



## CSD Pool Property Coverage Form

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## 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 District** shall be that amount shown on the **Member District's** Declarations.
- 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 **Member District's** Declarations or the scheduled value shown on the statement of values plus twenty-five (25) percent of that amount.
- E. For an **Act of Terrorism** or an **Act of Sabotage**, the per **Member District** 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 also apply, unless a different Limit of Coverage is shown on the **Member District's** Declarations:
1. \$1,000,000 Newly Acquired/Constructed/Affixed **Real Property**
  2. \$500,000 Errors and Omissions
  3. \$250,000 Each for:
    - Business Income including Extra Expense/Rental Income
    - Newly Acquired **Business Personal Property**
    - Electronic Data Processing Equipment and Media
    - Wind and Hail Damage Resistant Roofing Upgrade
    - Green Construction Upgrade
  4. \$100,000 Each for:
    - **Contractor's Equipment** – Rented, Leased, or Hired

- Accounts receivable
- Expediting Expense
- **Fine Arts**
- Fire Department Service Charges
- Off-premises Service Interruption
- **Business Personal Property** in the care, custody, or control of carriers or bailees for hire or in due course of transit
- **Business Personal Property** in transit
- Underground Pipes within 1,000 feet of scheduled **Real Property**
- Professional Services
- Valuable Papers & Records

1. \$25,000

Each for:

- **Real Property** and/or **Business Personal Property** at **Unscheduled Locations**
- Personal Property of Officials, Employees, or Volunteers
- Loss Adjustment Expense
- Pollutant Clean-Up
- Trees, Shrubs, and Plants
- Software **Computer Virus**
- **Outdoor Property**
- Sirens and Antennas

5. \$10,000

Each for:

- 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

- B. 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 District** involved.

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

- C. 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.
- D. **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.
- E. **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

Loss, if any, shall be adjusted with and payable to the appropriate **Member District** or its order, whose receipt shall constitute a release in full of all liability under this Coverage Document with respect to such loss.

## 4. COVERAGE

Except as hereinafter excluded, this Coverage Document covers:

### A. PROPERTY

1. The interest of the **Member District** in all **Real Property** (including fixtures, improvements and betterments) and **Business Personal Property** owned, acquired, or used by the Member District, or hereafter constructed, erected, installed, or acquired including while in **Course of Construction**, erection, installation, and assembly.

In the event of loss or damage, the Pool agrees to accept and consider the **Member District** 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 the **Member District** in the **Real Property** and **Business Personal Property** of others in the **Member District's** care, custody, or control and the **Member District's** liability imposed by law or assumed by contract, whether written or oral, for such property.
3. At the option of the **Member District**, personal property of the **Member District's** officials and employees or volunteers while on the **Premises** of the Member District or at work site of the individual **Member District**.
4. Contractors' and vendors' interests in **Covered Property** to the extent of the **Member District's** liability imposed by law or assumed by contract, whether written or oral.

**B. BUSINESS INCOME INCLUDING EXTRA EXPENSE/RENTAL INCOME**

1. Loss resulting from necessary interruption of business conducted by the **Member District** and caused by 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.
2. If such loss occurs during the term of this Coverage Document, it shall be adjusted on the basis of the actual loss by the **Member District**, 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.
3. Ordinary payroll is defined to be the entire payroll expense for all employees of the **Member District** except officers, executives, department managers, employees under contract, and other important employees.
4. Resumption of Operations: If the **Member District** could reduce the loss resulting from the interruption of operations:
  - a. by a complete or partial resumption of operation of the **Covered Property**, whether damaged or not; or
  - b. by making use of available stock, merchandise, or other property;

Such reduction shall be taken into account in arriving at the amount of loss hereunder.

