MOONLIGHT VILLAGE PUBLIC INFRASTRUCTURE DISTRICT NOS. 1-2
JOINT SPECIAL MEETING
Monday, April 27, 2026, at 10:00 a.m.
825 East 1180 South, American Fork, UT 84003

This meeting is open to the public and may be joined using the following information:

https://us06web.zoom.us/j/86279338639?pwd=Fpgy2vJ9SzbK5N1em4lUmKHDNnfP2I.1
Meeting ID: 862 7933 8639; Passcode: 626677; Call in Number: 720-707-2699

Trustees	Term
*Dave Scoville, Chair	Term from October 21, 2024 to 4 years from appointment
*Shane Wilson, Treasurer	Term from February 5, 2025 to 4 years from appointment
*Ryan Sparks, Secretary	Term from February 5, 2025 to 6 years from appointment
Vacant	Term from [date of appointment] to [4 years from appointment]
Vacant	Term from [date of appointment] to [6 years from appointment]

NOTICE OF JOINT SPECIAL MEETING AND AGENDA

1. Call to Order/Declaration of Quorum

2. Preliminary Action Items

   a. Consider Approval of Agenda

   b. Confirm Conflict of Interest Disclosures

3. Public Comment – Members of the public may express their views to the Boards on matters that affect the Districts. Comments will be limited to three (3) minutes.

4. Action Items

   a. Approve January 16, 2026 Joint Regular Meeting Minutes

   b. Approval of March 31, 2026 Unaudited Financial Statements

   c. Approve Claims Listing

   d. Adoption of Joint Resolution Identifying Anchor Location for Meetings

   e. Discuss and Authorize Legal Counsel to bind general liability and crime insurance, as required under Utah law, through the Utah Local Governments Trust (District No. 2)

   f. Approve Proposal for 2025 Audit Services (District No. 1)

5. Administrative Non-Action Items

   a. Annual Board Member Training – Open and Public Meetings Act - Open and Public Meetings Act Training 2026

6. Adjourn

MINUTES OF A JOINT SPECIAL MEETING

**MOONLIGHT VILLAGE PUBLIC INFRASTRUCTURE DISTRICT NOS. 1 & 2
BOARD OF TRUSTEES**

January 16, 2026 at 10:00 a.m.
825 East 1180 South, American Fork, UT 84003

The meeting was also held via teleconference and open to the public.

Attendance

The meeting referenced above was called and held in accordance with the applicable statutes of the State of Utah. The following members were in attendance:

Shane Wilson, Treasurer

Ryan Sparks, Secretary (at anchor location)

Also present: Betsy Fowler-Russon, Esq., WBA, PC, Attorneys at Law, Districts' General Counsel; Lauren Warburton, CliftonLarsonAllen LLP, Districts' Accountant; and Chase Hanusa, the Connextion Group Civil, LLC, Districts' Engineer.

Trustee Dave Scoville was absent and excused.

Call to Order/Declaration of Quorum

It was noted that a quorum of each Board was present. Upon a motion duly made and seconded, the meeting was called to order.

Preliminary Action Items

Consider Approval of Meeting Agenda

The Boards reviewed the proposed agenda for the meeting. Following discussion, upon a motion duly made by Mr. Wilson and seconded by Mr. Sparks, the Boards unanimously approved the agenda as presented.

Conflict of Interest Disclosures

Ms. Fowler-Russon inquired into whether members of the Boards had any additional disclosures of potential or existing conflicts of interest with regard to any matters scheduled for discussion at the meeting. No additional disclosures were noted.

Public Comment

No members of the public were in attendance.

Action Items

Approve November 10, 2025 Joint Special Meeting Minutes

Ms. Fowler-Russon presented minutes from the November 10, 2025 Joint Special Meeting to the Boards for consideration. Following review, upon a motion duly made by Mr. Wilson, seconded by Mr. Sparks, and upon a vote unanimously carried, the Boards approved the minutes from the November 10, 2025 Joint Special Meeting.

Approval of December 31, 2025 Unaudited Financial Statements

Ms. Warburton presented the December 31, 2025 Unaudited Financial Statements to the Boards for consideration. Following review and discussion, upon a motion duly made by Mr. Wilson, seconded by Mr. Sparks, and upon a vote unanimously carried, the Boards unanimously adopted the December 31, 2025 Unaudited Financial Statements.

Administrative Non-Action Items

Annual Board Member Training – Open and Public Meetings Act

Ms. Fowler-Russon reminded the Board members to complete the Trustee Training regarding the Open and Public Meetings Act required by the state auditor annual for Board members. No action was taken.

Adjourn

There being no further business to come before the Board and upon a motion duly made, seconded, and unanimously carried, the meeting was adjourned.

The foregoing constitutes a true and correct copy of the minutes of the above-referenced meeting.

____
Ryan Sparks
District Clerk/Secretary

The foregoing minutes were approved on the 27th day of April, 2026.

MOONLIGHT VILLAGE PUBLIC INFRASTRUCTURE DISTRICT NO. 1

FINANCIAL STATEMENTS

MARCH 31, 2026

Moonlight Village Public Infrastructure District No. 1
Balance Sheet - Governmental Funds
March 31, 2026

	General	Debt Service	Capital Projects	Total
Assets				
UMB Senior Bond Fund 2025A	$ -	$ 902,265.56	$ -	$ 902,265.56
UMB Surplus Fund 2025A	-	721,645.79	-	721,645.79
UMB Senior Project Fund 2025A	-	-	2,386.31	2,386.31
UMB Subordinate Project Fund 2025B	-	-	461.07	461.07
UMB Working Capital Fund 2025A	1,471.33	-	-	1,471.33
Developer Advance Receivable	10,212.62	-	-	10,212.62
Receivable from County Treasurer	-	62,899.00	-	62,899.00
Total Assets	$ 11,683.95	$ 1,686,810.35	$ 2,847.38	$ 1,701,341.68
Liabilities				
Accounts Payable	$ 11,683.95	$ -	$ -	$ 11,683.95
Total Liabilities	11,683.95	-	-	11,683.95
Deferred Inflows of Resources				
Deferred Property Tax	-	62,899.00	-	62,899.00
Total Deferred Inflows of Resources	-	62,899.00	-	62,899.00
Fund Balances	-	1,623,911.35	2,847.38	1,626,758.73
Liabilities and Fund Balances	$ 11,683.95	$ 1,686,810.35	$ 2,847.38	$ 1,701,341.68

Moonlight Village Public Infrastructure District No. 1
General Fund Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Period Ending March 31, 2026

	Annual Budget	Actual	Variance
Revenues			
Interest Income	$ -	$ 11.40	$ (11.40)
Total Revenue	-	11.40	(11.40)
Expenditures			
Accounting	20,000.00	4,058.54	15,941.46
Auditing	9,000.00	-	9,000.00
Insurance	4,000.00	-	4,000.00
Legal	18,000.00	4,521.40	13,478.60
Total Expenditures	51,000.00	8,579.94	42,420.06
Other Financing Sources (Uses)			
Transfers to other fund	(7,000.00)	-	(7,000.00)
Developer advance	58,000.00	8,568.54	49,431.46
Total Other Financing Sources (Uses)	51,000.00	8,568.54	42,431.46
Fund Balance - Beginning	-	-	-
Fund Balance - Ending	$ -	$ -	$ -

SUPPLEMENTARY INFORMATION

Moonlight Village Public Infrastructure District No. 1
Debt Service Fund Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Period Ending March 31, 2026

	Annual Budget	Actual	Variance
Revenues			
Interest Income	$ 65,000.00	$ 15,644.59	$ 49,355.41
Total Revenue	65,000.00	15,644.59	49,355.41
Expenditures			
Paying agent fees	7,000.00	-	7,000.00
Bond Interest - Series 2025A	396,697.00	396,696.67	0.33
Total Expenditures	403,697.00	396,696.67	7,000.33
Other Financing Sources (Uses)			
Transfers from other funds	7,000.00	-	7,000.00
Total Other Financing Sources (Uses)	7,000.00	-	7,000.00
Net Change in Fund Balances	(331,697.00)	(381,052.08)	49,355.08
Fund Balance - Beginning	2,004,400.00	2,004,963.43	1,978,836.57
Fund Balance - Ending	$ 1,672,703.00	$ 1,623,911.35	$ 2,028,191.65

Moonlight Village Public Infrastructure District No. 1
Capital Projects Fund Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Period Ending March 31, 2026

	Annual Budget	Actual	Variance
Revenues			
Interest Income	$ -	$ 22.05	$ (22.05)
Total Revenue	-	22.05	(22.05)
Net Change in Fund Balances	-	22.05	(22.05)
Fund Balance - Beginning	-	2,825.33	(2,825.33)
Fund Balance - Ending	$ -	$ 2,847.38	$ (2,847.38)

See selected information and summary of significant assumptions.

Notes to the Reader:

The financial statements of the District have been prepared in accordance with the criteria established by the Governmental Accounting Standards Boards ("GASB"), which is the source of authoritative accounting principles generally accepted in the United States of America ("GAAP"), as applied to governmental entities. The District's financial statements are prepared using the modified accrual basis of accounting. The financial statements include the following departures from GAAP:

- Management's discussion and analysis and substantially all disclosures required are omitted.
- The statement of revenues, expenditures and changes in fund balances – governmental funds has been omitted.

The financial forecasts present, to the best of management's knowledge and belief, the District's expected results of operations and cash flows for the forecast periods. Accordingly, the forecasts reflects its judgment as of November 10, 2025, the date these forecasts were prepared, of the expected conditions and its expected course of action. The assumptions disclosed herein are those that management believes are significant to the forecasts. There will usually be differences between the forecast and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

The financial statements are developed by the District to comply with GAAP, although there may be departures from GAAP not identified. These statements are primarily intended for use in managing the District's operations and may not be suitable for other purposes. Users should be aware of these limitations when utilizing the financial statements.

Services Provided

On October 2, 2024, the City Council of Salem City, Utah (the City), acting in its capacity as the creating authority for the Moonlight Village Public Infrastructure District No. 2 (the District) in conjunction with Moonlight Village Public Infrastructure District No. 1 (District No. 1 and together the Districts), adopted a resolution creating the Districts. The Office of the Lieutenant Governor of the State of Utah issued a Certificate of Creation for the Districts on October 21, 2024.

