule for the **Member** involved. Coverages U. (Miscellaneous Tools) and V. (Plants, Trees, or Shrubs) and **Contractor's Equipment** sublimits are subject to the Inland Marine deductible; all other coverages are subject to the property deductible, unless otherwise stated on the Property or Inland Marine Schedule.

Whether the claim involves loss at one or more locations, the deductible amount shall apply against the total loss suffered by the **Member** from any one **Occurrence**.

- B. If two or more deductible amounts in this Coverage Document apply to a single **Occurrence**, the total to be deducted shall not exceed the largest deductible applicable.
- C. **Earthquake**: 2% per **Occurrence** of the value of the covered damaged property at the time loss occurs, subject to a \$5,000 minimum and \$50,000 maximum.
- D. **Flood**: 2% per **Occurrence** of the value of the covered damaged property at the time loss occurs, subject to a \$5,000 minimum and \$50,000 maximum.

3. LOSS PAYABLE

If there is damage to **Covered Property** in which the **Member** and any third party, shown on a Certificate of Coverage on file with the **Pool**, have an insurable interest:

- A. Loss, if any, shall be adjusted with the **Member** and payment shall be made jointly to the **Member** and such third party, in their order of precedence, as interests may appear.
- B. The **Pool** will not pay such owners more than their financial interest in the **Covered Property** nor will the **Pool** pay more than the applicable Limit of Coverage on the **Covered Property**.
- C. If the **Pool** pays such third party, such payments will satisfy the **Members** claims against the **Pool** for that third party's property and, whose receipt shall constitute a release in full of all liability under this Coverage Document with respect to such loss.
- D. Loss Payee shall include a Lender Loss Payee who is a creditor established by a written instrument including financing statement or security agreements with the **Member** and shall include a Mortgagee who has established a lien against **Real Property** with the **Member** by deed of trust or security agreement.

4. COVERAGE

Except as hereinafter excluded, this Coverage Document covers:

A. PROPERTY

The **Pool** will pay for direct physical loss or damage to a **Member's** property or property for which a **Member** has an interest or obligation, as follows:

1. The interest of the **Member** in all **Real Property** (including fixtures, improvements, and betterments) and **Business Personal Property** owned, acquired, or used by the **Member**, including while in **Course of Construction**.

In the event of loss or damage, the **Pool** agrees to accept and consider the **Member** as sole and unconditional owner of fixtures, improvements, and betterments to **Real Property**, notwithstanding any contract or lease to the contrary.

2. The interest of others in **Real Property** and **Business Personal Property** which is in the **Member's** care, custody, or control for which the **Member** has a duty imposed by law or assumed by contract for such property, or for **Commandeered Property**.
3. At the option of the **Member**, personal property of the **Member's** officials and employees or volunteers while on the **Premises** of the **Member** or at a work site of the **Member**, subject to the sublimit stated herein.
4. Contractors' and vendors' interests in **Covered Property** to the extent of the **Member's** liability imposed by law or assumed by contract, whether written or oral.

B. PROPERTY IN TRANSIT

1. The **Pool** will pay for direct physical loss or damage to **Covered Property** in transit which is being shipped within and between the territorial limits of this Coverage Document, including the coastal waters thereof, by any means of conveyance, from the time the **Covered Property** is moved for purpose of loading and continuously thereafter while awaiting and during loading and unloading and in temporary storage, including temporary storage on any conveyance intended for use for any outbound or inbound shipment, including during deviation and delay, until safely delivered and accepted at place of final destination. This coverage is subject to the sublimit stated herein.
2. This coverage is extended to cover loss or damage to **Covered Property**:
 - a. shipped by the **Member** under terms of F.O.B. point of origin or other terms usually regarded as terminating the shipper's responsibility short of points of delivery;

- b. arising out of any unauthorized person(s) representing themselves to be the proper party(ies) to receive goods for shipment or to accept goods for delivery;
 - c. occasioned by the acceptance by the **Member**, by its agents, or by its customers of fraudulent bills of lading, shipping and delivery orders, or similar documents; or
 - d. at the **Member's** option, which is incoming to the **Member**.
3. The **Member** may waive right(s) of recovery against private, contract, and common carriers and accept bills of lading or receipts from carriers, bailees, warehousemen, or processors limiting or releasing their liability, but this transit coverage shall not insure to the benefit of any carrier, bailee, warehouseman, or processor.

With respect to shipments described under Subsections 2.a. and 2.d. above, the **Pool** agrees to waive its rights of subrogation against shippers and consignees at the option of the **Member**.

C. ACCOUNTS RECEIVABLE

The **Pool** will pay:

1. All sums due the **Member** from customers, provided the **Member** is unable to effect collection thereof as the direct result of covered loss of or damage to records of accounts receivable;
2. Interest charges on any loan to offset impaired collections pending repayment of such sums made uncollectible by such loss or damage;
3. Collection expense in excess of normal collection cost and made necessary because of such loss or damage; and
4. Other expenses, when reasonably incurred by the **Member** in reestablishing records of accounts receivable following such loss or damage.

This coverage is subject to the sublimit stated herein.

For the purpose of this coverage, credit card company charge media shall be deemed to represent sums due the **Member** from customers, until such charge media is delivered to the credit card company.

When there is proof that a loss of records of accounts receivable has occurred, but the **Member** cannot more accurately establish the total amount of accounts receivable outstanding as of the date of such loss, such amount shall be computed as follows:

- a. The monthly average of accounts receivable during the last available twelve months shall be adjusted in accordance with the percentage increase or decrease in the twelve months average of monthly gross revenues which may have occurred in the interim.
- b. The monthly amount of accounts receivable thus established shall be further adjusted in accordance with any demonstrable variance from the average for the particular month in which the loss occurred, due consideration also being given to the normal fluctuations in the amount of accounts receivable within the fiscal month involved.

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 **Member**, and an amount to allow for probable bad debts which would normally have been uncollectible by the **Member**.

D. LEASEHOLD AGREEMENT

The **Pool** will pay the following when property is rendered wholly or partially untenable by direct physical loss or damage any of the perils covered herein during the term of this Coverage document and the lease is canceled by the lessor in accordance with the conditions of the lease or by statutory requirements of the state in which the damaged or destroyed property is located:

1. Pro rata proportion from the date of loss to expiration date of the lease (to be paid without discount) on the **Member's** interest in:
 - a. the amount of bonus paid by the **Member** for the acquisition of the lease not recoverable under the terms of the lease for the unexpired term of the lease;
 - b. improvements and betterments to **Real Property** during the unexpired term of the lease which is not covered under any other section of this Coverage Document;
 - c. the amount of advance rental paid by the **Member** and not recoverable under the terms of the lease for the unexpired term of the lease; and
2.
 - a. The interest of the **Member** as lessee when property is rendered wholly or partially untenable by any of the perils covered herein during the term of this Coverage Document and the lease is canceled by the lessor in accordance with the conditions of the lease or by statutory requirements of the state in which the damaged or destroyed property is located.

- b. The interest of the **Member** as lessee as referred to herein shall be paid for the first three months succeeding the date of the loss and the net lease interest shall be paid for the remaining months of the unexpired lease.

The following terms, wherever used in this Coverage F. mean:

1. The “interest of the **Member** as lessee” is defined as:
 - a. The excess of the rental value of similar **Premises** over the actual rental payable by the lessee (including any maintenance or operating charged paid by the lessee) during the unexpired term of the lease.
 - b. The rental income earned by the **Member** from sublease agreements, to the extent not covered under any other section of this Coverage Document, over and above the rental expenses specified in the lease between the **Member** and the lessor.
2. The “net lease interest” is defined as that sum, which placed at 6% interest compounded annually will be equivalent to the interest of the **Member** as lessee.

The **Pool** shall not be liable for any increase of loss which may be occasioned by the suspension, lapse or cancellation of any license or lease or by the **Member** exercising an option to cancel the lease. This coverage is subject to the sublimit stated herein.

E. **MONEY AND SECURITIES**

The **Pool** will pay for direct loss caused by the actual destruction, disappearance or wrongful abstraction of **Money** and **Securities**, subject to the sublimit herein:

1. within or from the **Member’s Real Property** or at a financial institution(s) used by the **Member** as its business bank, including night depository chutes; or
2. while the **Money** and **Securities** of a **Member** are:
 - a. being conveyed by any person authorized to have custody thereof; and
 - b. while temporarily within the home of any person authorized to have custody.

F. **FIRE DEPARTMENT SERVICE CHARGES & EXTINGUISHING EXPENSES**

The **Pool** will pay the following expenses resulting from a **Covered Cause of Loss**, subject to the sublimit stated herein:

1. fire department service charges and other extinguishing expenses for which the **Member** may be assessed; and/or

2. loss of fire extinguishing materials expended in fighting a hostile fire at the **Member's Premises**.

G. **DEBRIS REMOVAL**

1. The **Pool** will pay expense incurred by the **Member** to remove debris of **Covered Property** from a **Premises** caused by or resulting from direct physical loss or damage to **Covered Property** by a **Covered Cause of Loss** that occurs during the coverage period. The expenses will be paid only if they are reported to the **Pool** in writing within 180 days of the date of direct physical loss or damage. This coverage is subject to the sublimit stated below in this Coverage I.
2. The most the **Pool** will pay under this coverage I. is 25% of the sum of:
 - a. The amount the **Pool** pays for the direct physical loss of or damage to **Covered Property**; plus
 - b. The amount of the deductible in this Coverage Document applicable to that loss or damage.
3. This coverage I. does not apply to costs to:
 - a. Extract **Pollutants** from land or water; or
 - b. Remove, restore, or replace polluted land or water.