5. Experience of the **Member District** regarding profit or property loss
  - a. 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 District** before the date of damage or destruction and to the probable experience thereafter had no loss occurred.
  - b. 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 District** after completion of the construction, erection, installation, or assembly.
6. Extra Expense
  - a. Extra expense incurred resulting from physical loss, damage, or destruction to property covered hereunder by any of the perils covered herein during the term of this Coverage Document.
  - b. 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.
7. Rental Value
  - a. Rental value loss sustained by the **Member District** resulting directly from the necessary untenability caused by 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. but not exceeding the reduction in rental value less charges and expenses which do not necessarily continue during the period of untenability.
  - b. For the purposes of this coverage, 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 District**, 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 District**, and
- iii. The fair rental value of any portion of said property which is occupied by the **Member District**.

8. Experience of the **Member District** regarding rental value loss

- a. 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 probable experience thereafter had no loss occurred.
- b. 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 District** after completion of the construction, erection, installation, or assembly.

C. **ADDITIONAL PROVISIONS APPLICABLE TO BUSINESS INCOME INCLUDING EXTRA EXPENSE/RENTAL INCOME COVERAGES**

1. Period of Recovery: The length of time for which loss may be claimed:
  - a. 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;
  - b. and, such additional length of time to restore the **Member District's** operations to the condition that would have existed had no loss occurred, commencing with the later of the following dates:

- i. the date on which the liability of the **Pool** for loss or damage would otherwise terminate; or
- ii. the date on which repair, replacement or rebuilding of such part of the property as has been damaged is actually completed;

But in no event for more than one year thereafter from said later commencement date;

- c. with respect to alterations, additions, and property while in the **Course of Construction**, erection, installation, or assembly, shall be determined as provided in (a) above but such determined length of time shall be applied to the experience of the **Member District** after the operation has reached its planned level of production or level of operation;
  - d. shall commence with the date of such loss or damage and shall not be limited by the date of expiration of this Coverage Document.
2. **Special Exclusions:** This section of the Coverage Document 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 District'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**.
  3. **Expenses to Reduce Loss:** This Coverage Document also covers such expenses as are necessarily incurred for the purpose of reducing any loss under this Coverage Document; however such expenses may not exceed the amount by which the loss under this Coverage Document is thereby reduced.
  4. **Extension of Coverage:** This Coverage Document, subject to all its provisions and without increasing the amount of the limits of coverage under said Coverage Document, also covers against loss 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**.

5. **Premises** Interruption by Civil or Military Authority: This Coverage Document is extended to cover the loss 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.
6. **Non-Premises** Business Interruption by Civil or Military Authority: This Coverage Document is extended to cover the loss to a **Member** sustained during the period of time when, as a result of damage to non-**Member** property, the **Member District's Premises** are not accessible by order of civil or military authority, provided that both of the following apply:
  - a. the inaccessibility of a **Member District'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 one mile from the **Member District's Premises**; and
  - b. the inability to access the **Member District's Premises** must be the direct result of a **Covered Cause of Loss**.
7. **Ingress/Egress**: This Coverage Document is extended to cover the loss 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.
8. **Off-Premises** Service Interruption: This Coverage Document is extended to cover the loss of income or extra expense sustained during the period of time when, as a direct result of physical damage by a **Covered Cause of Loss** under this Coverage Document, there is damage to utility service(s) property located off of the **Member District's Premises** and this damage causes interruption of utility service(s) to **Covered Property**.

#### D. **TRANSIT**

1. Property in transit, and this Coverage Document attaches and covers shipments within and between the territorial limits of this Coverage Document, including the coastal waters thereof, by any means of conveyance, from the time the 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 used for inbound shipment, including during deviation and delay, until safely delivered and accepted at place of final destination.

2. This coverage is extended to cover loss or damage to **Covered Property**:
  - a. shipped by the **Member District** 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 District**, by its agents, or by its customers of fraudulent bills of lading, shipping and delivery orders, or similar documents; and
  - d. at the **Member District's** option, which is incoming to the **Member District**.
3. The **Member District** 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 inure to the benefit of any carrier, bailee, warehouseman, or processor.