The District was established to provide financing for infrastructure improvements to facilitate development within the boundaries of the Districts. The District has the power to issue bonds for the purpose of paying all or part of the costs of acquiring, acquiring an interest in, improving, or extending certain public improvements, facilities, or property.

The District has no employees, and all administrative functions are contracted.

The District prepares its budget on the modified accrual basis of accounting using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results because events and circumstances frequently do not occur as expected, and those differences may be material.

Revenues

Developer Advance

The District is in the development stage. As such, administrative expenditures may be funded by the Developer prior to the date in which revenues become available. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the District is financially able to reimburse the Developer from bond proceeds and other legally available revenue.

Interest Income

Interest earned on the District’s available funds has been estimated based on an average interest rate of approximately 3.5%.

MOONLIGHT VILLAGE PUBLIC INFRASTRUCTURE DISTRICT NO. 1
2026 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Expenditures

Administrative Expenditures

Administrative and operations expenditures include the estimated services necessary to maintain the District's administrative viability such as legal, accounting, district management, insurance, and other administrative expenses.

Debt Service

Principal and interest payments are provided based on the debt amortization schedule from the Series 2025A Bonds (discussed under Debt and Leases).

Debt and Leases

On March 20, 2025, the District issued Series 2025A Limited Tax General Obligation Bonds in the amount of $6,980,000 and Series 2024B Subordinate Limited Tax General Obligation Bonds in the amount of $896,000 (collectively, the Bonds). The Bonds are secured and payable from pledged revenues, consisting of property tax revenues, pioneering agreement revenues, and any other legally available moneys which the District determines.

The Series 2025A Bonds bear interest at 6.000% payable annually on March 1 and are subject to mandatory sinking fund redemption beginning March 1, 2032. The Bonds mature on March 1, 2056.

The Subordinate Bonds bear interest at 8.000% payable annually on March 15 to the extent of available pledged revenues. The Subordinate Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal prior to the maturity date which is March 15, 2056.

Reserves

Debt Service Reserve

The Bonds are secured by the Capitalized Interest Series 2025A fund with an initial deposit of $1,256,400; and the 2025A Surplus Funds with initial deposits of $698,000, which were funded with proceeds of the 2025A Bonds.

This information is an integral part of the accompanying budget.

MOONLIGHT VILLAGE PUBLIC INFRASTRUCTURE DISTRICT NO. 1
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY

$6,980,000 Limited Tax General Obligation Bonds
Series 2025A
Dated March 20, 2025
Interest Rate - 6.000%
Interest Payable March 1
Principal Payable March 1

Year Ending December 31,	Principal	Interest	Total
2026	-	396,697	396,697
2027	-	418,800	418,800
2028	-	418,800	418,800
2029	-	418,800	418,800
2030	-	418,800	418,800
2031	-	418,800	418,800
2032	20,000	418,800	438,800
2033	30,000	417,600	447,600
2034	45,000	415,800	460,800
2035	55,000	413,100	468,100
2036	70,000	409,800	479,800
2037	80,000	405,600	485,600
2038	95,000	400,800	495,800
2039	110,000	395,100	505,100
2040	130,000	388,500	518,500
2041	145,000	380,700	525,700
2042	165,000	372,000	537,000
2043	185,000	362,100	547,100
2044	210,000	351,000	561,000
2045	235,000	338,400	573,400
2046	260,000	324,300	584,300
2047	285,000	308,700	593,700
2048	315,000	291,600	606,600
2049	345,000	272,700	617,700
2050	380,000	252,000	632,000
2051	415,000	229,200	644,200
2052	455,000	204,300	659,300
2053	495,000	177,000	672,000
2054	540,000	147,300	687,300
2055	585,000	114,900	699,900
2056	1,330,000	79,800	1,409,800
Total	$ 6,980,000	$ 10,361,797	$ 17,341,797

Moonlight Village PID 1

Payment Listing

January 1, 2026 -March 31, 2026

Process Date	**Vendor**	**Description**	**Payment Method**	**Amount**
3/2/2026	UMB	Bond Interest Payment	Wire	$393,620.92
Total				$393,620.92

JOINT RESOLUTION

OF THE BOARDS OF TRUSTEES OF THE

MOONLIGHT VILLAGE PUBLIC INFRASTRUCTURE DISTRICT NOS. 1 & 2

IDENTIFYING AN ANCHOR LOCATION FOR MEETINGS OF THE BOARD

WHEREAS, the Moonlight Village Public Infrastructure District Nos. 1 & 2 (each a "**District**") are quasi-municipal corporations and political subdivisions of the State of Utah, duly organized and existing pursuant to the Special District Act, Title 17B, Chapter 1, Utah Code Annotated 1953 and the Public Infrastructure District Act, Title 17D, Chapter 4, Utah Code Annotated 1953, as amended from time to time and any successor statute thereto; and

WHEREAS, pursuant to Utah Code Section 17B-1-310(2), the District's Board of Trustees (the "**Board**") shall hold such regular and special meetings as the Board determines at a location that the Board determines; and

WHEREAS, pursuant to Utah Code Section 17D-4-205(2)(a) as amended by H.B. 17, the Board of a public infrastructure district is required to hold meetings at a location within the boundaries of the District subject to certain exceptions, was approved by the Utah Legislature and goes into effect on May 6, 2026 ("**H.B. 17**"); and

WHEREAS, pursuant to Utah Code Section 17D-4-205(2)(a) as amended by H.B. 17, the Board shall hold regular and special meetings at a location within the boundaries of the District; and

WHEREAS, pursuant to Utah Code Section 17D-4-205(2)(b) as amended by H.B. 17, the Board may hold regular and special meetings at a location outside the boundaries of the District if: (i)(A) there are no locations in the public infrastructure district that are able to accommodate the Board and the public that the Board reasonably expects will attend the meeting; and (B) the location the Board selects is near the public infrastructure district; (ii) it is not practicable to hold the regular or special meeting at a location within the boundaries of the public infrastructure district due to emergency circumstances; or (iii) the location the Board selects is within the boundaries of the creating entity; and

WHEREAS, the Board desires to adopt this Resolution stating where the Board will hold regular and special meetings pursuant to Utah law.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

1. Recitals Incorporated. The recitals are incorporated herein by reference and made a part of this Resolution.

2. Identified Anchor Meeting Location. The Board, considering the location of the District and the requirements of Utah law, hereby determines that there are no locations within the boundaries of the District that are able to accommodate the Board, and the public that the Board reasonably expects will attend the regular and special meetings. Accordingly, the Board hereby

designates the anchor location for regular and special meetings as the ______________ (the "**Anchor Location**"), which is near the District and is located within the boundaries of the District's creating entity.

3. Meeting Participation Electronically. Pursuant to Utah Code Section 52-4-207 the Board previously adopted a Resolution Adopting Written Procedures Governing Electronic Meetings (the "**Electronic Meeting Resolution**"). Pursuant to the Electronic Meeting Resolution and this Resolution, the District may continue to hold electronic meetings without any Trustees physically present at the Anchor Location, provided someone representing the District is present at the Anchor Location to assist members of the public who may attend the open portions of the meeting and ensure the meeting can be heard at the Anchor Location.

4. Repeal of Inconsistent Resolutions. All prior resolutions, or parts of resolutions, adopted by the District that are inconsistent or in conflict with this Resolution are hereby repealed to the extent of such inconsistency or conflict.

5. Effectiveness. This Resolution shall become effective on May 6, 2026 and shall apply to all regular and special meetings held on or after May 6, 2026.

[Remainder of Page Intentionally Left Blank, Signature Page Follows]

ADOPTED THIS 27TH OF APRIL, 2026.

DISTRICTS:

MOONLIGHT VILLAGE PUBLIC INFRASTRUCTURE DISTRICT NOS. 1 & 2, quasi-municipal corporations and political subdivisions of the State of Utah

By: ________________________________
Officer of the Districts

Attest:

By: ________________________________

Utah Local Governments Trust
55 S Highway 89
North Salt Lake, UT 84054

UTAH LOCAL GOVERNMENTS TRUST
TRUST

The Utah Local Governments Trust is a Public Agency Insurance Mutual, defined under Utah Code Annotated 31A-1-103, and formed under the Utah Interlocal Cooperative Act, Utah Code Annotated 11-13-101 et seq. Under the authority of Utah Code Annotated 63G-7-703 and 63G-7-801 et seq., the Trust and its members have created a self-insurance reserve fund to pay and/or defend against certain risks and liabilities. The Trust provides insurance-like protection to its members through coverage contracts, also referred to as "policies." The policies issued by the Trust contain various provisions which may limit or restrict coverage. Read each policy carefully to determine your rights, duties and what is and is not covered.

TRUST POLICY NUMBER:	TBD-LIABILITY
MEMBER/NAMED INSURED:	HH Public Infrastructure District #1
POLICY PERIOD:	TBD

LIABILITY COVERAGE DECLARATIONS

MAXIMUM COMBINED AGGREGATE LIMIT **$5,000,000**

The Maximum Combined Aggregate Limit represents the most the Trust will pay per Policy Period regardless of the number of: (1) Insureds; (2) "claims" or "suits"; (3) persons or organizations sustaining "damages"; (4) "occurrences," "personal injury offenses," "public officials' errors and omissions," "wrongful law enforcement acts"; or (5) coverages involved in a loss. Payment under any of the coverages provided by the Trust shall reduce the Maximum Combined Aggregate Limit available per Policy Period. Coverage provided by the Trust shall not be combined, cumulated or stacked with any other coverage provided by the Trust.