H. **ORDINANCE OR LAW**

In the event of loss or damage covered under this Coverage Document that causes the enforcement of any ordinance or law regulating the construction, repair, or use of **Covered Property**, the **Pool** will pay for:

1. The cost of demolishing the undamaged property including the cost of clearing the site;
2. The **Pool** shall be liable for an amount equal to the proportion of the value of the undamaged part of the property bore to the value of the entire property prior to loss;
3. Increased cost of repair or reconstruction of the damaged and undamaged property on the same or another site and limited to the costs that would have been incurred in order to comply with the minimum requirements of such law or ordinance regulating the repair or reconstruction of the damaged property on the same site.

However, the **Pool** shall not be liable for any increased cost of construction loss unless the damaged property is actually rebuilt or replaced; and

4. Any increase in the business income including extra expense/rental income loss arising out of the additional time required to comply with said law or ordinance. The most the **Pool** will pay for such costs and expenses is included within the applicable **Real Property** or **Business Personal Property** limits as shown on the **Member's** Property or Inland Marine Schedule.

I. **EXPEDITING EXPENSE**

The **Pool** will pay the reasonable extra cost of temporary repair and of expediting the repair of damaged **Covered Property**, including overtime and express freight or other rapid means of transportation. This coverage is subject to the sublimit stated herein.

J. **VALUABLE PAPERS AND RECORDS**

The **Pool** will pay for direct physical loss or damage to **Valuable Papers and Records** caused by or resulting from a **Covered Cause of Loss**, subject to the sublimit stated herein.

K. **SOFTWARE COMPUTER VIRUS**

The **Pool** will pay for the cost of restoring or replacing the **Member's Electronic Data and Media** that has been destroyed or corrupted because of a **Computer Virus**. But there is no coverage for loss or damage caused by or resulting from manipulation of a computer system or dishonest act by any of the **Member's** directors, officers, employees, agents, or volunteers.

The most the **Pool** will pay under this coverage M. is further limited to the sublimit of \$25,000 stated herein and a shared annual aggregate of \$250,000 for all **Members**.

L. **NEWLY ACQUIRED PROPERTY**

The **Pool** will pay for direct physical loss, damage, or destruction of newly acquired **Real Property** and/or newly acquired **Business Personal Property** caused by or resulting from a **Covered Cause of Loss**. Such newly acquired **Real Property** and/or **Business Personal Property** must be reported to the **Pool** within ninety (90) days of acquisition, construction, erection, or installation. This Coverage N. is subject to the applicable sublimits for newly acquired **Real Property** and/or newly acquired **Business Personal Property** stated herein.

M. **ELECTRONIC DATA PROCESSING EQUIPMENT, ELECTRONIC DATA AND MEDIA**

The **Pool** will pay for:

1. The direct physical loss or damage to a **Member's Electronic Data Processing Equipment** caused by or resulting from a **Covered Cause of Loss**; and/or
2. The reasonable cost of repairing, restoring, or replacing the **Member's Electronic Data and Media** which has been damaged or destroyed by or resulting from a **Covered Cause of Loss**. The **Pool** will not pay to repair, restore, or replace a **Member's Electronic Data** that is damaged, lost, or destroyed if the **Member** has another copy of the **Electronic Data**. Further, no coverage is afforded for any amount pertaining to the conceptual value of such **Electronic Data** to the **Member** or any other party, even if such **Electronic Data** cannot be recreated, gathered, or assembled.

The most the **Pool** will pay under this Coverage O. is limited to the sublimit stated herein.

P. ERRORS AND OMISSIONS

An unintentional error or omission in scheduling of **Real Property** and **Business Personal Property** made by the **Member** shall not void or impair the coverage under this Coverage Document provided that the **Member** reports such error(s) or omission(s) as soon as reasonably possible after discovery and remits appropriate contribution to the **Pool** as of the effective date of the current coverage document. In the event of an **Occurrence** and in the event that a **Member** commits an unintentional error or unintentional omission the **Pool's** liability shall be limited to **Actual Cash Value** and further subject to the **Occurrence** limit of coverage or the amount of the errors and omissions sublimit stated herein, whichever is less.

There is no coverage under this Coverage P. for **Real Property** and **Business Personal Property** that is intentionally not scheduled by the **Member**.

Q. UNSCHEDULED LOCATION(S)

The **Pool** will pay for direct physical loss or damage to **Real Property** and **Business Personal Property** caused by or resulting from a **Covered Cause of Loss** at an **Unscheduled Location(s)**. This coverage is subject to the sublimit stated herein.

R. OFF-SITE STORAGE

The **Pool** will pay for direct physical loss or damage to the **Member's Business Personal Property** stored at locations other than the **Premises** caused by or resulting from a **Covered Cause of Loss**. This coverage is subject to the sublimit stated herein.

S. ARSON, THEFT AND VANDALISM REWARD

The **Pool** will pay a reward in an amount determined and paid to a third party by the **Pool** for information which leads to an arson, theft, or vandalism conviction in connection with a fire, theft or vandalism loss covered under this Coverage Document, subject to the sublimit stated herein. Regardless of the number of persons involved in providing information, the sublimit available under this extension shall not be increased.

T. FIRE EXTINGUISHER RECHARGE EXPENSE

The **Pool** will pay the cost of recharging the **Member's** fire extinguishers or fire extinguishing systems (including hydrostatic testing if needed), or replacing the fire extinguishers or fire extinguishing systems, whichever is less, because the fire extinguisher or fire extinguishing systems were discharged as a result of fighting a fire covered under this Coverage document on or within 1,000 feet of scheduled **Premises**. This coverage is subject to the sublimit stated herein.

U. MISCELLANEOUS TOOLS

The **Pool** will pay for direct physical loss or damage to **Member's** tools not specifically listed on the **Member's** Property or Inland Marine Schedule caused by or resulting from a **Covered Cause of Loss**. This coverage is subject to the sublimit stated herein.

V. PLANTS, TREES, OR SHRUBS

The **Pool** will pay for direct physical damage or loss to plants, trees, or shrubs owned by the **Member** and installed at a **Premises** listed on the **Member's** Property or Inland Marine Schedule caused by or resulting from a **Covered Cause of Loss**. This coverage is subject to the sublimit stated herein.

W. PROPERTY IN THE CARE OF CARRIER OR BAILEE

The **Pool** will pay for direct physical loss or damage to **Member's Business Personal Property** in the care, custody, or control of carriers or bailees for hire or in due course of transit. This coverage is subject to the sublimit stated herein.

X. WIND AND HAIL ROOF UPGRADE

The **Pool** will pay for a wind and hail roof upgrade, subject to the additional conditions and limitations set forth below:

1. The coverage and valuation provision provided by this Coverage X. applies only if direct physical loss or damage occurs to roofs of **Real Property** (with damage occurring to at least 50% of the total roof area) and is caused by any of the perils covered by this Coverage Document and **Replacement Cost** valuation applies;

2. In no event does this Coverage X. increase or change the per **Occurrence** limit of coverage shown in the Property Schedule or the annual aggregate for specified perils; and
3. Notwithstanding the Valuation provision of this Coverage Document or limits of liability applicable to specific locations or perils, if **Replacement Cost** valuation applies to the damaged roof, then the **Pool's** liability for loss applicable to this Coverage X. shall be the cost to repair or replace the covered damaged roof, subject to the applicable limit of liability. In addition, this Coverage Document covers the amount that is reasonable and necessary to upgrade the **Member's** damaged roof from its current classification as follows: 50% of the reasonable and necessary amount to be contributed by the **Member** and 50% of the amount to be contributed by the **Pool** with the 50% contribution of the **Pool** not to exceed \$250,000. At the **Member's** sole discretion, the **Member** may elect not to upgrade the damaged roof as provided for under this Coverage X. In such case, the **Pool** will adjust the claim in accordance with the standard provisions of the Coverage Document, as modified by all other applicable endorsement.

This Coverage is subject to the sublimit stated herein.

Y. **GREEN CONSTRUCTION UPGRADE**

The **Pool** will pay for a green construction upgrade, subject to the additional conditions and limitations set forth below:

1. The Coverages and valuation provision provided by this Coverage Y. apply only if direct physical loss or damage to **Real Property** is caused by any of the perils covered by the Coverage Document and **Replacement Cost** valuation applies;
2. This Coverage Y. does not apply to: property of others in the **Member's** care, custody, and control; leased property; and finished or unfinished stock and/or contents;

In no event, does this Coverage Y. increase or change the per **Occurrence** limit of coverage shown in the Property Schedule or the annual aggregate for specified perils;

3. Notwithstanding the Valuation provision of this Coverage Document or limits of liability applicable to specific locations or perils, if **Replacement Cost** valuation applies to buildings, then the **Pool's** liability for loss applicable to this upgrade shall be the cost to repair or replace the damaged **Real Property**, subject to the applicable limit of coverage, plus the least of the following amounts:
 - a. The reasonable additional costs to repair or replace lost or damaged parts of the **Real Property** indicated in the Schedule, in the event of covered direct physical

loss or damage, with materials and products that are recognized by a Green standards-setter as Green; or

- b. An additional 25% of the applicable limit of coverage for the building shown in the Statement of Values or similar Schedule to Upgrade to Green; or
- c. \$250,000 (two hundred and fifty thousand dollars) to Upgrade to Green.