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

#### E. **ACCOUNTS RECEIVABLE**

1. All sums due the **Member District** from customers, provided the **Member District** 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 District** in reestablishing records of accounts receivable following such loss or damage.

For the purpose of this coverage, credit card company charge media shall be deemed to represent sums due the **Member District** 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 District** 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 District**, and an amount to allow for probable bad debts which would normally have been uncollectible by the **Member District**.

#### F. **LEASEHOLD AGREEMENT**

1. Pro rata proportion from the date of loss to expiration date of the lease (to be paid without discount) on the **Member District**'s interest in:
  - a. the amount of bonus paid by the **Member District** 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 District** and not recoverable under the terms of the lease for the unexpired term of the lease;

when property is rendered wholly or partially untenable by 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; and

2.
  - a. The interest of the **Member District** 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 District** 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.

3. Definitions:

The following terms, wherever used in this Section shall mean as follows:

- a. the “interest of the **Member District** as lessee” is defined as:
  - i. the excess of the rental value of similar **Premises** over the actual rental payable by the lessee (including any maintenance or operating charges paid by the lessee) during the unexpired term of the lease.
  - ii. the rental income earned by the **Member District** 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 District** and the lessor.

b. 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 District** as lessee.

4. 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 by the **Member District** exercising an option to cancel the lease.

#### G. **MONEY AND SECURITIES**

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

1. within or from the **Member District’s Real Property** or at a financial institution(s) used by the **Member District** as its business bank, including night depository chutes; or
2. While the **Money and Securities** of a **Member District** 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.

#### H. **FIRE DEPARTMENT SERVICE CHARGES & EXTINGUISHING EXPENSES**

This Coverage Document covers the following expenses resulting from a **Covered Cause of Loss**:

1. fire department service charges and other extinguishing expenses for which the **Member District** may be assessed;
2. loss of fire extinguishing materials expended in fighting a hostile fire at the **Member District’s Premises**.

## I. **DEBRIS REMOVAL**

1. The **Pool** will pay expense incurred by the **Member District** to remove debris of **Covered Property** from a **Premises** caused by or resulting from 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.
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.

## J. **DEMOLITION AND INCREASED COST OF CONSTRUCTION**

In the event of loss or damage covered under this Coverage Document that causes the enforcement of any law or ordinance regulating the construction, repair, or use of **Covered Property**, the **Pool** shall be liable 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.

**K. EXPEDITING EXPENSE**

This Coverage Document covers 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.

**L. VALUABLE PAPERS**

The **Pool** will pay for direct physical loss or damage to **Valuable Papers** caused by or resulting from a **Covered Cause of Loss**.

**Valuable Papers** means:

1. Papers, documents, records, negatives, transparencies;
2. Tapes of all types;
3. Original plans, blueprints, specifications or designs; and
4. Original source material used to enter or program Electronic Data, but not the Electronic Data itself.

**Valuable Papers** does not mean:

1. **Electronic Data**;
2. Prepackaged software programs;
3. **Money** or **Securities**.

**M. SOFTWARE COMPUTER VIRUS**

The **Pool** will pay for the cost of restoring or replacing the **Member District'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 District's** directors, officers, employees, agents, or volunteers.

The most the **Pool** will pay under this coverage M. is further limited to the limit shown under limits of the coverage on a \$25,000 per **Member** annual aggregate as well as an all **Members** combined - shared annual aggregate of \$250,000.