CGL - Comprehensive General Liability

CGL	<u>Comprehensive General Liability</u>	
	Liability Aggregate Limit per Policy Period	$5,000,000
	Self Insured Retention	$0
	Liability Single Limit per Occurrence/Offense	$5,000,000

POEO - Public Officials' Errors and Omissions Liability		
POEO-CP1	Coverage Part 1: Public Officials’ Errors and Omissions	
	Liability Aggregate Limit per Policy Period	$5,000,000
	Self Insured Retention	$0
	Liability Single Limit per Wrongful Act	$5,000,000
POEO-CP2	Coverage Part 2: Employee Benefits Liability	
	Liability Aggregate Limit per Policy Period	$5,000,000
	Self Insured Retention	$0
	Liability Single Limit per EB Act/Error/ Omission	$5,000,000

Sub-Limits/Endorsement		
FCSS-L	Foreign Claims and Suits Sub-Limit	
	Aggregate Limit per Policy Period	$1,000,000
	Self Insured Retention	$0
SHS-L	Sexual Harassment Sub-Limit	
	Aggregate Limit per Policy Period	$1,000,000
	Self Insured Retention	$0
USS-L	Utility Service Sub-Limit	
	Aggregate Limit per Policy Period	$1,000,000
	Per Claim/Suit Limit	$500,000
	Self Insured Retention	$0
NFS-E	No-Fault Sewer and Potable Water	
	Aggregate Limit per Policy Period	$100,000
	Maximum Limit per Household/Business	$5,000
DEC-E	Declaratory, Injunctive Relief and Land Use Defense	
	Aggregate Limit per Policy Period	$50,000
	Per Claim/Suit Limit	$25,000
	Self Insured Retention	$0
MAL-E	Malfeasance Defense	
	Aggregate Limit per Policy Period	$20,000
	Per Claim/Suit Limit	$10,000
	Self Insured Retention	$0

Notification of Claims:
Utah Local Governments Trust Attention: Claims Manager 55 South Highway 89 North Salt Lake City, UT 84054-0610 801.936.6400

COMPREHENSIVE GENERAL LIABILITY

The Utah Local Governments Trust is a Public Agency Insurance Mutual, defined under Utah Code Annotated 31A-1-103, and formed under the Utah Interlocal Cooperative Act, Utah Code Annotated 11-13-101 et seq. Under the authority of Utah Code Annotated 63G-7-703 and 63G-7-801 et seq., the Trust and its members have created a self-insurance reserve fund to pay and/or defend against certain risks and liabilities. The Trust provides insurance-like protection to its members through coverage contracts, also referred to as "policies." The policies issued by the Trust contain various provisions which may limit or restrict coverage. **Read each policy carefully to determine your rights, duties and what is and is not covered.**

Throughout this policy the words "you," "your," "yours," and "Insured" refer to the Named Insured shown in the Declarations and any other persons or organization qualifying as an Insured under this policy. The words "Trust," "we," "us," and "our" refer to the Utah Local Governments Trust.

Other words and phrases that appear in quotation marks have special meaning. Refer to the DEFINITIONS.

Countersignature on the Declarations page by a duly authorized agent of the Trust shall constitute valid countersignature of all endorsements with the same effective date as the effective date of the policy.

IN CONSIDERATION OF THE PAYMENT OF PREMIUM, CONTRIBUTIONS AND/OR ASSESSMENTS, AND IN RELIANCE UPON THE REPRESENTATIONS OF THE INSURED AND THE STATEMENTS IN THE DECLARATIONS MADE A PART HEREOF AND SUBJECT TO ALL THE TERMS OF THIS POLICY, THE UTAH LOCAL GOVERNMENTS TRUST (HEREINAFTER "THE TRUST"), AGREES WITH THE NAMED INSURED AS FOLLOWS:

1. INSURING AGREEMENT

a. The Trust will pay "damages" which the Insured becomes legally obligated to pay because of "bodily injury" or "property damage" caused by an "occurrence," or because of "personal injury" caused by a "personal injury offense," to which this insurance applies. The Trust will have the right and duty to defend any "suit" seeking those "damages," but will have no duty to defend the Insured against any "suit" to which this insurance does not apply. For any "suit" the Trust defends, the Trust retains the right to select counsel.

(1) The amount the Trust will pay for "damages" is limited as described in the LIMITS OF INSURANCE;

(2) The Trust may, at its discretion, investigate any "occurrence" or "personal injury offense";

(3) The Trust has the right, but not the duty, to settle any "claim" or "suit" covered by this policy;

(4) In any "suit" defended by the Trust, the Trust shall have no duty to prosecute any affirmative claim or cause of action on behalf of the Insured; and

(5) The Trust's right and duty to defend ends when it has paid the applicable limit of liability.

b. This insurance applies only to "bodily injury," "property damage" or "personal injury" which first occurs during the policy period. This insurance does not apply to "bodily injury," "property damage" or "personal injury" which first occurs before the effective date of the policy as shown in the Declarations or to "damages" which were known to have occurred by any Insured prior to the effective date of the policy.

If any Insured, prior to the effective date of the policy, knew that "bodily injury," "property damage" or "personal injury" occurred, any continuation or resumption of such "bodily injury," "property damage" or "personal injury" before or after the policy period will be deemed to have been known prior to the policy period.

c. This insurance does not apply to any "occurrence" or "personal injury offense" which occurs outside the "coverage territory." "Coverage territory" means the United States of America (including its territories and possessions). However, the Trust will pay on behalf of the Insured any "claim" or "suit" arising from an "occurrence" or "personal injury offense" which occurs outside the "coverage territory" up to the Foreign Claims and Suits Sub-limit if it is expressly specified in the Declarations. Notwithstanding the Supplementary Payments provision, any such sub-limit is inclusive of defense costs, and not in excess of defense costs, and the Trust's obligations to indemnify or defend the Insured against any "claim" or "suit" which falls within this exclusion will cease upon exhaustion of the Foreign Claims and Suits Sub-limit.

d. Supplementary Payments: The Trust will pay, with respect to any "claim" or "suit" the Trust defends:

(1) All expenses the Trust incurs.

(2) The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. The Trust does not have to furnish these bonds.

(3) All reasonable expenses incurred by the Insured at the Trust's request to assist the Trust in the investigation or defense of the "claim" or "suit," including actual loss of earnings up to $100 a day because of time off work.

(4) All costs taxed against the Insured in any "suit" the Trust defends.

(5) Pre-judgment interest awarded against the Insured on that part of the judgment the Trust pays. If the Trust makes an offer to pay the applicable limit of insurance, the Trust will not pay any pre-judgment which accrues after the offer.

(6) All interest on the full amount of any judgment that occurs after the entry of the judgment and before the Trust has paid, offered to pay, or deposited in court that part of the judgment within the applicable limit of insurance.

These payments do not reduce the LIMITS OF INSURANCE.

2. EXCLUSIONS

This policy does not apply to:

a. Any "claim" or "suit" arising out of "damages" expected or intended from the standpoint of any Insured. However, if a "suit" is brought against the Insured for "damages" for "personal injury" caused by a "personal injury offense" to which this policy applies, the Trust will afford a defense to such "suit" until it is established through admission or judicial determination that the Insured expected or intended said "damages." In no event shall the Trust have any obligation to pay "damages" expected or intended from the standpoint of any Insured.

b. Any "claim" or "suit" seeking relief other than "damages" including, without limitation, claims for injunctions, declaratory relief, temporary restraining orders, or other equitable relief, or requiring any Insured to take any action other than the payment of "damages."

c. Any "claim" or "suit" arising out of any obligation of an Insured under workers' compensation law, unemployment compensation law, retirement benefits law, disability benefits law, Federal Employment Retirement Income Security Act of 1974 (ERISA), including subsequent amendments, or any similar law.

d. Any "claim" or "suit" arising out of "bodily injury," "property damage" or "personal injury" to:

(1) An employee of the Insured acting in the course and scope of employment by the Insured; or

(2) The spouse, child, parent, or sibling of any employee of the Insured, if such injury arises out of the employee's work for an Insured.

This exclusion applies:

(1) Whether the Insured may be liable as an employer or in any other capacity; and

(2) To any obligation to share damages with or repay someone else who must pay damages because of injury.

e. Any "claim" or "suit" arising out of "property damage" to:

(1) Property the Insured owns, uses, rents or occupies, regardless of when the "property damage" occurs or was discovered;

(2) Property the Insured sells, gives away, or abandons if the "property damage" arises out of any part of those premises, regardless of when the "property damage" occurs or was discovered;

(3) Property loaned to the Insured;

(4) Personal property in the Insured's care, custody or control; or

(5) "Aircraft" in the care, custody or control of any Insured.

f. Any "claim" or "suit" arising out of the ownership, maintenance, loading or unloading, use, management or operation of any "aircraft," airfields, runways, hangars, buildings or other properties used in connection with aviation activities.

g. Any "claim" or "suit" arising out of the ownership, maintenance, loading or unloading, use or operation of any "automobile."

h. Any "claim" or "suit" arising out of the rendering or failure to render any kind of medical, surgical, therapeutic, psychiatric, or dental care, including without limitation, any kind of medical service or treatment, medical testing, diagnostic procedures, nursing services or the furnishing or dispensing of drugs, supplies or appliances in connection therewith, or any form of malpractice, misdiagnosis or professional liability arising from the above-described activities. In addition, no coverage under this Policy exists for medical, surgical, therapeutic, psychiatric, or dental professionals who perform services for the Named Insured as an independent contractor. However, this exclusion does not apply to emergency medical treatment rendered by a duly licensed emergency medical technician or paramedic, who has been retained by and is acting on behalf of the Named Insured.

i. Any "claim" or "suit" arising out of the regulation of the use of land or real property which may include, without limitation, the application, interpretation and enforcement of land use restrictions, laws, permits or regulations, and may involve constitutional claims, claims of eminent domain, condemnation, "inverse condemnation," or adverse possession, regardless of whether such "claim" or "suit" is made directly against the Insured or by virtue of any agreement entered into by or on behalf of the Insured.

j. Any "claim" or "suit" for punitive or exemplary damages, fines, statutory penalties, expenses or sanctions, whether imposed by law or otherwise, or any multiplied portion of a compensatory award, or the return or restitution of legal fees, costs, and expenses.

k. Any "claim" or "suit" seeking "damages" arising out of the supply, failure to supply or interruption of any utility service, including without limitation, any interruption in or failure to supply an appropriate amount, pressure or quality of water (including, but not limited to the introduction of "pollutants" or contaminants into the water), natural gas, fuel or electricity, internet or sewer service.

(1) This exclusion does not apply to any "claim" or "suit" arising from failure to temporarily disconnect the supply of power to allow a third party to conduct work.