Coverage as provided for under 4.a., 4.b., or 4.c. above shall be equally shared between the **Member** and the **Pool** with 50% **Member** contribution and 50% **Pool** contribution.

At the **Member's** sole discretion, the **Member** may elect not to Upgrade to Green any or all property for which Upgrade to Green coverage is provided under this Coverage Y. In such case, the **Pool** will adjust the claim in accordance with the standard provisions of the Coverage Document, as modified by all other applicable endorsements.

This coverage is subject to the sublimit stated herein.

Z. PROFESSIONAL SERVICES

Subject to the additional conditions and limitations set forth below, the **Pool** will reimburse the **Member**, with prior written approval from the **Pool**, for reasonable expenses the **Member** incurs for the services of accountants, architects, engineers, or other similar licensed professionals, (excluding attorneys and **Public Adjusters**) whom the **Member** employs to assist the **Member** in the investigation of the cause of damage to, evaluation of the scope of damage to, or the remediation, repair, or restoration of, **Covered Property** at the scheduled **Premises** on file with the **Pool** following a **Covered Cause of Loss**. This coverage is subject to the sublimit stated below in this Coverage Z.

1. The **Member** must submit a request for approval of reasonable expenses, which shall state the goal, scope, and estimated cost of the services to be provided, prior to any such expenses being incurred. The **Pool** will not reimburse any expenses that the **Member** incurs for the services of accountants, architects, engineers, or other licensed professionals unless the **Pool** approves reimbursement in writing prior to expenses being incurred.
2. The **Pool** will only reimburse expenses the **Member** incurs for the services of accountants, architects, engineers, or licensed other professionals that are incurred and reported to the **Pool** in writing within 365 days of the inception of a **Covered Cause of Loss**.
3. The most the **Pool** will pay under this coverage is the lesser of:
 - a. the sublimit of \$100,000; or

- b. 10% of:
 - i. the total amount of indemnification that the **Pool** pays for the covered loss or damage that resulted in the **Member** incurring expenses for professional services; plus
 - ii. the deductible applicable to the covered loss or damage.

AA. NON-OWNED THIRD-PARTY DEBRIS REMOVAL

The **Pool** will pay the **Member's** expenses to remove debris of others that is on the **Member's** scheduled **Premises**, when such debris is caused by or results from a **Covered Cause of Loss** that occurs during the policy period and when the **Covered Property** sustained damage. The expenses will be paid only if they are reported to the **Pool** in writing within 180 days of the date of direct physical loss or damage. This coverage is subject to the sublimit stated herein.

AB. OUTDOOR PROPERTY

The **Pool** will pay for direct physical loss or damage to **Outdoor Property** caused by or resulting from a **Covered Cause of Loss**. This coverage is limited to **Outdoor Property** within 1,000 feet of a **Premises** listed on the **Member's** Property or Inland Marine Schedule. This coverage is subject to the sublimit stated herein.

AC. SIRENS AND ANTENNAS

The **Pool** will pay for direct physical loss or damage to sirens, antennas, and radio and communications towers associated with the **Member's** emergency operations or emergency communication, even when such property is not located on a **Member's Premises** caused by or resulting from a **Covered Cause of Loss**. This coverage is subject to the sublimit stated herein.

AD. FINE ARTS

The **Pool** will pay for direct physical loss or damage to **Fine Arts** caused by or resulting from a **Covered Cause of Loss**, subject to the sublimit stated herein.

AE. POLLUTANT CLEAN-UP AND REMOVAL

The **Pool** will pay expenses incurred by the **Member** to extract **Pollutants** from land or water at the **Premises** if the discharge, dispersal, seepage, migration, release or escape of the **Pollutants** is caused by or results from direct physical loss or damage to **Covered Property** by a **Covered Cause of Loss** that occurs during the coverage period, subject to the sublimit stated herein. The expenses will be paid only if they are reported to the **Pool** in writing within 180 days of the date of direct physical loss or damage.

This additional coverage does not apply to costs to test for, monitor or assess the existence, concentration, or effects of **Pollutants**. However, the **Pool** will pay for testing which is performed in the course of extracting the **Pollutants** from the land or water.

The most the **Pool** will pay at the **Premises** under this additional coverage is \$25,000, the sublimit stated herein, for the sum of all covered expenses arising out of direct physical loss or damage by a **Covered Cause of Loss** occurring during each separate 12-month period of this Coverage Document.

AF. **UNMANNED AIRCRAFT**

The **Pool** will pay for direct physical loss or damage to **Unmanned Aircraft** caused by or resulting from a **Covered Cause of Loss**. The most the **Pool** will pay under this coverage AF. is the amount shown on the Property or Inland Marine Schedule or a limit of \$50,000, whichever is less.

AG. **EVACUATION EXPENSE REIMBURSEMENT**

The **Pool** will reimburse the reasonable extra cost of expenses arising from an evacuation order issued to vacate an area due to the imminent threat of danger from physical damage to property and human life, health, or safety caused by an emergency event, subject to the sublimit stated herein.

AH. **MEMBER PERSONAL COMPUTER REIMBURSEMENT**

If a Personal Computer owned by a **Member's** official or employee is damaged by a **Covered Cause of Loss** while performing job duties for the **Member**, the **Pool** will reimburse the official or employee up to \$1,500 for the cost of repairing or replacing the Personal Computer and subject to an aggregate reimbursement of \$10,000 for each **Member** in any one coverage period.

For purposes of this Coverage AH, Personal Computer means a computer which is owned by the **Member's** official or employee, including a desktop computer, laptop computer, or electronic tablet.

This extension of coverage is subject to the approval of the **Member** for each reimbursement under this Coverage AH.

AI. **CONTRACTOR'S EQUIPMENT**

1. The **Pool** will pay for direct physical loss or damage to **Contractor's Equipment** caused by or resulting from a **Covered Cause of Loss**, subject to the sublimit stated herein.

2. The **Pool** will reimburse the reasonable expenses which the **Member** incurs for the rental of replacement **Contractor's Equipment** following a **Covered Cause of Loss** as provided in Subsection 1 above, until the repair, replacement, or restoration thereto is completed, subject to the sublimit stated herein.

AJ. UNDERGROUND PIPES

The **Pool** will pay for direct physical loss or damage to Underground Pipes within 1,000 feet of a **Premises** caused by loss by fire or explosion only, subject to the sublimit stated herein.

For purposes of this Coverage AJ., Underground Pipes, includes sewers, drains or water mains, undergrounds tanks and their contents.

For purposes of this Coverage AJ., the term "explosion" means a rapid release in volume and release of energy in an extreme manner greater than the pressure-resistant design for Underground Pipes covered under this Coverage AJ., and for there to be an "explosion" there must be a sudden breaking forth of a confined substance as a result of an internal force.

5. ADDITIONAL COVERAGES

The following Additional Coverages are provided by the **Pool** to a **Member**.

All other terms, conditions and exclusions of this Coverage Document apply to the Additional Coverages unless otherwise expressly indicated.

A. BUSINESS INCOME, EXTRA EXPENSE AND RENTAL INCOME

The most the **Pool** will pay under this coverage is \$250,000 per **Named Member** in any one **Occurrence** for all scheduled **Premises**, unless a higher amount is shown on the Property Schedule.

1. BUSINESS INCOME

A **Member's** loss:

- a. Resulting from the necessary interruption of business conducted by the **Member** and caused by direct physical loss, damage, or destruction by any of the perils covered herein during the term of this Coverage Document to **Real Property** or **Business Personal Property** as described in Section 4.A.1;
- b. Resulting from damage to or destruction by the perils covered against, of electrical, steam, gas, water, telephone, and other transmission lines and

related plants, substations and equipment situated on or outside of the **Real Property**;

- c. Resulting from damage to or destruction by the perils covered against, of electrical, steam, gas, water, telephone, and other transmission lines and related plants, substations and equipment situated on or outside of the **Real Property**;
- d. Sustained during the period of time when, as a direct result of physical damage by a **Covered Cause of Loss**, access to covered **Premises** is prohibited by order of civil or military authority (**Premises** Interruption by Civil or Military Authority);
- e. Sustained during the period of time when, as a result of damage to non-**Member** property, the **Member's Premises** is prohibited by order of civil or military authority are not accessible by order of civil or military authority, (Non- **Premises** Interruption by Civil or Military Authority) provided that both of the following apply;
 - i. the inaccessibility of a **Member's Premises** must be the result of an order by civil or military authority on non-**Member** property, but the area limited under order may be no farther than five miles from the **Member's Premises**; and
 - ii. the inability to access the **Member's Premises** must be the direct result of a **Covered Cause of Loss**;
- f. Sustained during the period of time when, as a direct result of physical damage by a **Covered Cause of Loss**, ingress to or egress from the **Premises** is thereby prevented (Ingress/Egress); and
- g. Sustained during the period of time when there is physical damage, as a result of a **Covered Cause of Loss** under this Coverage Document, to **Utility Service(s)** property located off of the **Member's Premises** and this damage causes interruption of **Utility Service(s)** to **Covered Property** (Off-Premises Utility Service Interruption).