**N. NEWLY ACQUIRED PROPERTY**

Newly acquired **Real Property** and **Business Personal Property** must be reported to the **Pool** within ninety (90) days of acquisition, construction, erection, or installation

O. **ELECTRONIC DATA AND MEDIA**

Should **Media** covered by this Coverage Document suffer physical loss or damage that is covered by this Coverage Document, then the basis of valuation shall be the cost to repair, replace or restore such **Media** to the condition that existed immediately prior to such loss or damage, including the cost of reproducing any **Electronic Data** contained thereon, providing such **Media** is repaired, replaced or restored. The cost of reproduction shall include all reasonable and necessary amounts, not to exceed \$250,000 for any one loss, incurred by the **Member District** in recreating, gathering and assembling such **Electronic Data**. If the **Media** is not repaired, replaced or restored the basis of valuation shall be the cost of the blank **Media**. However, this Coverage Document does not cover any amount pertaining to the conceptual value of such **Electronic Data** to the **Member District** or any other party, even if such **Electronic Data** cannot be recreated, gathered or assembled.

However, in the event that a peril of fire or explosion results in any of the matters described in this Section 4.O., this Coverage Document, subject to all its terms, conditions and exclusions, will cover physical damage occurring during the coverage period to **Covered Property**.

P. **ERRORS AND OMISSIONS**

Any unintentional error or unintentional omission in scheduling of **Real Property** and **Business Personal Property** made by the **Member District** shall not void or impair the coverage under this Coverage Document provided the **Member District** reports such error or omission as soon as reasonably possible after discovery and remits appropriate contribution to the **Pool** as of the effective date of the coverage document. In the event of an **Occurrence** and in the event that a **Member District** 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 liability or the amount of the errors and omissions sublimit stated herein, whichever is less.

Q. **UNSCHEDULED LOCATIONS**

**Real Property** and **Business Personal Property** not specifically listed under the **Member District** property schedule; a location the **Member District**

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. This coverage is subject to the sublimit stated herein.

**R. OFF-SITE STORAGE**

Coverage for **Member District's Business Personal Property** stored at locations other than the location(s) owned by or listed under the **Member District** property schedule.

**S. ARSON, THEFT AND VANDALISM REWARD**

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. Regardless of the number of persons involved in providing information, the limit available under this extension shall not be increased.

**T. FIRE EXTINGUISHER RECHARGE EXPENSE**

Cost of recharging the **Member District'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**.

**U. MEMBER'S MISCELLANEOUS TOOLS**

Loss or damage to **Member District's** tools not specifically listed/scheduled on the **Member District** equipment schedule.

**V. MEMBER'S PLANTS, TREES OR SHRUBS**

Physical damage to plants, trees or shrubs owned by the **Member District** and installed at a **Premises** listed on the **Member District's** Property schedule.

**W. MEMBER'S BUSINESS PERSONAL PROPERTY**

In the care custody and control of carriers / bailees for hire or in due course of transit.

**X. WIND AND HAIL ROOF UPGRADE**

The coverage and valuation provision provided by this coverage X. only applies 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.

In no event does this coverage X. increase or change the per **Occurrence** limit of liability shown in the declarations or the annual aggregate for specified perils.

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, plus the least of the following amounts:

1. The reasonable and necessary amount to upgrade the damaged roof from its current classification; or
2. An additional 25% of the applicable limit of liability for the building shown in the Statement of Values or similar schedule to upgrade the damaged roof; or
3. \$250,000 (two hundred and fifty thousand dollars) to upgrade the damaged roof.

Any coverage as provided for under 1, 2 or 3 above shall be equally shared between the **Member District** and the **Pool** with 50% **Member District** contribution and 50% **Pool** contribution.

At the **Member District's** sole discretion, the **Member District** 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 endorsements.

#### Y. **GREEN CONSTRUCTION UPGRADE**

The coverages and valuation provision provided by this coverage Y. only apply 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. This coverage Y. does not apply to:

1. property of others in the **Member District's** care, custody, and control;
2. leased property; and

3. finished or unfinished stock and/or contents.

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

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 liability, plus the least of the following amounts:

1. 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
2. An additional 25% of the applicable limit of liability for the building shown in the Statement of Values or similar schedule to Upgrade to Green; or
3. \$250,000 (two hundred and fifty thousand dollars) to Upgrade to Green.