(2) Notwithstanding exclusion n. below, the Trust will pay on behalf of the Insured any "claim" or "suit" excluded by this exclusion up to the limit of the Utility Service Sub-limit if it is expressly specified in the Declarations. Notwithstanding the Supplementary Payments provision, any such sub-limit is inclusive of defense costs, and not in excess of defense costs, and the Trust's obligations to indemnify or defend the Insured against any "claim" or "suit" which falls within this exclusion will cease upon exhaustion of the Utility Service Sub-limit.

l. Liability arising out of the hazardous properties of nuclear material.

m. Any "claim" or "suit" related to, caused by, or arising from "hazardous materials" including, but not limited to:

(1) The handling, storage, disposal, processing, treatment, or releasing or exposure to "hazardous materials."

(2) Any request, demand, or order (including consent decrees, consent orders, or administrative procedures) that any Insured or others test for, monitor, clean up, remove, contain, treat, or neutralize, or in any way respond to, or assess the effects of "hazardous materials."

(3) This exclusion applies to discharge, dispersal, seepage, migration, release, or escape, within a building or in the atmosphere, of "hazardous materials" at or from any premises regardless of whether or not owned, rented, occupied, or controlled by an Insured.

(4) Cleanup costs incurred by any Insured of any "hazardous materials" are not "property damage."

n. Any "claim" or "suit" arising from "pollutants," including, without limitation:

(1) Any "claim" or "suit" arising out of the actual, alleged, or threatened discharge, dispersal, seepage, migration, release, or escape of "pollutants" at any time:

(i) At or from any premises, site, or location that is or was at any time owned or occupied by, or rented, or loaned to any Insured;

(ii) At or from any premises, site, or location which is or was at any time used by or for any Insured or others for the handling, storage, disposal, processing, or treatment of waste or "pollutants";

(iii) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any Insured or any person or organization for whom any Insured may be legally responsible; or

(iv) At or from any premises, site, or location on which any Insured or any contractors or subcontractors working directly or indirectly on any Insured's behalf are performing operations:

a) If the "pollutants" are brought on or to the premises, site, or location in connection with such operations or work by such Insured, contractor, or subcontractor; or

b) If the operations are to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of "pollutants."

(2) Any loss, cost, or expense arising out of any request, demand, or order (including consent decrees, consent orders, or administrative procedures) that any Insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants."

(3) This exclusion applies to discharge, dispersal, seepage, migration, release, or escape, within a building or in the atmosphere, of "pollutants" at or from any premises regardless of whether or not owned, rented, occupied, or controlled by an Insured.

(4) This exclusion applies to a claim for pollution or contamination of "potable water" supplied by an Insured. However, the Trust will pay on behalf of an Insured any "claim" or suit" alleging pollution or contamination of "potable water" supplied by an Insured up to the limit of the Utility Service Sub-limit if it is expressly specified in the Declarations. Notwithstanding the Supplementary Payments provision, the Utility Sub-Limit is inclusive of defense costs, and not in excess of

defense costs, and the Trust's obligations to indemnify or defend the Insured will cease upon exhaustion of the Utility Service-Sub Limit.

o. Any "claim" or "suit" arising out of:

(1) Asbestos, asbestos fibers, asbestiform talc, or any material and/or substance containing asbestos, asbestos fibers, or asbestiform talc or any asbestos related to Bodily Injury or Property Damage, or exposure to asbestos, asbestos fibers, asbestiform talc fibers, asbestiform talc in any form, and/or manifestation of any asbestos related to Bodily Injury, including but not limited to asbestos, mesothelioma, and/or bronchogenic carcinoma;

(2) Any alleged act, error, omission, or duty involving asbestos, asbestos fibers, asbestiform talc, or any material and/or substances containing asbestos, asbestos fibers, or asbestiform talc, its use, exposure, presence, existence, detection, removal, elimination, or avoidance; or

(3) The use, exposure, presence, existence, detection, monitoring, removal, testing, elimination, or avoidance of asbestos, asbestos fibers, asbestiform talc or any material and/or substances containing asbestos, asbestos fibers, or asbestiform talc in any environment, building, or structure.

p. Any "claim" or "suit" arising out of:

(1) Exposure to silica products of any kind, including silica dust or silica in any form or silica in combination with other particulate suspension(s) or dust(s) other than silica;

(2) Any damages or any loss, cost, or suit by or on behalf of any governmental authority or any other alleged responsible party because of any request, demand, order, or statutory or regulatory requirement that any Insured or any other person or entity should be, or should be responsible for:

(i) Assessing the presence, absence, or amount or effects of silica, particulate suspension(s) or dust(s);

(ii) Identifying, sampling, or testing for, detecting, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, abating, disposing of, or mitigating silica, particulate suspension(s) or dust(s); or

(iii) Responding to silica, particulate suspension(s) or dust(s) in any way other than as described above.

(3) Any supervision, instructions, recommendations, warnings, or advice given or which should have been given in connection with any of the subsections above; or

(4) Any obligation to share damages with or repay someone else who must pay damages as described in any of the subsections above.

q. Any "claim" or "suit" arising out of assault and/or battery, committed by, at the direction of, or with the consent of any Insured.

r. Any "claim" or "suit" arising out of construction, ownership, operation, maintenance, services or use of any "dam," levee, dike, reservoir, retention pond or basin, wash, bridge, tunnel, canal, waterway, or above-ground water retention system, whether designed to hold water temporarily, seasonally or permanently, and including without limitation, the total or partial collapse, failure, flooding or overflow, or any operation or services in connection therewith.

s. Any "claim" or "suit" arising out of the operation or regulation of a ski resort or similar location or facility involving the use of chair lifts, rope tows, ski jumps, tubes, sleds, luges, bobsleds, toboggan slides or similar activities.

t. Any "claim" or "suit" arising out of the ownership, management, manufacture, operation, design, use, leasing or maintenance of mechanical amusement rides or devices. However, this exclusion shall not apply to playground equipment permanently installed at any park owned by the Named Insured.

u. Any "claim" or "suit" arising out of the ownership, management, regulation, manufacture, operation, design, use, leasing or maintenance of trampolines, or any inflatable, blow-up, bounce or rebound type devices or equipment.

v. Any "claim" or "suit" arising out of loss of salary, wages, employee benefits or any other form of compensation which is due and owing or which may become due and owing.

w. Any "claim" or "suit" arising out of the assumption of liability under any contract or agreement. This exclusion does not apply to liability for "damages":

(1) Assumed in a contract or agreement specifically approved in writing by the Trust by endorsement to this policy, provided the "bodily injury," "property damage" or "personal injury" occurs subsequent to execution of the contract or agreement; or

(2) That the Insured would have in the absence of any contract or agreement.

x. Any "claim" or "suit" arising out of "property damage" to "your work" including without limitation, claims of faulty, incomplete or deficient workmanship, regardless of whether such damage occurs or is discovered after that work has been completed.

y. Any "claim" or "suit" alleged by one Insured against any other Insured under this or any policy issued by the Trust to the same Named Insured.

z. Any “claim” or “suit” arising out of any “advertising injury.”

aa. Any “claim” or “suit” arising out of mold, fungi, fungal pathogens, vermin, termites or insects, including without limitation, liability for loss, damage, testing monitoring, costs or expenses arising out of, resulting from, caused by, or contributed to by any such organisms.

bb. Any “claim” or “suit” arising out of war or terrorism, including without limitation:

(1) Any loss, damage, cost, or expense of whatsoever nature directly or indirectly caused by, resulting from, or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss, including:

(i) War, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or

(ii) Any “act of terrorism.” For the purpose of this exclusion, an “act of terrorism” means an unlawful, deliberate act including, without limitation, the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological, or similar purposes, including the intention to influence any government and/or to put the public, or any section of the public, in fear. An “act of terrorism” also includes, without limitation, the following:

a) any act of terrorism certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act;

b) any actual or threatened hijacking or sabotage of any form of transportation or conveyance, including but not limited to spacecraft, satellite, aircraft, train, vessel, or motor vehicle;

c) hostage taking or kidnapping;

d) the use of any bomb, incendiary device, explosive or firearm;

e) the interference with or disruption of basic public or commercial services and systems, including but not limited to the following services or systems: electricity, natural gas, power, postal, communications, telecommunications, information, public transportation, water, fuel, sewer or waste disposal;

f) the injuring or assassination of any elected or appointed government official or any government employee;

g) the seizure, blockage, interference with, disruption of, or damage to any government buildings, institutions, functions, events, tangible or intangible property or other assets; or

h) the seizure, blockage, interference with, disruption of, or damage to tunnels, roads, streets, highways, or other places of public transportation or conveyance;

i) any act that includes, involves or is associated with, in whole or in part, the use or threatened use of, or release or threatened release of, any nuclear, biological, chemical or radioactive agent, material, device or weapon.

(2) This exclusion also excludes loss, damage, cost, or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing, or in any way related to acts anywhere in this war and terrorism section.

(3) In the event any portion of this exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect. War and terrorism coverage through an endorsement in compliance with the U.S. Terrorism Risk Insurance Act of 2002 may be purchased for an additional premium.

cc. Any "claim" or "suit" arising out of lead, including without limitation, liability for loss, damage, testing, monitoring, costs or expenses arising out of, resulting from, caused by, or contributed to by the toxic or pathogenic properties of lead, lead compounds or lead contained in any materials.

dd. Any "claim" or "suit" arising from:

(1) Causing or contributing to the intoxication of any person;

(2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol;

(3) The violation of any statute, ordinance, or regulation relating to the sale, gift, distribution, or use of alcoholic beverages or controlled substances; or

(4) The use of alcohol, narcotics, intoxicants, or illegal drugs.