For purposes of this Additional Coverage, 5.A.1.:

- a. Subject to all applicable limits of insurance, a **Member's** loss shall be adjusted on the basis of the actual loss by the **Member**, consisting of the net profit which is thereby prevented from being earned and of all charges and expenses (including ordinary payroll), only to the extent that these must necessarily continue during the interruption of business and only to the

extent to which such charges and expenses would have been earned had no loss occurred;

- b. Ordinary Payroll means the entire payroll expense for all employees of the **Member** except officers, executives, department managers, employees under contract, and other important employees;
- c. The **Member** shall take all reasonable steps to reduce the loss resulting from the interruption of operations by:
 - i. Making a complete or partial resumption of operation of the **Covered Property**, whether damaged or not; and/or
 - ii. Making use of available stock, merchandise, or other property.

A **Member's** steps to reduce the loss will be taken into account in adjusting the amount of loss for this Additional Coverage, 5.A.1; and

- d. The **Member's** experience will be considered when adjusting the amount of profit or property loss as follows:
 - i. In determining the amount of net profit, charges, and expenses covered hereunder for the purposes of ascertaining the amount of loss sustained, due consideration shall be given to the experience of the **Member** before the date of damage or destruction and to the probable experience thereafter had no loss occurred; or
 - ii. With respect to alterations, additions, and, if covered, property while in the **Course of Construction**, erection, installation, or assembly, due consideration shall be given to the available experience of the **Member** after completion of the construction, erection, installation, or assembly.

2. EXTRA EXPENSE

A **Member's** extra expenses:

- a. Incurred, which resulted from direct physical loss, damage, or destruction to property covered hereunder by any of the perils covered herein during the term of this Coverage Document; or
- b. Sustained during the period of time when there is physical damage, as a result of a **Covered Cause of Loss** under this Coverage Document, to **Utility Service(s)** property located off of the **Member's Premises** and this damage causes interruption of **Utility Service(s)** to **Covered Property** (Off-Premises Utility Service Interruption).

For purposes of this Additional Coverage, 5.A.2.:

- a. Extra expense means the excess of the total cost incurred during the period of restoration of the damaged property necessary and reasonably chargeable to the operations over and above the total cost that would normally have been incurred to conduct such operations during the same period had no loss or damage occurred; and
- b. The **Pool** will not pay when an extra expense is incurred from a **Member's** failure to take reasonable steps to protect **Covered Property**.

3. RENTAL VALUE

Rental value loss sustained by the **Member** resulting directly from the necessary untenability caused by direct physical loss, damage, or destruction by any of the perils covered herein during the term of this Coverage Document to **Real Property** or **Business Personal Property** as described in Coverage A. of Section 4. but not exceeding the reduction in rental value less charges and expenses which do not necessarily continue during the period of untenability.

For purposes of this Additional Coverage, 5.A.3.:

- a. Rental value is defined as the sum of:
 - i. The total anticipated gross rental income from tenant occupancy of the described property as furnished and equipped by the **Member**, and;
 - ii. The amount of all charges which are the legal obligation of the tenant(s) and which would otherwise be obligations of the **Member**; and
- b. The fair rental value of any portion of said property which is occupied by the **Member**;
- c. The **Member's** experience will be considered when adjusting rental value loss as follows:
 - i. In determining the amount of rental value covered hereunder for the purposes of ascertaining the amount of loss sustained, due consideration shall be given to the rental experience before the date of damage or destruction and to the probably experience thereafter had no loss occurred; and
 - ii. With respect to alterations, additions, and property while in the **Course of Construction**, erection, installation, or assembly, due consideration

shall be given to the available rental experience of the **Member** after completion of the construction, erection, installation, or assembly;

4. For purposes of all Additional Coverages, 5.A.:
 - a. The length of time for which loss may be claimed (Period of Recovery):
 - i. Shall commence with the date of such loss or damage and shall not be limited by the date of expiration of this Coverage Document;
 - ii. Shall not exceed 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 destroyed or damaged;
 - iii. Such additional length of time to restore the **Member's** operations to the condition that would have existed had no loss occurred, commencing with the later of the following dates:
 1. the date on which the liability of the Pool for loss or damage would otherwise terminate; or
 2. the date on which repair, replacement or rebuilding of such part of the property as has been damaged is actually completed;
 - iv. The Period of Recovery, however, is not longer than one year from the later of the two commencement dates in a.ii. of this Subsection; and
 - v. With respect to alterations, additions, and property while in the **Course of Construction**, erection, installation, or assembly, shall be determined as provided in a.i. of this Subsection but such determined length of time shall be applied to the experience of the **Member** after the operation has reached its planned level of production or level of operation; and
 - b. Special Exclusions: does not provide coverage against any increase of loss which may be occasioned by the suspension, lapse, or cancellation of any lease, license, easement, contract, or order; nor for any increase of loss due to interference at the **Member's Premises** by strikers or other persons with rebuilding, repairing, or replacing the property damaged or destroyed, or with the resumption or continuation of business, or with the occupancy of the **Real Property**; nor for any loss occurring to property in transit off the **Premises**; and
 - c. Expenses to Reduce Loss: covers such expenses as are necessarily incurred for the purpose of reducing any loss under this Section of the Coverage Document; however such expenses may not exceed the amount by which the loss under this Section of the Coverage Document is thereby reduced.

6. PROPERTY EXCLUDED

This Coverage Document does not cover loss or damage to:

- A. **Money and Securities** (except as endorsed herein);
- B. Land, **Land Improvements**, water;
- C. Growing crops, standing timber, and animals except for research;
- D. Watercraft, aircraft, motor vehicles designed and licensed for highway use when not on the **Member's Premises**, but:
 - 1. this motor vehicle exclusion shall not apply to **Contractor's Equipment**;
 - 2. this watercraft exclusion shall not apply when watercraft under 51' is specifically scheduled;
- E. Waterborne shipments to and from Puerto Rico, the Virgin Islands, Hawaii, and Alaska; waterborne shipments via the Panama Canal;
- F. Export shipments after loading on board an overseas vessel or watercraft or after ocean marine insurance attaches, whichever occurs first; and import shipments prior to discharge from the overseas vessel or watercraft or until the ocean marine insurance terminates, whichever occurs last;
- G. Except where specifically scheduled on the **Member's** Property or Inland Marine Schedules and where contribution has been paid, underground property including:
 - 1. foundations or other supports of buildings, structures, machinery, or boilers if their foundations are below the lowest basement floor or below the surface of the ground, if there is no basement; or
 - 2. Underground pipes, including sewers, drains or water mains, underground tanks and their contents, unless within 1,000 feet of a scheduled **Premises**, and to which Coverage AJ (Underground Pipes) and the sublimit stated herein applies;
- H. Property that is missing due to unexplained or mysterious disappearance or a shortage of property disclosed on taking inventory.

7. COVERED PERILS

This Coverage Document covers the risk of direct physical loss of or damage to **Covered Property** occurring during the term of this Coverage Document including general average, salvage, and all other charges on shipments covered hereunder, except as hereinafter excluded.

8. PERILS EXCLUDED

This Coverage Document does not cover:

- A. Against any fraudulent or dishonest act or acts committed by the **Member** or any of the **Member's** directors, officers, employees, agents, or volunteers with the manifest intent to:
1. cause the **Member** to sustain such loss; and
 2. obtain financial benefit for the **Member**, **Member's** director, officer, employee, agent, volunteer or for any other person or organization intended by the **Member** or the director, officer, employee, agent, or volunteer to receive such benefit.

This exclusion does not apply to acts of distribution by employees or volunteers of the **Member**; but theft by employees is not covered.

- B. Against the cost of making good defective design or specifications, faulty material, or faulty workmanship; however, this exclusion shall not apply to physical loss or damage resulting from a **Covered Cause of Loss** from such defective design or specifications, faulty material, or faulty workmanship.
- C. Against electrical injury or disturbance to electrical appliances, devices, or wiring caused by electrical currents artificially generated unless a direct physical loss or damage caused by or resulting from a **Covered Cause of Loss** subsequently occurs and then this Coverage Document shall cover for such ensuing loss or damage.
- D. Against mechanical breakdown unless physical loss or damage from a **Covered Cause of Loss** ensues and then this Coverage Document shall cover for such ensuing loss or damage.
- E. Against explosion, rupture, or bursting of steam boilers, steam pipes, steam turbines, or steam engines, owned or operated by the **Member** unless physical loss or damage from a **Covered Cause of Loss** ensues and then this Coverage Document shall cover for such ensuing loss or damage; in such case, the direct loss resulting from the explosion of accumulated gases or unconsumed fuel within the firebox (or combustion chamber) of physical any fired vessel or within the flues or passages which conduct the gases or combustion therefrom shall be covered hereunder.

Exclusions 7.C., 7.D., and 7.E. do not apply to **Electronic Data Processing Equipment** or to **Valuable Papers and Records**.

- F. Against wear and tear, inherent vice, latent defect, or gradual deterioration unless other physical loss or damage from a **Covered Cause of Loss** ensues and then this Coverage Document shall cover for ensuing loss or damage.