Coverage as provided for under 1, 2 or 3 above shall be equally shared between the **Member District** and the **Pool** with 50% **Member District** contribution and 50% **Pool** contribution.

At the **Member District's** sole discretion, the **Member District** 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.

## Z. **PROFESSIONAL SERVICES**

Subject to the additional conditions and limitations set forth below, the **Pool** will reimburse the **Member District** for reasonable expenses the **Member District** incurs for the services of accountants, architects, engineers, or other professionals, (excluding attorneys and **Public Adjusters**) whom the **Member District** employ to assist the **Member District** 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 **Premises**



described in Schedule of Property on file with the **Pool** following a **Covered Cause of Loss**.

1. The **Pool** will not reimburse any expenses that the **Member District** incurs for the services of accountants, architects, engineers, or licensed other professionals unless the **Member District** and the **Pool** have agreed in writing, which shall state the goal, scope and estimated cost of the services to be provided, prior to the **Member District** incurring any such expenses.
2. The **Pool** will only reimburse expenses the **Member District** 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 limit for Professional Services shall be \$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 District** 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 District**'s expenses to remove debris of others that is on the **Member District**'s scheduled **Premises**, when such debris is caused by or results from a **Covered Cause of Loss** that occurs during the policy period and **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.

#### **AB: OUTDOOR PROPERTY**

Physical damage to **Outdoor Property** caused by or resulting from a **Covered Cause of Loss**, subject to the sublimit stated herein. This coverage is limited to **Outdoor Property** within 1,000 feet of a **Premises** listed on the **Member District**'s Property schedule.



## **AC: SIRENS AND ANTENNAS**

Physical damage to sirens, antennas, and radio and communications towers associated with the **Member District's** emergency operations or emergency communication, even when such property is not located on a **Member's Premises.**

## 5. **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, lawns, standing timber, and animals except for research;
- D. Watercraft, aircraft, motor vehicles designed and licensed for highway use when not on the **Member District'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 District's** property 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, except that unscheduled underground pipes within 1,000 feet of a scheduled **Real Property** are covered for loss by fire or explosion only, subject to the sublimit stated under Section 1.F (4). For purposes of this paragraph G.2 only, 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 pipe(s) covered under this Coverage, 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;



- H. Property that is missing due to unexplained or mysterious disappearance or a shortage of property disclosed on taking inventory;

## 6. 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.

## 7. PERILS EXCLUDED

This Coverage Document does not cover:

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

This exclusion does not apply to acts of destruction by employees or volunteers of the **Member District**; 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 physical loss or damage from a **Covered Cause of Loss** ensues 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 District** 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 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 systems 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 reaction, 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 occurrence; 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. Maintenance:

of 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 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 system or its related 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. POLLUTANT CLEAN-UP AND REMOVAL EXTENSION

The **Pool** will pay expense incurred by the **Member District** to extract **Pollutants** from land or water at the scheduled **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. 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 under this for all scheduled property is \$25,000 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.

#### T. ASBESTOS

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:

1. the **Real Property** must be covered under this Coverage Document for damage by the listed peril;
2. the listed peril must be the immediate, sole and direct cause of the damage of the asbestos;
3. 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 12 (twelve) months after the expiration, or termination, of the period of coverage;

Coverage under this Coverage Document in respect of asbestos shall not include any sum relating to:

1. any faults in the design, manufacture or installation of the asbestos; or
2. 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.

- U. 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.

#### 8. **CONTRIBUTING INSURANCE**

Contributing insurance is insurance written upon the same plan, terms, conditions, and provisions as those contained in this Coverage Document. Coverage under this Coverage Document shall contribute in accordance with the conditions of this Coverage Document only with other contributing insurance as defined.

#### 9. **EXCESS INSURANCE**

Excess insurance is insurance over the limit of liability set forth in this Coverage Document. The existence of such excess insurance shall not prejudice the coverage provided under this Coverage Document nor will it reduce any liability hereunder.