This exclusion does not apply to formally sanctioned events open to the general public where the sale or distribution of alcohol is specifically authorized by the Insured and is done in accordance with the laws of the State of Utah regarding the sale or distribution of alcohol. This exclusion also does not apply to the sale or service of beer by the Insured at a golf course owned or operated by the Insured.

ee. Any “claim” or “suit” arising from the existence, use, storage, or handling of any material constituting, or intended for use as, an explosive or which has known explosive properties. This exclusion does not apply to fireworks intended for use at a scheduled public fireworks display when such fireworks are under the supervision of a person certified and trained to work with fireworks under applicable law, and where the firework display complies with all other applicable federal, state and local laws.

ff. Any “claim” or “suit” arising from actual or alleged violations of securities laws or regulations.

gg. Any “claim” or “suit” arising out of “residential construction.” For purposes of this exclusion, “residential construction” shall mean all operation or work, including but not limited to development, design, site selection, surface or subsurface site preparation, building or other construction, or improvements, and all products, goods or services provided in relation to such activities. For purposes of this exclusion, “residential construction” does not include weatherization or work intended to increase the energy efficiency of a structure on behalf of impoverished or needy residents.

hh. Any “claim” or “suit” arising from the following Internet exposures:

(1) Internet service providers, meaning any person or entity providing access to the Internet, content over the Internet or connection to the Internet;

(2) Internet consulting firms, including, without limitation, any person or entity engaged for another person or entity in the design, construction or management of an Internet site, chat room or bulletin board, including advertising on the Internet;

(3) Application service providers, meaning any person or entity that provides software and associated services to a subscriber base across an area network;

(4) Internet backbone providers, meaning any person or entity that routes or provides channels for packets that transport data from point to point on the Internet;

(5) Any person or entity that derives ninety percent or more of gross revenue or conducts or executes ninety percent or more of business transactions on or through the Internet;

(6) Any person or entity that is in the business of providing electronic mail services;

(7) Any person or entity that is in the business of developing, supplying, and/or installing encryption software for use on the Internet.

ii. Any "claim" or "suit" arising out of "sexual harassment." However, the Trust will pay on behalf of the Insured any "claim" or "suit" excluded by this exclusion up to the limit of the Sexual Harassment Sub-limit expressly specified in the Declarations. Notwithstanding the Supplementary Payments provision, such sub-limit is inclusive of defense costs, and not in excess of defense costs, and the Trust's obligations to defend or indemnify the Insured against any "claim" or "suit" which falls within this exclusion will cease upon exhaustion of the Sexual Harassment Sub-limit.

jj. Any "claim" or "suit" arising out of "sexual abuse."

kk. Any "claim" or "suit" arising out of land subsidence, mudslide or earth movement.

ll. Any "claim" or "suit" arising out of "employment-related practices."

mm. Any "claim" or "suit" arising out of a "wrongful law enforcement act."

nn. Any "claim" or "suit" arising out of the ownership, management, regulation or operation of any school or academic institution.

oo. Any "claim" or "suit" arising out of the failure to perform or breach of any contract or agreement.

pp. Any "claim" or "suit" arising out of the actions or inactions of an independent contractor and/or subcontractor.

3. PERSONS OR ENTITIES INSURED

a. The Named Insured shown in the Declarations.

b. Present or past employees, any "volunteer" and elected or appointed officials of the Named Insured, including members of its governing body or appointed members of any other committees, board or commissions of the Named Insured, while such persons are acting for or on behalf of the Named Insured. Unless specifically identified in the Declarations as an Additional Insured, an independent contractor and/or subcontractor retained by the Named Insured is not an Insured.

4. LIMITS OF INSURANCE

a. Regardless of the number of: (1) Insureds; (2) "claims" or "suits" brought; (3) persons or organizations sustaining "damages"; or (4) coverages involved in a loss, the Trust's liability is limited as follows:

(1) During any 12-month period, measured from the effective date in the Declarations, the Trust's total liability shall not exceed the amount shown as Liability Aggregate shown in the Declarations.

(2) The Trust's total liability for loss resulting from any one "occurrence" or "personal injury offense" shall not exceed the Liability Single Limit Per Occurrence/Offense in the Declarations.

(3) For purposes of determining the limit of the Trust's liability:

(i) Any "claim" or "suit" arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one "occurrence" or "personal injury offense" and shall be subject to one Liability Single Limit Per Occurrence/Offense.

(ii) An "occurrence" or "personal injury offense" taking place over more than one policy period shall be subject to one Liability Single Limit Per Occurrence/Offense.

(4) The Trust's limit of liability is the most it will pay for "damages."

(5) The Trust's duty to defend or settle ends when the applicable Limit of Insurance has been exhausted by payment of judgments or settlements.

(6) With respect to any "claim" or "suit" to which this and any other policy we issue to you applies, the total limit of the Trust's liability under all the policies shall not exceed the highest applicable limit under any one policy.

b. The above limits of insurance are subject to sub-limits as shown in the Declarations. Sub-limits are included in the Liability Single Limit Per Occurrence/Offense, and are not in addition to any other limits.

5. SELF INSURED RETENTION

a. The Trust's obligation to pay applies only to those sums the Insured becomes legally obligated to pay as "damages" in excess of the Self Insured Retention ("SIR") shown in the Declarations. The Trust's Limits of liability are reduced by the amount of the SIR.

b. Regardless of the number of: (1) Insureds; (2) "claims" or "suits"; (3) persons or organizations sustaining damages; or (4) coverages involved in a loss, the Named Insured shall pay the SIR for each "occurrence" or "personal injury offense."

c. The Trust, at its sole discretion and without the consent of the Insured, may agree to the payment of all or any part of the SIR in satisfaction of any "claim" or "suit."

d. The Trust, at its sole discretion, may pay the amount of the SIR from its own funds in satisfaction of any "claim" or "suit." In the event the Trust chooses to make such payment, the Insured shall reimburse the Trust within 15 days of the mailing of a demand by the Trust.

e. The Trust, at its sole discretion, may direct the Insured to pay all or any part of the SIR to a third party in satisfaction of any "claim" or "suit." The Insured shall make any required SIR payment within 15 days of the Trust's direction to make such payment.

6. CONDITIONS

a. Premium

The premium shown in the Declarations is a deposit premium only, which shall be credited to the amount of the earned premium at the end of the policy period. If the total earned premium exceeds the advance premium, the Named Insured shall remit to the Trust the balance due in accordance with the Trust's payment terms. In the event the policy is cancelled by the insured, unearned premium shall be returned to the Insured on a pro-rated basis. In the event the Named Insured cancels the policy, the Insured will not be eligible for insurance through the Trust for three years from the date of cancellation.

b. Inspection and Audit

The Trust shall be permitted but not obligated to inspect the Insured's property and operations at any time. Neither the Trust's right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of the Insured or others, to determine or warrant that such property or operations are safe. The Named Insured shall maintain accounting records necessary for premium computation, and shall send copies of such records to the Trust at the end of the policy period and at such times during the policy period as the Trust may reasonably request. The Trust may examine and audit the Insured's books and records at any time during the policy period and within three years after the final termination of this policy, as far as they relate to the subject matter of this insurance.

c. Insured's Duties in the Event of Occurrence, Offense, Claim or Suit

The Insured shall have the following duties in the event of an "occurrence," "personal injury offense," "claim" or "suit":

(1) In the event of an "occurrence" or "personal injury offense" reasonably likely to involve the Trust, written notice containing particulars sufficient to identify the Insured and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the Insured and of available witnesses, shall be given by or for the Insured to the Trust or any

of its authorized agents as soon as practicable. While the initial notice may be oral, the Named Insured is required to provide written notice as soon as practicable.

(2) If a “claim” or “suit” is brought against an Insured, the Named Insured shall immediately forward to the Trust every demand, notice, summons or other legal process received by the Insured or the Insured’s representative.

(3) The Insured shall cooperate with the Trust and upon the Trust’s request, assist in making settlements, in investigating or defending “claims” or “suits” and in enforcing any right of contribution, indemnity or subrogation against any person or organization who may be liable for sums payable under this policy. The Insured shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. The Insured shall not, except at its own cost, voluntarily make any payment, assume any obligation or incur any expense.

(4) Failure to give notice as required by the terms and conditions of this policy will invalidate coverage if such failure prejudices the Trust’s rights, including without limitation, its ability to defend or reasonably settle a “claim” or “suit.” Failure to give notice as required by the policy does not invalidate a claim made by the Insured, if the Insured shows that it was filed as soon as reasonably possible.

d. Risk Management

The Insured shall cooperate fully and participate as required by the Trust’s Risk Management Program.

e. Appeals

In the event the Insured elects not to appeal a judgment in excess of the Self Insured Retention, the Trust may elect to do so at its expense, but in no event shall the Trust pay for “damages” or loss costs exceeding the limits of liability in the Declarations.

f. Action Against the Trust

No action shall lie against the Trust with respect to any open claims unless, as a condition precedent thereto, the Insured has fully complied with all the terms of this policy, nor until the amount of the Insured’s obligations shall have been finally determined by the judgment against the Insured after the actual trial or by written agreement of, the Insured, the claimant and the Trust. Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this policy to the extent of the insurance afforded by this policy. Nothing contained in this policy shall give any person or organization any right to join the Trust in any action against the Insured to determine the Insured’s liability.

Bankruptcy or insolvency of the Insured will not relieve the Trust of its obligations under this policy.

g. Other Insurance

This insurance is primary unless one of the following applies:

(1) If the Insured has other valid and collectible insurance which provides primary coverage to the Insured for any "claim" or "suit" covered under this policy, this policy is excess over such other insurance. In that case, the Trust will pay only for the amount of loss in excess of the amount due from that other insurance, subject to the limits of insurance of this policy.

(2) If the Insured has other valid and collectible insurance which provides the same type of coverage provided by this policy, the Trust will pay our share of the loss. Our share is the proportion that the applicable limit of insurance under this policy bears to the limits of insurance of all insurance covering the loss on the same basis.

(3) If you are named as an additional insured on a policy of insurance issued to another person or entity, this policy is excess over that insurance.

(4) If this policy, including any endorsement, provides insurance to another person or entity as an additional insured, this policy shall be excess over any other valid and collectible insurance available to that additional insured.

h. Subrogation

If the Insured has rights to recover all or part of any payment the Trust has made under this policy, those rights are transferred to the Trust. The Insured must do nothing after loss to impair them. At our request, the Insured will bring a "claim" or transfer those rights to the Trust and help the Trust enforce them in the name of the Insured.

Any amount recovered shall be applied in the following sequence:

(1) To the SIR amount paid by the Insured;

(2) To the loss paid by the Trust; and then

(3) To the Insured's costs that exceeded the Trust's Limit of Liability.

i. Changes

The terms of this policy may be waived or changed only by endorsement issued to form a part of this policy.

j. Assignment

Assignment of interest under this policy shall not bind the Trust until its consent is endorsed hereon.

k. Funding of Insured's SIR

The Insured agrees to maintain a loss fund, in an amount to be determined by mutual agreement between the Insured and the Trust, for the payment of all claims and expenses falling within the Insured's SIR.

l. Cancellation

This policy may be cancelled as follows:

(1) This policy may be cancelled by the Named Insured by mailing to the Trust written notice stating when thereafter the cancellation shall be effective. The Trust has the right to make written inquiry of the Insured regarding the reason for any cancellation or nonrenewal by the insured.