- G. Against normal settling or shrinkage of walls, floors, or ceilings unless physical loss or damage from a **Covered Cause of Loss** ensues and then this Coverage Document shall cover for such ensuing loss or damage.
- H. Against loss of market, business interruption, or extra expense loss due to delay with respect to property in transit.
- I. Against nuclear reactions, 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 **Covered Causes of Loss** in this Coverage Document; except:
1. if fire ensues, liability is specifically assumed for direct loss by such ensuing fire but not including any loss due to nuclear reaction, nuclear radiation, or radioactive contamination;
 2. the **Pool** shall be liable for loss or damage caused by sudden and accidental radioactive contamination including resultant radiation damage for each **Occurrence** from material used or stored or from processes conducted on covered **Premises** provided at the time of loss there is neither a nuclear reactor capable of sustaining nuclear fission in a self-supporting chain reaction nor any new or used nuclear fuel on the covered **Premises**;
- J. Against hostile or warlike action in time of peace or war, including action in hindering, combating, or defending against an actual, impending, or expected attack:
1. by any government or sovereign power (de jure or de facto) or by any authority maintaining or using military, naval, or air forces;
 2. or by military, naval, or air forces;
 3. or by an agent of any such government, power, authority, or forces;

against any weapon employing atomic fission or fusion;

against rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating, or defending against such event; or

against seizure or destruction by order of public authority, except destruction by order of public authority to prevent the spread of, or to otherwise contain, control or minimize loss, damage or destruction which occurs due to a **Covered Cause of Loss** under this Coverage Document.

- K. Loss or damage occasioned by earth movement, sinkhole, mine subsidence or sinking, rising, shifting, settling, contraction or expansion of earth or soils. This exclusion does not apply to physical loss or damage caused by **Earthquake**.
- L. Loss or damage occasioned by water under the ground surface pressing on, flowing, or seeping through foundations, walls, floors, paved surfaces, or basements.
- M. Loss or damage caused by discharge, dispersal, seepage, migration, release or escape of **Pollutants** unless the discharge, dispersal, seepage, migration, release, or escape is itself caused by physical loss or damage to **Covered Property** by a **Covered Cause of Loss**. But if physical loss or damage by a **Covered Cause of Loss** results, the **Pool** will pay for the resulting damage caused by the **Covered Cause of Loss**.
- N. Loss of property that is missing due to unexplained or mysterious disappearance or a shortage of property disclosed on taking inventory.
- O. Loss or damage caused by or resulting from any of the following:
1. Acts or decisions, including the failure to act or decide, of any person, group, organization, or governmental body;
 2. Faulty, inadequate, or defective:
 - a. Planning, zoning, development, surveying, siting;
 - b. Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - c. Materials used in repair, construction, renovation, or remodeling; or
 - d. Maintenanceof part or all of the property on or off the **Premises**.
- But if physical loss or damage by a **Covered Cause of Loss** results, the **Pool** will pay for the resulting damage.
- P. Physical loss or damage or damage including destruction, distortion, disruption or corruption of any computer **Electronic Data**, coding, programs, or software caused directly by the inability of a computer to correctly recognize any date as its true calendar date, unless physical loss or damage not otherwise excluded ensues, and then this Coverage Document shall cover such ensuing loss or damage. In no case shall the **Pool** pay for any costs incurred for the repair or modification of any part of an **Electronic Data Processing Equipment**, to correct deficiencies or features of logic or operation.

- Q. Against loss or damage caused directly or indirectly by the presence, growth, proliferation, spread or any activity of **Fungus**, wet or dry rot or bacteria. This exclusion does not apply when **Fungus**, wet or dry rot or bacteria results from fire or lightning.

The **Pool** will not pay for loss or damage by **Fungus**, wet or dry rot or bacteria. The term loss or damage means:

1. Direct physical loss or damage to **Covered Property** caused by **Fungus**, wet or dry rot or bacteria, including the cost of removal of the **Fungus**, wet or dry rot or bacteria;
 2. The cost to tear out and replace any part of the building or other property as needed to gain access to the **Fungus**, wet or dry rot or bacteria; and
 3. The cost of testing performed before or after removal, repair, replacement, or restoration of the damaged property is completed.
- R. Against 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.
- S. Against asbestos except:
1. This Coverage Document only covers asbestos physically incorporated in **Real Property**, and then only that part of the asbestos which has been physically damaged during the period of this Coverage Document by one of these listed perils:

Fire; explosion; lightning; windstorm; hail; direct impact of vehicle, aircraft, or vessel; riot or civil commotion; vandalism or malicious mischief; or accidental discharge of fire protection equipment.

This coverage is subject to each of the following specific limitations:

- a. the **Real Property** must be covered under this Coverage Document for damage by the listed peril;
- b. the listed peril must be the immediate, sole, and direct cause of the damage of the asbestos; and
- c. the **Member** must report to the **Pool** the existence and cost of the damage as soon as practicable after the listed peril first damaged the asbestos. However, this Coverage Document does not cover any such damage first reported to the **Pool** more than twelve (12) months after the expiration, or termination, of the period of coverage; and

2. Coverage under this Coverage Document in respect of asbestos shall not include any sum relating to:
 - a. any faults in the design, manufacture, or installation of the asbestos; or
 - b. asbestos not physically damaged by the listed peril including any governmental or regulatory authority direction or request of whatsoever nature relating to undamaged asbestos.

Except as expressly set forth in this Exclusion T, this Coverage Document does not cover asbestos or any sum relating thereto.

- T. Against loss or damage directly or indirectly caused by or resulting from nesting or infestation or discharge or release of waste products or secretions or any other action by insects, birds, rodents, or other animals.
- U. Against loss or damage caused by or resulting from a **Communicable Disease** or the fear or threat (whether actual or perceived) of a **Communicable Disease**. For purposes of this endorsement, loss, damage, claim, cost, expense, or other sum, includes, but is not limited to, any cost to clean-up, detoxify, remove, monitor or test:
 1. for a **Communicable Disease**; or
 2. any covered **Premises** hereunder that is affected by such **Communicable Disease**.

9. OTHER INSURANCE

This Coverage Document shall not cover, to the extent of any other insurance whether prior or subsequent hereto in date, and whether directly or indirectly covering the same property against the same perils, except for:

- A. Contributing insurance written upon the same plan, terms, conditions, and provisions as those contained in this Coverage Document. Coverage under this Coverage Document shall contribute for accordance with the conditions of this Coverage Document only with other contributing insurance as defined.
- B. Excess insurance written over the limit of coverage set forth in this Coverage Document. This existence of such excess insurance shall not prejudice the coverage provided under this Coverage Document nor will it reduce any liability hereunder.
- C. Underlying insurance written on all or any part of the deductible and against all or any **Covered Cause of Loss**, including property declarations of value to the carrier for hire. The existence of such underlying insurance shall not prejudice or affect any recovery otherwise payable under this Coverage Document. If the limits of such underlying insurance exceed the deductible amount that would apply in the event of loss under this

Coverage Document, then the portion that exceeds such a deductible amount shall be considered other insurance.

The **Pool** shall be liable for loss or damage only to the extent of that amount in excess of the amount recoverable from such other insurance, whether the **Member** can collect on it or not. Notwithstanding that this Coverage Document only covers for the excess of any other collectible insurance, the **Pool** guarantees prompt payment in full of the amount of loss which would have been otherwise recoverable hereunder and agrees to advance the amount of loss as a loan, without interest, repayable only in the event of and to the extent of recovery from such other insurance. However, the **Pool** will not pay more than the applicable Limit of Coverage on the **Covered Property**.

10. TRANSFER OF RECOVERY RIGHTS AGAINST OTHERS TO POOL

If the **Member** has a right to recover all or part of any payment made by the **Pool** under this Coverage Document, the **Member's** rights are transferred to the Pool.

However, this condition does not apply to persons or organizations when the **Member** has agreed in writing in a contract or agreement to waive subrogation provided that the contract or agreement was executed prior to the date of **Loss** under this Coverage Document. After the **Loss**, at the option of the **Member**, the right to recover against a tenant of the **Member** may be waived.

11. SUBROGATION AND RECOVERIES

- A. In the event the **Member** has a right to recover all or part of any payment, the **Member** shall execute and deliver all instruments and papers, bring suit, or take other action necessary to assist the **Pool** with the enforcement of recovery rights. The **Member** shall do nothing after **Loss** to impair or prejudice such rights.
- B. If any amount is recovered, the Pool will allocate the funds to the actual costs incurred by the Member, the Pool, and any other interested party in proportion to their respective interests. If any funds are remaining, the Pool will distribute them in the following order:
 - 1. To reduce the amount of Loss that may exceed any limit of coverage under the Coverage Document;
 - 2. To the Pool to reduce any Loss paid by the Pool; and
 - 3. To the Member to reduce the Member's loss.

12. SALVAGE AND RECOVERIES

All salvages, recoveries, and payments, excluding proceeds from subrogation and underlying insurance recovered or received prior to a loss settlement under this Coverage Document shall reduce the loss accordingly. If recovered or received subsequent to a loss settlement under this Coverage Document, any net amounts in excess of the loss settlement that are recovered shall be divided among the interests concerned, i.e. the **Member** and any other party(ies) participating in the payment of any loss, in the proportion of their respective interests.

13. MACHINERY

In case of loss or damage by a **Covered Cause of Loss** to any part of a machine or unit consisting of two or more parts when complete for use, the liability of the **Pool** shall be limited to the value of the part or parts lost or damaged or, at the **Member's** option, to the cost and expense of replacing or duplicating the lost or damaged part or parts or of repairing the machine or unit.

14. TERRITORY

This Coverage Document covers within the 50 states comprising the United States of America, the District of Columbia, Puerto Rico, the Virgin Islands, Canada, and all other Countries unless listed under embargoes or sanctions in force by the United States of America.