#### 10. **UNDERLYING INSURANCE**

- A. Underlying insurance is insurance on all or any part of the deductible and against all or any of the perils covered by this Coverage Document including 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.
- B. 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.

#### 11. **OTHER INSURANCE**

Except for insurance described by the contributing insurance clause, by the excess insurance clause, or by the underlying insurance clause, 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. 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. 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.

## 12. SUBROGATION

- A. Any release from liability entered into by the **Member District** prior to loss hereunder shall not affect this Coverage Document or the right of the **Member District** to recover hereunder. The right of subrogation against the **Member District** is waived and at the option of the **Member District**, against a tenant of the **Member District**.
- B. In the event of any payment under this Coverage Document, the **Pool** shall be subrogated to the extent of such payment to all the **Member District**'s rights of recovery. The **Member District** shall execute all papers required and shall do anything that may be necessary at the expense of the **Pool** to secure such rights. The **Pool** will act in concert with all other interests concerned, i.e., the **Member District** and any other Company(ies) participating in the payment of any loss as primary or excess insurers, in the exercise of such rights of recovery.

If any amount is recovered as a result of such proceedings, the net amount recovered after deducting the costs of recovery shall be divided between the interests concerned in the proportion of their respective interests. If there should be no recovery, the expense of proceedings shall be borne proportionately by the interests instituting the proceedings.

## 13. 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, such net amounts recovered shall be divided between the interests concerned, i.e., the **Member District** and any other Company(ies) participating in the payment of any loss, in the proportion of their respective interests.

#### 14. **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 District'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.

#### 15. **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.

#### 16. **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.

#### 17. **REPORT OF VALUES / PREMIUM ADJUSTMENT**

- A. The **Member District** 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 District** shall report to the **Pool** values for all **Real Property** and **Business Personal Property** including buildings, equipment, tenant's improvements and betterments, stock, 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 buildings, equipment, tenant's improvements and betterments, stock, and **Business Personal Property**;
  2. 100% for extra expense; and



3. 50% for business income including excess expense/rental income.

## 18. TITLES OF PARAGRAPHS

The titles of the paragraphs 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.

## 19. DUTIES IN THE EVENT OF LOSS OR DAMAGE

The **Member District** 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.
- C. Take all reasonable steps to protect the **Covered Property** from further damage by any cause. If feasible, set the damaged property aside and in the best possible order for examination. Also keep a record of the **Member District's** expenses for emergency and temporary repairs, for consideration in the settlement of the claim.
- D. 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.
- E. 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.
- F. As often as may reasonably be required, permit the **Pool** to inspect the property proving the loss or damage and examine the **Member District's** books and records.
- G. Send the **Pool** a signed, sworn proof of loss containing the information the **Pool** requests to investigate the claim. The **Member District** must do this within 60 days after the **Pool's** request. The **Pool** will supply the **Member District** with the necessary forms.
- H. Cooperate with the **Pool** in the investigation or settlement of the claim.

## 20. VALUATION

In case of loss, 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 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.

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 of items similar to the destroyed property and intended to perform the same function but which may include technological advances.
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 District's** property schedule for a specific item or items.

6. **Outdoor Property** shall be valued at **Actual Cash Value**.
7. Other property not otherwise provided for, at **Replacement Cost** new on the same **Premises** as of the date of replacement.
8. Permission is granted for the **Member District** 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.

## 21. **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.

## 22. **LOSS ADJUSTMENT EXPENSES**

This Coverage Document is extended to include expenses incurred by the **Member District**, or by the **Member District's** representatives (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.