(2) The policy may be cancelled by the Trust for:

(i) nonpayment of premium;

(ii) material misrepresentation regarding any claim or in the application for insurance;

(iii) substantial change in the risk assumed; or

(iv) material breach of the terms or conditions of the policy.

(3) If the Trust cancels the policy the Trust shall mail to the Named Insured at the address shown in this policy, written notice stating when, not less than thirteen (13) days thereafter, such cancellation shall be effective. The mailing notice by first class mail shall be sufficient proof of notice. Hand delivery of such written notice either by the Named Insured or by the Trust shall be equivalent to mailing.

(4) If the Trust elects to not renew this policy, the Trust will mail, by first class mail, written notice of nonrenewal to the first Named Insured, at the last mailing address known to the Trust, at least 33 days before the expiration or anniversary date of this policy. The Trust need not mail this notice if:

(i) The Insured has accepted replacement coverage;

(ii) The Insured requested or agreed to nonrenewal; or

(iii) This policy is expressly designated as nonrenewable.

m. First Named Insured

The Insured first named in the Declarations is authorized to act on behalf of all Named Insureds and other Insureds with respect to the giving and receiving notice of cancellation. The Insured first named in the Declarations is responsible for the payment of all premiums, but the other Named Insureds jointly and severally agree to make such premium payments in full if the Insured first named fails to pay the amount due within thirty days after the Trust gives a written demand for payment to the Insured first named.

n. Governmental Immunity

The issuance of this insurance shall not be deemed a waiver of any statutory immunities as to any Insured. The Trust does not waive its right to deny liability by reasons of such immunity.

o. Fraud, Concealment or Misrepresentation

By acceptance of this policy, the Named Insured agrees that the Trust has issued this policy in reliance upon the Named Insured's representations. The Trust may deny coverage and/or rescind or cancel this policy if you or any other person seeking coverage has knowingly concealed or misrepresented any material fact or circumstance, or engaged in fraudulent conduct, in connection with any "claim" or "suit" to which this insurance applies.

p. Reimbursement

In the event the Trust makes any payment under this policy on account of a "claim" or "suit" which is at any time determined to not be covered under this policy, the Trust expressly reserves the right to seek reimbursement from the Insured for such payment.

7. ARBITRATION

In the event a disagreement arises over the interpretation of this policy, the coverage(s) available for a particular "claim" or "suit," or the duties and responsibilities of you or the Trust under the policy, such disagreement shall be submitted and resolved through binding arbitration. Unless otherwise agreed to in writing, any matter submitted to arbitration shall be decided by a mutually selected single arbitrator. If the parties are unable to agree upon the selection of a single arbitrator, the matter shall be decided by a panel of three arbitrators. Each party shall select an independent and competent arbitrator; the arbitrators selected by the parties will then select a third independent and competent arbitrator. A written decision by a mutually selected single arbitrator or by a majority of an arbitration panel shall constitute a final decision.

Unless otherwise agreed to in writing, each party shall pay an equal share of the fees and costs of the single arbitrator selected. If the matter is submitted to an arbitration panel, each party shall pay the fees and costs of the arbitrator selected by that party, and an equal share of the fees and costs of the third arbitrator.

Unless both parties agree otherwise, venue for the arbitration shall be in Salt Lake County, Utah.

8. LIBERALIZATION

While this policy is in force, should we adopt any endorsement or form change which broaden coverage, the same shall be considered to be incorporated in this policy without additional premium charge and shall inure to your benefit as though such endorsement or form change had been made.

9. DEFINITIONS

When used in this policy (including endorsements forming a part hereof):

a. “Advertising injury” means:

(1) Oral or written publication of material that slanders or libels a person or organization or disparages a person’s or organization’s goods, products, or services;

(2) Oral or written publication of material that violates a person’s right of privacy;

(3) Misappropriation of advertising ideas or style of doing business; or

(4) Infringement of copyright, trademark, patent, title, or slogan.

b. “Aircraft” means a vehicle or device designed or used for travel in the air including, without limitation, planes, drones or other unmanned vehicles, experimental aircraft, balloons, hang gliders, parachutes and helicopters.

c. “Automobile” means a land motorized vehicle, trailer, or semi-trailer designed or used for travel on public roads, including any attached machinery or equipment.

d. “Bodily injury” means actual physical injury, sickness or disease sustained by a person, including death resulting from any of these. Bodily injury does not include mental injury such as emotional distress, mental anguish, humiliation, mental distress, or any similar injury unless it arises out of physical injury to some person.

e. “Claim” means any demand for “damages.”

f. “Dam” means any barrier used to obstruct the flow of water, and includes without limitation, temporary and seasonal runoff dams.

g. “Damages” means monetary amounts the Insured becomes legally obligated to pay to a third party as a result of “bodily injury,” or “property damage” caused by an “occurrence,” or “personal injury” caused by a “personal injury offense.” Attorney fees and litigation costs are not “damages.”

h. “Employment related-practices” means any employment practice of the Insured, including, without limitation, employee termination, discipline, promotion, demotion, supervision, evaluation, assignment, discrimination or harassment.

i. “Hazardous materials” means any nuclear, radioactive, toxic, or explosive material, substance, or waste, and any by-products thereof, and the explosive, toxic, and dangerous properties of such material, substance, or waste and any by-products thereof.

j. “Inverse condemnation” means a claim that an Insured has taken or diminished the value of land or property through: land use restrictions, laws, permits or regulations, on such land or adjacent land or air space; or by use by the Insured of such land, adjacent land or air space.

k. “Law enforcement personnel” means a law enforcement official, officer, reserve officer, officer of a jail, nurse who works in a jail, auxiliary officer, volunteer law enforcement officer, animal control officer, or official representing a law enforcement agency who is acting within the course and scope of employment on behalf of the Named Insured.

l. “Occurrence” means an accident, including continuous or repeated exposure to the same generally harmful conditions, which results in “damages” the Insured neither expected nor intended.

m. “Personal injury” means injury, other than “bodily injury” arising out of a “personal injury offense.”

n. “Personal injury offense” means any of the following offenses:

(1) False arrest, detention or imprisonment or malicious prosecution;

(2) Libel, slander or defamation of character;

(3) Wrongful entry or eviction, or other invasion of the right of private occupancy.

o. “Pollutants” means any solid, liquid, gaseous or thermal irritant or contaminant, including, without limitation, smoke, vapor, soot, fumes, acid, alkalis, chemicals, any type of air pollution, smell, odor, and waste. Waste includes material to be discarded, recycled, reconditioned or reclaimed.

p. “Potable water” means water that is intended to be used for human consumption.

q. “Property damage” means:

(1) Physical injury to or destruction of tangible property, including the resulting loss or use of that property.

(2) Loss of use of tangible property that is not physically injured or destroyed.

r. “Sexual abuse” means any actual, attempted or alleged forcing of unwanted sexual activity by one person on another, as by the use of threats or coercion, or sexual activity that is deemed improper or harmful, which causes physical and/or mental injuries. “Sexual abuse” includes: sexual molestation, sexual assault, sexual exploitation or sexual injury. “Sexual abuse” does not include “Sexual harassment” as defined in this policy.

s. “Sexual harassment” means any actual, attempted or alleged unwelcome sexual advances, requests for sexual favors, or other conduct of a sexual nature, of a person or persons acting in concert, which causes physical and/or mental injuries. “Sexual harassment” includes:

(1) The above conduct when submission to or rejection of such conduct is made either explicitly or implicitly a condition of a person’s employment, or a basis for employment decisions affecting a person; or
(2) The above conduct when such conduct has the purpose or effect of unreasonably interfering with a person’s work performance or creating an intimidating, hostile or offensive work environment.

“Sexual harassment” does not include “Sexual abuse” as defined in this policy.

t. “Suit” means a formal civil or arbitration proceeding in which “damages” to which this insurance applies are alleged.

u. “Volunteer” means an individual, other than an independent contractor, who is authorized and appointed by the Named Insured to act on behalf of the Named Insured, but who acts without compensation.

v. “Wrongful law enforcement act” means any actual or alleged error, act, omission, neglect or breach of duty, including misfeasance or nonfeasance, by a “law enforcement personnel” or any matter claimed against them solely by reason of their being or having been a “law enforcement personnel.”

w. “Your Work” means:

(1) Work or operations performed by you or on your behalf;

(2) Materials, parts, or equipment furnished in connection with such work or operations;

(3) Warranties or representations made at any time with respect to the fitness, quality, durability, performance, or use of any item identified in subparagraphs (1) or (2) above; and

(4) The providing of or failure to provide warnings or instructions regarding any item identified in subparagraphs (1) and (2) above.

PUBLIC OFFICIALS' ERRORS AND OMISSIONS LIABILITY

The Utah Local Governments Trust is a Public Agency Insurance Mutual, defined under Utah Code Annotated 31A-1-103, and formed under the Utah Interlocal Cooperative Act, Utah Code Annotated 11-13-101 et seq. Under the authority of Utah Code Annotated 63G-7-703 and 63G-7-801 et seq., the Trust and its members have created a self-insurance reserve fund to pay and/or defend against certain risks and liabilities. The Trust provides insurance-like protection to its members through coverage contracts, also referred to as "policies." The policies issued by the Trust contain various provisions which may limit or restrict coverage. **Read each policy carefully to determine your rights, duties and what is and is not covered.**

Throughout this policy the words "you," "your," "yours," and "Insured" refer to the Named Insured shown in the Declarations and any other persons or organization qualifying as an Insured under this policy. The words "Trust," "we," "us," and "our" refer to the Utah Local Governments Trust.

Other words and phrases that appear in quotation marks have special meaning. Refer to the DEFINITIONS.

Countersignature on the Declarations page by a duly authorized agent of the Trust shall constitute valid countersignature of all endorsements with the same effective date as the effective date of the policy.