15. CERTIFICATES OF COVERAGE

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

16. REPORT OF VALUES / PREMIUM ADJUSTMENT

- A. The **Member** shall report the values of newly acquired or newly constructed property to the **Pool**. The **Pool** will charge an additional premium based on these values and appropriate rates for the exposures.
- B. Annually, as of each anniversary date of this Coverage Document, the **Member** shall report to the **Pool** values for all **Real Property** and **Business Personal Property** including equipment, tenant's improvements and betterments, stock, **Outdoor Property**, **Electronic Data Processing Equipment**, other scheduled property, and business income including extra expense/rental income by location.

- C. The premium for each year shall be calculated by applying the annual rates to the new values submitted as follows:
1. 100% for **Real Property**, equipment, tenant's improvements and betterments, stock, **Outdoor Property**, **Electronic Data Processing Equipment**, other scheduled property, and **Business Personal Property**;
 2. 100% for extra expense; and
 3. 50% for business income including excess expense/rental income.

17. TITLES OF SECTIONS

The titles of the sections of this form and of endorsements and supplemental contracts, if any, now or hereafter attached hereto are inserted solely for convenience of reference and shall not be deemed in any way to limit or affect the provisions to which they relate.

18. DUTIES IN THE EVENT OF LOSS OR DAMAGE

The **Member** must see that the following are done in the event of loss or damage to **Covered Property**:

- A. Notify the police if a law may have been broken.
- B. Give the **Pool** immediate notice of the loss or damage. Include a description of how and where the loss or damage occurred to the property involved. Lateness in reporting can jeopardize the **Pool's** right of subrogation and coverage under this Coverage Document. Notice of loss or damage to roofs of buildings and other structures to the **Pool** more than 36 months after the **Occurrence** shall be valued at **Actual Cash Value**.
- C. Take all reasonable steps to protect the **Covered Property** from further damage by any cause. Any subsequent loss or damage resulting from failure to take reasonable steps to protect the **Covered Property** is not a **Covered Cause of Loss**.
- D. If feasible, set the damaged property aside and in the best possible order for examination. Also keep a record of the **Member's** expenses for emergency and temporary repairs, for consideration in the settlement of the claim.
- E. Make no statement that will assume any obligation or admit any liability, for any loss for which the **Pool** may be liable, without the **Pool's** consent.
- F. At the **Pool's** request, give the **Pool** complete inventories of the damaged and undamaged property. Include quantities, costs, values, and amount of loss claimed.

- G. As often as may reasonably be required, permit the **Pool** to inspect the property proving the loss or damage and examine the **Member's** books and records.
- H. Send the **Pool** a signed, sworn proof of loss containing the information the **Pool** requests to investigate the claim. The **Member** must do this within 60 days after the **Pool's** will supply the **Member** with the necessary forms.
- I. Cooperate with the **Pool** in the investigation or settlement of the claim.

19. VALUATION

In case of loss, subject to all applicable limits of insurance, the basis of adjustment shall be as follows:

A. Property

1. Buildings, structures, furniture and fixtures, machinery, equipment (except **Mobile Equipment**), improvements and betterments, shall be valued at the **Replacement Cost** new on the same **Premises**, as of the date of replacement, or at the **Agreed Value** listed on **Member's** Property or Inland Marine Schedule maintained by the **Pool**, whichever is less.

Roofs of buildings and other structures shall be valued at **Actual Cash Value** if the age of the roof has exceeded the manufacturer's expected usage warranty.

Roofs of buildings and other structures shall be valued at **Actual Cash Value** if the notice of the loss or damage to the **Pool** is more than 36 months after the **Occurrence**.

2. **Electronic Data Processing Equipment** and production machinery and equipment or any part thereof shall be valued at the cost to repair or replace new on the same **Premises** at the time of replacement. Except, that with respect to items for which replacement with identical property is impossible, the **Replacement Cost** shall be the cost to replace with functionally equivalent property.
3. **Valuable Papers and Records** shall be valued at the cost to reproduce the property as of the date of reproduction including the cost of gathering and/or assembling information.
4. **Fine Arts** shall be valued at the appraised value; or, if there is no appraisal, at the market value at the time of the loss.
5. **Mobile Equipment** shall be valued at the least of:
 - a. the cost of replacing such property with substantially identical property;

- b. the cost of repairing the **Covered Property** to its condition immediately before the loss or damage; or
 - c. the **Actual Cash Value**; unless otherwise endorsed to show **Replacement Cost** valuation on the **Member's** Property or Inland Marine Schedule for a specific item or items.
6. The **Real Property** and **Business Personal Property** of others which is in the **Member's** care, custody, or control for which the **Member** has a duty imposed by law or assumed by contract for such property shall be valued based on the amount for which the **Member** is liable, but not to exceed the **Replacement Cost**.
7. The valuation for **Commandeered Property** is on the same valuation basis as the property owner's insurance. If there is no insurance for the **Commandeered Property**, the valuation is **Actual Cash Value**.
8. Plants, trees, or shrubs shall be valued at **Actual Cash Value**; however, if plants, trees, or shrubs are listed on the **Member's** Property or Inland Marine Schedule, then they shall be valued at **Replacement Cost**.
9. **Outdoor Property** shall be valued at **Actual Cash Value**; however, if the **Outdoor Property** is listed on the **Member's** Property or Inland Marine Schedule, then it shall be valued at **Replacement Cost**.
10. Other property not otherwise provided for, at **Replacement cost** new on the same **Premises** as of the date of replacement.
11. Permission is granted for the **Member** to replace the damaged property with any property at the same site or at another site within the territorial limits of this Coverage Document, but recovery is limited to what it would cost to replace on same site. If property damaged or destroyed is not repaired, rebuilt, or replaced within a reasonable period after the loss or damage, the **Pool** shall not be liable for more than the **Actual Cash Value** at the time of loss (ascertained with proper deduction for depreciation) of the property damaged or destroyed. However, limitations imposed by federal, state, or municipal building codes shall not result in actual cash valuation.
12. **Unmanned Aircraft** shall be valued at the least of:
 - a. the cost of replacing such property with substantially identical property,
 - b. the cost of repairing the **Unmanned Aircraft** to its condition immediately before the loss or damage; or
 - c. the **Replacement Cost**.

20. PARTIAL PAYMENT OF LOSS

In the event of a loss covered by this Coverage Document, it is understood and agreed that the **Pool** shall allow a partial payment(s) of claim subject to the Coverage Document provisions and normal adjustment process.

21. LOSS ADJUSTMENT EXPENSES

This Coverage Document is extended to include expenses incurred by the **Member**, or by the **Member's** representative (excluding attorneys and **Public Adjusters**) for preparing and certifying details of a claim resulting from a loss which would be payable under this Coverage Document, subject to the sublimit stated herein.

22. APPRAISAL

If the **Member** and the **Pool** fail to agree on the value of the **Covered Property** or the amount of loss, either can make a written demand for an appraisal. Both the **Member** and the **Pool** will select a competent, impartial, and disinterested appraiser within 30 days of the receipt of the written demand. The appraisers' agreement, or failure to agree, on the value shall be transmitted to the **Member** and the **Pool** in writing within 45 days of the receipt of the demand. If the appraisers agree on the value, an agreement in writing will determine the value and will be binding on both parties.

If the appraisers fail to agree on the value, then within 15 days of the written notice of the appraisers' failure to agree, the appraisers must select a competent, impartial, and disinterested umpire. If the appointed appraisers cannot agree on the umpire, either the **Member** or the **Pool** may request a judge in a court with jurisdiction make the selection of the umpire.

After the umpire is selected, either by the appraisers or by a judge, the appraisers will submit their separate written reports of the valuation to the umpire. After reviewing the reports, the umpire will determine the value and provide notice in writing to the **Member** and the **Pool**. The umpire's decision shall be binding on both parties.

The **Member** and the **Pool** shall each pay its chosen appraiser and shall bear equally the other expenses of the appraisal and of the umpire.

While valuation by appraisal is binding under this Section, the **Pool** reserves the right to deny, in whole or in part, coverage for the loss.

23. DISPUTE RESOLUTION; ARBITRATION

If the **Member** and the **Pool** fail to agree on whether a loss is covered or on the amount of a covered loss, the **Member** may complete the Dispute of Coverage Evaluation or Claim Denial

Form, submitted within 60 days of the claim denial or reservation of rights to the **Claims Management Committee** for review, setting forth the **Member's** detailed reasons and supporting documentation for reconsideration. If the **Member** is dissatisfied with the decision rendered by the **Claims Management Committee**, the **Member** may, within 60 days of the **Claims Management Committee's** decision, request reconsideration by the **Pool** Board of Directors. Upon receipt of such written request from the **Member**, the **Pool** will present the request for reconsideration to the **Pool** Board of Directors for review. The **Pool** Board of Directors may, in its discretion, choose to further review the request and render a decision thereon, or not review the request. If the **Pool** Board of Directors determines not to review the request, or if the **Member** is dissatisfied with the decision rendered by the **Pool** Board of Directors, then the **Member** may request that any disagreement on whether the loss is covered through the **Pool** or on the amount of a covered loss be submitted to binding arbitration in accordance with the **Pool** Intergovernmental Agreement. Unless otherwise agreed in writing by the **Pool**, the **Named Member** shall complete the reconsideration procedures set forth in this Section prior to making any request for binding arbitration under the **Pool** Intergovernmental Agreement.