## 23. **APPRAISAL**

If the **Member District** and the **Pool** fail to agree on the amount of loss, each, upon the written demand either of the **Member District** or of the **Pool** made within 60 days after receipt of proof of loss by the **Pool**, shall select a competent and disinterested appraiser. The appraisers shall then select a competent and disinterested umpire. If they should fail for 15 days to agree upon such umpire, then upon the request of the **Member District** or of the **Pool**, such umpire shall be selected by a judge of a court of record in the county and state in which such appraisal is pending. Then, at a reasonable time and place, the appraisers shall appraise the loss, stating separately the value at the time of loss and the amount of loss. If the appraisers fail to agree, they shall submit their differences to the umpire. An award in writing by any two shall determine the amount of loss. The **Member District** and the **Pool** shall each pay its chosen appraiser and shall bear equally the other expenses of the appraisal and of the umpire.

#### 24. **DISPUTE RESOLUTION; ARBITRATION**

If the **Member District** and the **Pool** fail to agree on whether a loss is covered or on the amount of a covered loss, the **Member District** may complete the Dispute of Coverage Evaluation or Claim Denial Form, submitted within 60 days of the claim denial or reservation of rights, setting forth the **Member District's** detailed reasons and supporting documentation for reconsideration to the **Claims Management Committee**. If the **Member District** is dissatisfied with the decision rendered by the **Claims Management Committee**, the **Member District** 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 District**, 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 District** is dissatisfied with the decision rendered by the **Pool** Board of Directors, then the **Member District** 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.

#### 25. **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**.

#### 26. **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 a 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 District**, pay to the **Member District** 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 District**, 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 District** 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 District** 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 judgment upon such award may be entered in any court of competent jurisdiction.

- b. the **Member District** 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 District** of any payment under this agreement shall not alter, waive, surrender or in any way affect the rights the **Member District** has against the **Pool** or the boiler and machinery insurer.

## 27. **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 District'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 District** surrenders the remaining article or articles of the pair or set to the **Pool**.

## 28. **ASSISTANCE AND COOPERATION OF THE MEMBER DISTRICT**

The **Member District** 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.

## 29. **PRESERVATION OF PROPERTY CLAUSE**

In case of actual or imminent physical loss or damage of the type covered by this Coverage Document, the expenses incurred by the **Member District** 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), sub-limits and deductibles and/or underlying amounts of this Coverage Document, be covered by **Pool**.

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

### 30. 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.

### 31. 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 District** 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.

### 32. RECOVERED PROPERTY

If either the **Member District** or the **Pool** recovers any property after loss settlement, that party must give the other prompt notice. At the option of the **Member District**, the property will be returned to the **Member District**. The **Member District** 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.

### 33. 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:

- A. Reasonable steps were taken to maintain heat in the building; or
- B. The building was winterized prior to becoming vacant.

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.

### 34. ADDITIONAL DEFINITIONS

1. **Actual Cash Value** means cost to replace property with new property of like kind and quality less depreciation.
2. **Agreed Value** means value agreed upon by **Member District** and **Pool** Administration.

3. **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.
4. **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.
5. **Business Personal Property** means property used in the **Member District's** operations, other than **Real Property**.

**Business Personal Property** does not include:

- a. **Real Property**;
  - b. **Mobile Equipment**;
  - c. **Outdoor Property**;
  - d. **Land Improvements**;
  - e. Personal Property of managers, employees, or volunteers;
  - f. Vehicles; or
  - g. Other property excluded in this Coverage Document.
6. **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.
  7. **Computer Virus** shall mean a set of corrupting, harmful or otherwise unauthorized instructions or code including a set of maliciously introduced unauthorized instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network for whatsoever nature. **Computer Virus** includes but is not limited to Trojan horses, worms and time or logic bombs.
  8. **Contractor's Equipment** means machinery, equipment, and tools of a mobile nature that the **Member District** 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 District** uses in such operations or projects.
  9. **Course of Construction** begins when a contract for the construction of a building has been executed, all necessary permits have been applied for and issued, and construction has commenced, and ends when all work authorized by permit has been completed and the building is ready for the use or occupancy for which it is intended.