IN CONSIDERATION OF THE PAYMENT OF PREMIUM, CONTRIBUTIONS AND/OR ASSESSMENTS, AND IN RELIANCE UPON THE REPRESENTATIONS OF THE INSURED AND THE STATEMENTS IN THE DECLARATIONS MADE A PART HEREOF AND SUBJECT TO ALL THE TERMS OF THIS POLICY, THE UTAH LOCAL GOVERNMENTS TRUST (HEREINAFTER "THE TRUST"), AGREES WITH THE NAMED INSURED AS FOLLOWS:

COVERAGE PART I: PUBLIC OFFICIALS' ERRORS AND OMISSIONS LIABILITY

1. INSURING AGREEMENT

a. The Trust will pay "damages" which the Insured becomes legally obligated to pay for "public officials' errors and omissions" arising from a "wrongful act," to which this insurance applies. The Trust will have the right and duty to defend any "suit" seeking those "damages," but will have no duty to defend the Insured against any "suit" to which this insurance does not apply. For any "suit" the Trust defends, the Trust retains the right to select counsel.

(1) The amount the Trust will pay for "damages" is limited as described in the LIMITS OF INSURANCE;

(2) The Trust may, at its discretion, investigate any "wrongful act";

(3) The Trust has the right, but not the duty, to settle any "claim" or "suit" covered by this policy;

(4) In any "suit" defended by the Trust, the Trust shall have no duty to prosecute any affirmative claim or cause of action on behalf of the Insured; and

(5) The Trust's right and duty to defend ends when it has paid the applicable limit of liability.

b. This insurance applies only to a "wrongful act" which first occurs during the policy period. This insurance does not apply to a "wrongful act" which first occurs before the effective date of the policy as shown in the Declarations or to "damages" which were known to have occurred by any Insured prior to the effective date of the policy.

If any Insured, prior to the effective date of the policy, knew that a "wrongful act" occurred, any continuation or resumption of such "wrongful act" before or after the policy period will be deemed to have been known prior to the policy period.

c. This insurance does not apply to any "wrongful act" which occurs outside the "coverage territory." "Coverage territory" means the United States of America (including its territories and possessions). However, the Trust will pay on behalf of the Insured any "claim" or "suit" arising from a "wrongful act" which occurs outside the "coverage territory" up to the Foreign Claims and Suits Sub-limit if it is expressly specified in the Declarations. Notwithstanding the Supplementary Payments provision, any such sub-limit is inclusive of defense costs, and not in excess of defense costs, and the Trust's obligations to indemnify or defend the Insured against any "claim" or "suit" which falls within this exclusion will cease upon exhaustion of the Foreign Claims and Suits Sub-limit.

d. Supplementary Payments: The Trust will pay, with respect to any "claim" or "suit" the Trust defends under this Coverage Part:

(1) All expenses the Trust incurs.

(2) The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. The Trust does not have to furnish these bonds.

(3) All reasonable expenses incurred by the Insured at the Trust's request to assist the Trust in the investigation or defense of the "claim" or "suit," including actual loss of earnings up to $100 a day because of time off work.

(4) All costs taxed against the Insured in any "suit" the Trust defends.

(5) Pre-judgment interest awarded against the Insured on that part of the judgment the Trust pays. If the Trust makes an offer to pay the applicable limit of insurance, the Trust will not pay any pre-judgment which accrues after the offer.

(6) All interest on the full amount of any judgment that occurs after the entry of the judgment and before the Trust has paid, offered to pay, or deposited in court that part of the judgment within the applicable limit of insurance.

These payments do not reduce the LIMITS OF INSURANCE.

2. EXCLUSIONS

This policy does not apply to:

a. Any "claim" or "suit" arising out of "bodily injury."

b. Any "claim" or "suit" arising out of damage to tangible property, including all resulting loss of use of that property.

c. Any "claim" or "suit" arising out of liability for the collection and/or refund of taxes, fees or assessments.

d. Any "claim" or "suit" arising out of any Insured obtaining remuneration, financial gain, profit or other advantage to which the Insured was not legally entitled, except that any fact pertaining to any other Insured shall not be imputed to any other Insured.

e. Any "claim" or "suit" arising out of the willful violation of a penal code or ordinance committed by or with the knowledge or consent of any Insured, except that any fact pertaining to any other Insured shall not be imputed to any other insured.

f. Any "claim" or "suit" arising out of liability for cost estimates being exceeded or for faulty preparation of bid specifications or plans or failure to award contracts in accordance with any law, statute, regulation or ordinance.

g. Any "claim" or "suit" arising out of breach of the Insured's fiduciary duties for pension, retirement, savings or other employee benefits.

h. Any "claim" or "suit" arising out of actual or alleged "malfeasance," dishonesty, fraudulent, or criminal acts of any Insured.

i. Any "claim" or "suit" arising out of "damages" expected or intended from the standpoint of any Insured.

j. Any "claim" or "suit" seeking relief other than "damages" including, without limitation, claims for injunctions, declaratory relief, temporary restraining orders, or other equitable relief, or requiring any Insured to take any action other than the payment of "damages."

k. Any "claim" or "suit" arising out of any obligation of an Insured under workers' compensation law, unemployment compensation law, retirement benefits law, disability benefits law, Federal Employment Retirement Income Security Act of 1974 (ERISA), including subsequent amendments, or any similar law.

l. Any "claim" or "suit" arising out of the ownership, maintenance, loading or unloading, use, management or operation of any "aircraft," airfields, runways, hangars, buildings or other properties used in connection with aviation activities.

m. Any "claim" or "suit" arising out of the rendering or failure to render any kind of medical, surgical, therapeutic, psychiatric, or dental care, including without limitation, any kind of medical service or treatment, medical testing, diagnostic procedures, nursing services or the furnishing or dispensing of drugs, supplies or appliances in connection therewith, or any form of malpractice, misdiagnosis or professional liability arising from the above-described activities. In addition, no coverage under this Policy exists for medical, surgical, therapeutic, psychiatric, or dental professionals who perform services for the Named Insured as an independent contractor. However, this exclusion does not apply to emergency medical treatment rendered by a duly licensed emergency medical technician or paramedic, who has been retained by and is acting on behalf of the Named Insured.

n. Any "claim" or "suit" arising out of the regulation of the use of land or real property which may include, without limitation, the application, interpretation and enforcement of land use restrictions, laws, permits or regulations, and may involve constitutional claims, claims of eminent domain, condemnation, "inverse condemnation," or adverse possession, regardless of whether such "claim" or "suit" is made directly against the Insured or by virtue of any agreement entered into by or on behalf of the Insured.

o. Any "claim" or "suit" for punitive or exemplary damages, fines, statutory penalties, expenses or sanctions, whether imposed by law or otherwise, or any multiplied portion of a compensatory award, or the return or restitution of legal fees, costs, and expenses.

p. Any "claim" or "suit" seeking "damages" arising out of the supply, failure to supply or interruption of any utility service, including without limitation, any interruption in or failure to supply an appropriate amount, pressure or quality of water, natural gas, fuel or electricity or sewer service. This exclusion does not apply to any "claim" or "suit" arising from failure to temporarily disconnect the supply of power to allow a third party to conduct work.

q. Any "claim" or "suit" arising out of loss of salary, wages, employee benefits or any other form of compensation which is due and owing or which may become due and owing. This exclusion shall not apply to "damages" otherwise payable under Coverage Part II: Employee Benefits Liability set forth below.

r. Any "claim" or "suit" arising out of the assumption of liability under any contract or agreement.

s. Any "claim" or "suit" alleged by one Insured against any other Insured under this or any policy issued by the Trust to the same Named Insured.

t. Any "claim" or "suit" arising from actual or alleged violations of securities laws or regulations.

u. Any "claim" or "suit" arising from the following Internet exposures:

(i) Internet service providers, meaning any person or entity providing access to the internet, content over the Internet or connection to the Internet;

(ii) Internet consulting firms, including, without limitation, any person or entity engaged for another person or entity in the design, construction or management of an Internet site, chat room or bulletin board, including advertising on the Internet;
(iii) Application service providers, meaning any person or entity that provides software and associated services to a subscriber base across an area network;

(iv) Internet backbone providers, meaning any person or entity that routes or provides channels for packets that transport date from point to point on the Internet;

(v) Any person or entity that derives ninety percent or more of gross revenue or conducts or executes ninety percent or more of business transactions on or through the Internet;

(vi) Any person or entity that is in the business of providing electronic mail services;

(vii) Any person or entity that is in the business of developing, supplying, and/or installing encryption software for use on the Internet.

v. Any "claim" or "suit" arising out of "sexual harassment." However, the Trust will pay on behalf of the Insured any "claim" or "suit" excluded by this exclusion up to the limit of the Sexual Harassment Sub-limit expressly specified in the Declarations. Notwithstanding the Supplementary Payments provision, such sub-limit is inclusive of defense costs, and not in excess of defense costs, and the Trust's obligations to pay on behalf of the Insured any claim which fall within this exclusion will cease upon exhaustion of the Sexual Harassment Sub-limit.

w. Any "claim" or "suit" arising out of "sexual abuse."

x. Any "claim" or "suit" arising out of collective bargaining disputes, picketing, strikes, lockouts or similar labor disputes.

y. Any "claim" or "suit" arising out of the transmission of communicable diseases of any kind.

z. Any "claim" or "suit" arising out of an actual or alleged failure to maintain adequate or required insurance.

aa. Any "claim" or "suit" arising out of a "wrongful law enforcement act."

bb. Any "claim" or "suit" arising from "pollutants," including, without limitation:

(1) Any "claim" or "suit" arising out of the actual, alleged, or threatened discharge, dispersal, seepage, migration, release, or escape of "pollutants" at any time:

(i) At or from any premises, site, or location that is or was at any time owned or occupied by, or rented, or loaned to any Insured;

(ii) At or from any premises, site, or location which is or was at any time used by or for any Insured or others for the handling, storage, disposal, processing, or treatment of waste or "pollutants";

(iii) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any Insured or any person or organization for whom any Insured may be legally responsible; or

(iv) At or from any premises, site, or location on which any Insured or any contractors or subcontractors working directly or indirectly on any Insured's behalf are performing operations:

a) If the "pollutants" are brought on or to the premises, site, or location in connection with such operations or work by such Insured, contractor, or subcontractor; or

b) If the operations are to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of "pollutants."

(2) Any loss, cost, or expense arising out of any request, demand, or order (including consent decrees, consent orders, or administrative procedures) that any Insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants."

(3) This exclusion applies to discharge, dispersal, seepage, migration, release, or escape, within a building or in the atmosphere, of "pollutants" at or from any premises regardless of whether or not owned, rented, occupied, or controlled by an Insured.