24. CONSEQUENTIAL LOSS

This Coverage Document covers:

- A. Consequential loss to the **Covered Property** caused by change of temperature or humidity or by interruption of power, heat, air conditioning, or refrigeration resulting from physical loss or damage by a **Covered Cause of Loss**.
- B. The reduction in value to the remaining part or parts of any lot of merchandise usually sold by lots or sizes, color ranges, or other classifications due to damage to or destruction of a part of such lots or other classifications due to a **Covered Cause of Loss**.

25. JOINT LOSS AGREEMENT

With respect to the coverage provided by this Coverage Document, it is agreed that:

- A. If at the time of loss, there is in existence a Coverage Document issued by either the **Pool** or by a boiler and machinery insurance company which may cover the same property or cover the location at which the property subject to loss is situated; and
- B. If there is loss or damage covered under this Coverage Document and also under boiler and machinery policy and there is disagreement between the insurers with respect to:
 - 1. Whether such damage or destruction was caused by a **Covered Cause of Loss** in this Coverage Document or an accident covered by such boiler and machinery policy, or

2. The extent of participation of this Coverage Document and of other such boiler and machinery policy in a loss that is partially or wholly insured against by any or all of said policies,
 3. The **Pool** shall, upon written request from the **Member**, pay to the **Member** one-half of the amount of the loss that is in disagreement, but in no event more than the **Pool** would have paid if there had been no boiler and machinery policy in effect.
- C. This agreement is subject to the following conditions:
1. The amount of the loss which is in disagreement, after making provisions for any undisputed claims payable under the said policies and after the amount of the loss is agreed upon by the **Member**, the **Pool** and the provider of boiler and machinery Coverage Document, is limited to the minimum amount remaining payable under either this Coverage Document and boiler and machinery Coverage Document.
 2. The boiler and machinery insurer shall simultaneously pay to the **Member** at least one-half of the amount which is in disagreement.
 3. The payments by the **Pool** and the boiler and machinery insurer and acceptance of those sums by the **Member** signify the agreement of the **Pool** and the boiler and machinery insurer to submit to and proceed with arbitration within 90 days of such payment in accordance with the following arbitration rules:
 - a. The arbitrators shall be three in number; one of whom shall be appointed by the boiler and machinery insurer, one of whom shall be appointed by the **Pool** and the third appointed by consent of the other two. The decision by the arbitrators shall be binding on the **Pool** and the boiler and machinery insurer and that judgement upon such award may be entered in any court of competent jurisdiction.
 - b. the **Member** agrees to cooperate in connection with such arbitration, but not to intervene in, such arbitration.
 4. The provisions of this agreement shall not apply unless such other Coverage Document issued by the boiler and machinery insurer is similarly endorsed. Acceptance by the **Member** of any payment under this agreement shall not alter, waiver, surrender or in any way affect the rights the **Member** has against the **Pool** or the boiler and machinery insurer.

26. PAIR AND SET

Except as provided under Sections 14 and 25.B., in the event of loss or damage by a **Covered Cause of Loss** to any article or articles that are a part of a pair or set, the value of loss or damage to such article or articles shall be, at the **Member's** option:

- A. The reasonable and fair proportion of the total value of the pair or set, giving consideration to the importance of said article or articles, but in no event shall such loss or damage be construed to mean total loss of the pair or set; or
- B. The full value of the pair or set provided that the **Member** surrenders the remaining article or articles of the pair or set to the **Pool**.

27. ASSISTANCE AND COOPERATION OF THE MEMBER

The **Member** shall cooperate with the **Pool** and, upon the **Pool**'s request and expense, shall attend hearings and trials and shall assist in effecting settlements, in securing and giving evidence, in obtaining the attendance of witnesses, and in conducting suits.

28. PRESERVATION OF PROPERTY CLAUSE

In case of actual or imminent physical loss or damage to **Covered Property**, the expenses incurred by the **Member** in taking reasonable and necessary actions for the protection and preservation of property covered hereunder shall, subject to the terms, conditions, limitations, exclusions, limit(s), sublimits and deductibles and/or underlying amounts of this Coverage Document, be covered by **Pool**.

No acts of the **Member** or the **Pool**, while defending, safeguarding, or recovering the **Covered Property**, shall be considered a waiver or an acceptance of abandonment.

29. PAYMENT OF LOSS

All adjusted claims shall be due and payable no later than 30 days after presentation and acceptance of proofs of loss by the **Pool** or its appointed representative.

30. SUIT AGAINST THE POOL

No suit or action on this Coverage Document for the recovery of any claim shall be sustainable in any court of law or equity unless the **Member** shall have fully complied with all the requirements of this Coverage Document. The **Pool** agrees that any action or proceeding against it for recovery of any loss under this Coverage Document shall not be barred if commenced within the time prescribed therefor in the statutes of the applicable state.

31. RECOVERED PROPERTY

If either the **Member** or the **Pool** recovers any property after loss settlement, that party must give the other prompt notice. At the option of the **Member**, the property will be returned to the **Member**. The **Member** must then return to the **Pool** the amount the **Pool** paid for the property. The **Pool** will pay recovery expenses and the expenses to repair the recovered property, subject to the applicable limit of coverage.

32. VACANCY

For **Real Property** that has been vacant for more than 60 consecutive days, the **Pool** will not pay more than the **Actual Cash Value** for a **Covered Cause of Loss** unless the **Member**:

- A. Has either taken reasonable steps to maintain heat in the building or has winterized the building prior to becoming vacant; and
- B. Has taken reasonable steps to secure the building to prevent theft or attempted theft.

For this exclusion, vacancy occurs when **Real Property**, whether owned or leased, is not occupied, is not maintained by utilities for purposes of occupancy, does not contain sufficient **Business Personal Property** for occupancy or to conduct normal operations, or where operations from the **Real Property** have ceased.

This exclusion does not apply to **Real Property** under construction.

33. SANCTION LIMITATION AND EXCLUSION

The **Pool** shall not be liable to pay any claim or provide any benefit under this Coverage Document to the extent that payment of such claim or provision of such benefit would expose the **Pool** to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

34. SANCTION LIMITATION AND EXCLUSION

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35. ADDITIONAL DEFINITIONS

- A. **Actual Cash Value** means cost to replace property with new property of like kind and quality less depreciation.
- B. **Agreed Value** means value agreed upon by **Member** and **Pool** Administration.
- C. **Act of Sabotage** means a subversive act or series of such acts committed for political, religious, or ideological purposes including the intention to influence any government and/or to put the public in fear for such purpose.

- D. **Act of Terrorism** means an act including but not limited to the use of force or violence of any person or groups of persons, whether acting alone or on behalf of or in connection with any organizations or governments, committed for political, religious, ideological, or similar purposes including the intention to influence any government or to put the public, or any section of the public, in fear.
- E. **Business Personal Property** means property used in the **Member's** operations, other than **Real Property** including:
1. A **Member's** use interest as tenant in improvements and betterments. Improvements and betterments means the fixtures, alterations, installations or additions made part of the building or structure occupied but not owned by the **Member** and which is acquired or made at a **Member's** expense but cannot be legally removed.
- Business Personal Property** does not include:
- a. **Real Property**;
 - b. **Mobile Equipment**;
 - c. **Outdoor Property**;
 - d. **Land Improvements**;
 - e. Personal Property of officials, employees, or volunteers;
 - f. Member Personal Computers;
 - g. Vehicles; or
 - h. Other property excluded in this Coverage Document.
- F. **Claims Management Committee** means the claims management committee established by the **Pool** board of directors. The three-person committee consists of one member each from senior staff of the **Pool** administrator, **Pool** claims administrator, and **Pool** general counsel.
- G. **Commandeered Property** means property that the **Member** does not own but commandeers, seizes, borrows, or takes over for official use to manage **Emergency Operations**, including but not limited to: watercraft; all-terrain vehicles; snowmobiles; and **Mobile Equipment**, unless licensed for road use. Specifically excluded from **Commandeered Property** are motor vehicles, aircraft, aircraft parts, aircraft accessories, and drones. **Commandeered Property** is the property of others, as well as the employees, volunteers, or officers of a **Member**.
- H. **Communicable Disease** means any disease that can be transmitted by means of any substance or agent from any organism to another organism where:
1. the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and

2. the method of transmission, whether direct or indirect, includes but is not limited to airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
 3. the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property listed on the **Member's** Property or Inland Marine Schedule.
- I. **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 for whatsoever nature. **Computer Virus** includes but is not limited to Trojan horses, worms and time or logic bombs.
 - J. **Contractor's Equipment** means machinery, equipment, and tools of a mobile nature that the **Member** uses in construction, installation, erection, repair, or maintenance operations or projects. **Contractor's Equipment** also means self-propelled vehicles designed and used primarily to carry mounted equipment, or vehicles designed for highway use that are unlicensed and not operated on public roads which the **Member** uses in such operations or projects.
 - K. **Course of Construction** means **Real Property** under construction, erection, installation, or assembly. It includes materials, fixtures, and equipment on the **Member's** premise or stored off-site provided that such property is owned by the **Member** and is to become a permanent part of the **Real Property** listed on the **Member's** Property Schedule. Coverage begins when a contract for construction of **Real Property** has been executed, all necessary permits have been applied for and issued, construction has commenced and the **Real Property** under construction is listed on the **Member's** Property Schedule. Coverage ends when all work authorized by permit has been completed and the **Real Property** is ready for the use or occupancy for which it is intended or when the policy is cancelled or ends.
 - L. **Covered Cause of Loss** means accidental direct physical loss or damage to **Covered Property**, unless the loss or damage is expressly excluded from coverage or otherwise limited by the terms and conditions set forth in this property coverage document.
 - M. **Covered Property** means the property listed on the **Member's** Property or Inland Marine Schedule on file with the **Pool**, subject to all of the terms, conditions, limitations, exclusions and exceptions set forth in this property coverage document.
 - N. **Earthquake** means earthquake or other seismic activity (including, but not limited to, underground magma activity) which causes landslide, subsidence, sinkhole collapse, or the abrupt sinking, rising, or shifting of the earth.