10. **Covered Cause of Loss** shall mean 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.
11. **Covered Property** shall mean the property listed on the **Member District's** property schedule on file with the **Pool**, subject to all of the terms, conditions, limitations, exclusions and exceptions set forth in this property coverage document.
12. **Data** is defined as facts, concepts, or instructions in a form usable for communications, interpretation, or processing by automatic means. It includes computer programs.
13. **Earthquake** shall mean Earthquake (including aftershocks) landslide, subsidence, sinkhole collapse, volcanic eruption or earth sinking, rising or shifting.
14. **Electronic Data** shall mean facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical **Data** process or electronically controlled equipment and includes programs, software and other coded instructions for the processing and manipulation of **Data** or the direction and manipulation of such equipment.
15. **Electronic Data Processing Equipment** shall mean computers, printers, peripheral computer equipment, bundled software, and any computer-based equipment, acting as a computer.
16. **Emergency Operations** means actions:
  - a. Which are urgent responses for protection of property, human life, health or safety;
  - b. 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
  - c. 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.
17. **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.
18. **Flood** means any temporary condition of partial or complete inundation of **Covered Property** or normally dry land from:

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

**Flood** does not mean or include tsunami.

19. **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.
20. **Land Improvements** are defined as any alteration or improvement to the natural condition of the land by grading, soil backfill, landscaping, ditches, ponds, reservoirs, earthen dikes or earthen dams.
21. **Media** is defined as materials upon which **Data** is recorded including, but not limited to, paper tapes, cards, electronic memory circuits, and magnetic or optical storage devices.
22. **Member District** is defined as the Special District, formed under the laws of the State of Colorado, named in the Declarations issued to the Special District by the **Pool**.
23. **Mobile Equipment** is defined as 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 law).
24. **Money** is defined as currency, coin, bank notes and bullion.
25. **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:
  - a. 72 consecutive hours as regards a hurricane, typhoon, windstorm, rainstorm, hailstorm and/or tornado;
  - b. 72 consecutive hours as regards **Earthquake** or Earth Movement;

- c. 72 consecutive hours and within the limits of one city, town or village as regards riots, civil commotions and malicious damage;
- d. 72 consecutive hours as regards any **Occurrence** which includes individual loss or losses from any of the causes mentioned in a, b and c 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 District** 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 District** may divide that event into two or more **Occurrences** provided no 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 District** in that event during the period of this Coverage Document.

26. **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 District** to conduct its operations.

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

- a. Exterior signs;
- b. Lighting;
- c. Fencing or retaining walls;
- d. Flagpoles;
- e. Pavilions;
- f. Playgrounds or park amenities; or
- g. Paved or concrete walkways, driveways, or parking lots.

**Outdoor Property** does not include:

- a. Land;
- b. **Land Improvements**;
- c. **Real Property**;
- d. **Business Personal Property**;
- e. **Premises**;
- f. Underground pipes, wells or storage tanks;
- g. Tools;
- h. Plants, trees, shrubs, lawns;
- i. Water; or
- j. Other property excluded in this Coverage Document.

27. **Pollutants** is defined as 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.
28. **Pool** means Colorado Special District Property and Liability Pool.
29. **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 District** to assist in a first party property claim.
30. **Premises** means a location indicated on a **Member District's** property schedule that is owned or legally occupied by the **Member District** for the purpose of conducting its business operations.
31. **Real Property** means buildings or structures affixed to Land located at a scheduled **Premises** and indicated on the **Member District's** property schedule.

**Real Property** does not include:

- a. Land;
  - b. **Land Improvements**;
  - c. **Outdoor Property**;
  - d. Water; or
  - e. Other property excluded in this Coverage Document.
32. **Replacement Cost** is defined as 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.
33. **Securities** is defined as 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**.
34. **Valuable Papers & Records** are defined as written, printed, or otherwise inscribed documents and records, including but not limited to books, maps, films, drawings, abstracts, deeds, mortgages, micro-inscribed documents, manuscripts, and **Media** and the **Data** recorded thereon, but not including **Electronic Data**, prepackaged software programs, **Money** or **Securities**.