O. **Electronic Data** means:

1. Facts, concepts, instructions and data stored as or on, created or used on, or transmitted to or from software (including systems and applications software), on **Media** which are used with **Electronic Data Processing Equipment**; and/or
2. Programming records and electronic instructions which direct the operations and functions of **Electronic Data Processing Equipment**.

Electronic Data does not mean prepackaged software.

P. **Electronic Data Processing Equipment** means the physical elements of a computer that causes the processing of data, including, but not limited to:

1. Computers, printers, scanners, any component parts or peripherals of computer equipment, multi-functional telephone equipment, photocopy and facsimile machines, laptop and portable computer and portable electronic devices;
2. SCADA (supervisory control and data acquisition);
3. Climate control and fire protective equipment used solely in connection with computer hardware, or;
4. Any computer-based equipment, acting as a computer.

Q. **Emergency Operations** means actions:

1. which are urgent responses for protection of property, human life, health, or safety;
2. which result from the performing or attempting to perform firefighting services, hazardous materials unit services, first aid, ambulance or rescue squad services, or related services, including the stabilizing or securing of an emergency scene; and
3. which are sanctioned by: (i) a fire district, hazardous materials unit, or first aid, ambulance or rescue squad qualifying as a **Member** under this Coverage Document, or (ii) an officer, employee, or volunteer member of such organization.

R. **Fine Arts** means paintings, etchings, pictures, tapestries, art glass windows, valuable rugs, statuary, marbles, bronzes, antique furniture and silver, rare books, manuscripts, porcelains, rare glass and bric-a-brac, curios, furs, jewelry, and other similar property, all of which have the quality of rarity, historical value, or artistic merit.

S. **Flood** means any temporary condition of partial or complete inundation of **Covered Property** or normally dry land from:

1. the overflow of inland tidal waters outside the normal watercourse of natural boundaries;
2. the overflow, release, rising, back-up, runoff, or surge of surface water whether driven by wind or not;
3. the unusual or rapid accumulation of runoff or surface water from any source;
4. mud slide or mud flow caused by accumulation of water on or under the ground; or
5. the failure, overtopping, or breach of any structure designed to hold any body of water, river, or stream.

Flood does not mean or include tsunamis.

- T. **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.
- U. **Land Improvements** means any alteration or improvement to the natural condition of the land by grading, soil backfill, mulch, lawn, ditches, ponds, reservoirs, earthen dikes, or earthen dams.
- V. **Media** means all forms of materials upon which **Electronic Data** is recorded including, but not limited to, paper tapes and cards, electronic memory circuits, and magnetic, electronic or optical storage devices.
- W. **Member** has the same meaning as defined in the Common Terms and Conditions which apply to this Coverage Document:

Member means:

1. The **Named Member**; and
 2. The **Named Member**'s directors, officers, employees, and volunteers authorized to act on behalf of the **Named Member**, all acting within the scope of their employment or duties whether arising out of a governmental or proprietary function, and includes such directors', officers' or employees' service under an intergovernmental mutual aid agreement or service as directors or officers of an outside tax exempt entity where such service is with the knowledge and consent of the **Named Member** and such service is part of their employment or duties for the **Named Member**.
- X. **Mobile Equipment** means bulldozers, vehicles that travel on crawler treads, farm machinery, forklifts and other vehicles designed for use principally off public roads

(unless they are subject to a compulsory or financial responsibility law or other motor vehicle insurance laws).

- Y. **Money** means currency, coin, bank notes and bullion.
- Z. **Named Member** has the same meaning as defined in the Common Terms and Conditions which apply to this Coverage Document:

Named Member means the Special District, formed under the laws of the State of Colorado, named on the Declarations attached to the Coverage Documents to which [the] Common Terms and Conditions apply. **Named Member** does not include any other entity of which the **Named Member** is a member or with which the **Named Member** is otherwise associated through any contractual, financial, or participatory relationship, such as any group, coalition, authority, or outside tax-exempt entity, or any separate entity formed pursuant to intergovernmental agreement to which the **Named Member** is a party, unless added by Endorsement.

- AA. **Occurrence** means the sum of all individual losses resulting from or arising out of any one covered event regardless of the number of covered locations affected. **Occurrence** so defined shall be limited to:
1. 72 consecutive hours as regards a hurricane, typhoon, windstorm, rainstorm, hailstorm and/or tornado;
 2. 72 consecutive hours as regards **Earthquake** or Earth Movement;
 3. 72 consecutive hours and within the limits of one city, town or village as regards riots, civil commotions and malicious damage;
 4. 72 consecutive hours as regards any **Occurrence** which includes individual loss or losses from any of the causes mentioned in 1., 2., and 3. above;

And no individual loss from any **Covered Cause of Loss** that occurs outside these periods or areas shall be included in that **Occurrence**.

The **Member** may choose the date and time when any such period of consecutive hours commences and if any event is of greater duration than the above period, the **Member** may divide that event into two or more **Occurrences** provided not two periods overlap and provided no period commences earlier than the date and time of the happening of the first recorded individual loss to the **Member** in that event during the period of this Coverage Document.

- AB. **Outdoor Property** means structures or equipment which are affixed to Land, are located within 1,000 feet of a scheduled **Premises**, and are used by a **Member** to conduct its operations.

Outdoor Property includes, but is not limited to, the following:

1. Exterior, detached signs;
2. Lighting;
3. Fencing or retaining walls;
4. Flagpoles;
5. Pavilions;
6. Playgrounds or park amenities; or
7. Paved or concrete walkways, driveways, or parking lots.

Outdoor Property does not include:

1. **Real Property;**
2. **Business Personal Property;**
3. **Premises;**
4. **Fine Arts;**
5. Underground Pipes, Wells, or Storage Tanks;
6. Tools;
7. Plants, Trees, or Shrubs; or
8. Other property excluded in this Coverage Document.

AC. **Pollutants** means smoke, vapors, soot, fumes, acids, alkalis, chemicals, liquids, solids, gases, thermal pollutants, asbestos, lead, or any product or material containing asbestos or lead, and all other irritants or contaminants.

AD. **Pool** has the same meaning as defined in the Common Terms and Conditions which apply to this Coverage Document:

Pool means Colorado Special Districts Property and Liability Pool.

AE. **Public Adjuster** means an individual licensed or required to be licensed by the State of Colorado as a public adjuster as defined and required by state law and who is engaged by the **Member** to assist in a first party property claim.

AF. **Premises** means a location indicated on a **Member's** Property Schedule that is owned or legally occupied by the **Member** for the purpose of conducting its business operations.

AG. **Real Property** means buildings or structures affixed to Land located at a scheduled **Premises** and indicated on the **Member's** Property Schedule, including:

1. Completed additions;
2. Machinery and equipment permanently attached to the building or structure

Real Property does not include:

1. Land;
2. **Land Improvements;**
3. **Outdoor Property;**
4. Water; or
5. Other property excluded in this Coverage Document.

AH. **Replacement Cost** means the full cost of repair or replacement of such property at the same site with new material of like kind and quality without deduction for depreciation.

Replacement Cost shall include the option of repairing or replacing such property at the same site with new material for the same functional use and occupancy as existed immediately prior to the loss.

AI. **Securities** means all negotiable and non-negotiable instruments or contracts representing either **Money** or other property, and includes revenue and other stamps in current use, tokens and tickets but does not include **Money**.

AJ. **Unmanned Aircraft** means:

1. An aircraft, weighing less than 50 pounds, that is designed and manufactured to be operated without the possibility of being controlled directly by a person from within or on-board the aircraft while in use for the **Member's** operations;
2. Equipment which is attached to or essential for its operation including, but not limited to, control stations, communication lines, navigation equipment and other support equipment;
3. Camera when in connection to, stored with or in use; and
4. Specifically listed on the **Member's** Property or Inland Marine Schedule.

AK. **Unscheduled Location(s)** means any of the following: **Real Property** and **Business Personal Property** not specifically listed under the **Member** Property or Inland Marine Schedule; a location the **Member** does not own, lease, or operate; a leased storage location where the **Member** has entered into a lease agreement; or any fair, trade show, or exhibition.

AL. **Utility Service** means water, telecommunication services, internet access services, and power supply services.

AM. **Valuable Papers and Records** means written, printed, or otherwise inscribed documents and records, including but not limited to books, maps, films, negatives, transparencies, original drawings (such as plans, blueprints, specifications, or designs), abstracts, deeds, mortgages, micro-inscribed documents, manuscripts, but not including **Electronic Data**, prepackaged software programs, **Money**, or **Securities**.