(4) This exclusion applies to a claim for pollution or contamination of "potable water" supplied by an Insured.

cc. Any "claim" or "suit" arising out of the failure to perform or breach of any contract or agreement.

dd. Any "claim" or "suit" arising out of the actions or inactions of an independent contractor and/or subcontractor.

3. PERSONS OR ENTITIES INSURED

This Public Officials' Errors and Omissions Liability Policy provides coverage for the Named Insured and "Public Officials" of the Named Insured. Unless specifically identified in the Declarations as an Additional Insured, an independent contractor and/or subcontractor retained by the Named Insured is not an Insured.

4. LIMITS OF INSURANCE

a. Regardless of the number of: (1) Insureds; (2) "claims" or "suits" brought; (3) persons or organizations sustaining "damages"; or (4) coverages involved in a loss, the Trust's liability is limited as follows:

(1) During any 12-month period, measured from the effective date in the Declarations, the Trust's total liability shall not exceed the amount shown as Liability Aggregate in the Declarations.

(2) The Trust's total liability for loss resulting from any one "wrongful act" shall not exceed the Liability Single Limit Per Wrongful Act in the Declarations.

(3) For purposes of determining the limit of the Trust's liability:

(i) Any "claim" or "suit" arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one "wrongful act," and

(ii) A "wrongful act" taking place over more than one policy period shall be deemed to have taken place during the policy period when the first "wrongful act" occurs and only that one limit shall apply.

(4) The Trust's limit of liability is the most it will pay for "damages."

(5) The Trust's duty to defend or settle ends when the applicable Limit of Insurance has been exhausted by payment of judgments or settlements.

(6) With respect to any "claim," "suit" or "damages" to which this and any other policy we issue to you applies, the total limit of the Trust's liability under all the policies shall not exceed the highest applicable limit under any one policy.

b. The above limits of insurance are subject to sub-limits as shown in the Declarations. Sub-limits are included in the Liability Single Limit Per Wrongful Act, and are not in addition to any other limits.

5. SELF INSURED RETENTION

a. The Trust's obligation to pay applies only to those sums the Insured becomes legally obligated to pay as "damages" in excess of the Self Insured Retention ("SIR") shown in the Declarations. The Trust's Limits of liability are reduced by the amount of the SIR.

b. Regardless of the number of: (1) Insureds; (2) “claims” or “suits”; (3) persons or organizations sustaining damages; or (4) coverages involved in a loss, the Named Insured shall pay the Self Insured Retention for each “wrongful act.”

c. The Trust, at its sole discretion and without the consent of the Insured, may agree to the payment of all or any part of the SIR in satisfaction of any “claim” or “suit.”

d. The Trust, at its sole discretion, may pay the amount of the SIR from its own funds in satisfaction of any “claim” or “suit.” In the event the Trust chooses to make such payment, the Insured shall reimburse the Trust within 15 days of the mailing of a demand by the Trust.

e. The Trust, at its sole discretion, may direct the Insured to pay all or any part of the SIR to a third party in satisfaction of any “claim” or “suit.” The Insured shall make any required SIR payment within 15 days of the Trust’s direction to make such payment.

6. CONDITIONS

a. Premium

The premium shown in the Declarations is a deposit premium only, which shall be credited to the amount of the earned premium at the end of the policy period. If the total earned premium exceeds the advance premium, the Named Insured shall remit to the Trust the balance due in accordance with the Trust’s payment terms. In the event the policy is cancelled by the insured, unearned premium shall be returned to the Insured on a pro-rated basis. In the event the Named Insured cancels the policy, the Insured will not be eligible for insurance through the Trust for three years from the date of cancellation.

b. Inspection and Audit

The Trust shall be permitted but not obligated to inspect the Insured’s property and operations at any time. Neither the Trust’s right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of the Insured or others, to determine or warrant that such property or operations are safe. The Named Insured shall maintain accounting records necessary for premium computation, and shall send copies of such records to the Trust at the end of the policy period and at such times during the policy period as the Trust may reasonably request. The Trust may examine and audit the Insured’s books and records at any time during the policy period and within three years after the final termination of this policy, as far as they relate to the subject matter of this insurance.

c. Insured’s Duties in the Event of Claim, Suit or Wrongful Act

The Insured shall have the following duties in the event of a “claim,” “suit” or “wrongful act”:

(1) In the event of a "claim," "suit" or "wrongful act" reasonably likely to involve the Trust, written notice containing particulars sufficient to identify the Insured and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the Insured and of available witnesses, shall be given by or for the Insured to the Trust or any of its authorized agents as soon as practicable. While the initial notice may be oral, the Named Insured is required to provide written notice as soon as practicable.

(2) If a "claim," "suit" or "wrongful act" is brought against an Insured, the Named Insured shall immediately forward to the Trust every demand, notice, summons or other legal process received by the Insured or the Insured's representative.

(3) The Insured shall cooperate with the Trust and upon the Trust's request, assist in making settlements, in investigating or defending "claims" or "suits" and in enforcing any right of contribution or indemnity or subrogation against any person or organization who may be liable for sums payable under this policy. The Insured shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. The Insured shall not, except at its own cost, voluntarily make any payment, assume any obligation or incur any expense.

(4) Failure to give notice as required by the terms and conditions of this policy will invalidate coverage if such failure prejudices the Trust's rights, including without limitation, its ability to defend or reasonably settle a "claim," "suit" or "wrongful act." Failure to give notice as required by the policy does not invalidate a claim made by the Insured, if the Insured shows that it was filed as soon as reasonably possible.

d. Risk Management

The Insured shall cooperate fully and participate as required by the Trust's Risk Management Program.

e. Appeals

In the event the Insured elects not to appeal a judgment in excess of the Self Insured Retention, the Trust may elect to do so at its expense, but in no event shall the Trust pay for "damages" or loss costs exceeding the limits of liability in the Declarations.

f. Action Against the Trust

No action shall lie against the Trust with respect to any open claims unless, as a condition precedent thereto, the Insured has fully complied with all the terms of this policy, nor until the amount of the Insured's obligations shall have been finally determined by the judgment against the Insured after the actual trial or by written agreement of, the Insured, the claimant and the Trust. Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this policy to the extent of the insurance afforded by this policy. Nothing contained in this policy shall give any person or organization any right to join the Trust in any action against the Insured to determine the Insured's liability.

Bankruptcy or insolvency of the Insured will not relieve the Trust of its obligations under this policy.

g. Other Insurance

This insurance is primary unless one of the following applies:

(1) If the Insured has other valid and collectible insurance which provides primary coverage to the Insured for any "claim" or "suit" covered under this policy, this policy is excess over such other insurance. In that case, the Trust will pay only for the amount of loss in excess of the amount due from that other insurance, subject to the limits of insurance of this policy.

(2) If the Insured has other valid and collectible insurance which provides the same type of coverage provided by this policy, the Trust will pay our share of the loss. Our share is the proportion that the applicable limit of insurance under this policy bears to the limits of insurance of all insurance covering on the same basis.

(3) If you are named as an additional insured on a policy of insurance issued to another person or entity, this policy is excess over that insurance.

(4) If this policy, including any endorsement, provides insurance to another person or entity as an additional insured, this policy shall be excess over any other valid and collectible insurance available to that additional insured.

h. Subrogation

If the Insured has rights to recover all or part of any payment the trust has made under this policy, those rights are transferred to the trust. The Insured must do nothing after loss to impair them. At our request, the Insured will bring a "claim" or transfer those rights to the Trust and help the Trust enforce them.

Any amount recovered shall be applied in the following sequence:

(1) To the SIR amount paid by the Insured;

(2) To the loss paid by the Trust; and then

(3) To the Insured's costs that exceeded the Trust's Limit of Liability.

i. Changes

The terms of this policy may be waived or changed only by endorsement issued to form a part of this policy.

j. Assignment

Assignment of interest under this policy shall not bind the Trust until its consent is endorsed hereon.

k. Funding of Insured's SIR

The Insured agrees to maintain a loss fund, in an amount to be determined by mutual agreement between the Insured and the Trust, for the payment of all claims and expenses falling within the Insured's SIR.

l. Cancellation

This policy may be cancelled as follows:

(1) This policy may be cancelled by the Named Insured by mailing to the Trust written notice stating when thereafter the cancellation shall be effective. The Trust has the right to make written inquiry of the Insured regarding the reason for any cancellation or nonrenewal by the Insured.

(2) The policy may be cancelled by the Trust for:

(i) nonpayment of premium;

(ii) material misrepresentation regarding any claim or in the application for insurance;

(iii) substantial change in the risk assumed; or

(iv) material breach of the terms or conditions of the policy.

(3) If the Trust cancels the policy the Trust shall mail to the Named Insured at the address shown in this policy, written notice stating when, not less that thirteen (13) days thereafter, such cancellation shall be effective. The mailing of notice by first class mail shall be sufficient proof of notice. Hand delivery of such written notice either by the Named Insured or by the Trust shall be equivalent to mailing.

(4) If the Trust elects to not renew this policy, the Trust will mail, by first class mail, written notice of nonrenewal to the first Named Insured, at the last mailing address known to the Trust, at least 33 days before the expiration or anniversary date of this policy. The Trust need not mail this notice if:

(i) The Insured has accepted replacement coverage;

(ii) The Insured requested or agreed to nonrenewal; or

(iii) This policy is expressly designated as nonrenewable.

m. First Named Insured

The Insured first named in the Declarations is authorized to act on behalf of all Named Insureds and other Insureds with respect to the giving and receiving notice of cancellation. The Insured first named in the Declarations is responsible for the payment of all premiums, but the other Named Insureds jointly and severally agree to make such premium payments in full if the Insured first named fails to pay the amount due within thirty days after the Trust gives a written demand for payment to the Insured first named.

n. Governmental Immunity

The issuance of this insurance shall not be deemed a waiver of any statutory immunities as to any Insured. The Trust does not waive its right to deny liability by reasons of such immunity.

o. Fraud, Concealment or Misrepresentation

By acceptance of this policy, the Named Insured agrees that the Trust has issued this policy in reliance upon the Named Insured's representations. The Trust may deny coverage and/or rescind or cancel this policy if you or any other person seeking coverage has knowingly concealed or misrepresented any material fact or circumstance, or engaged in fraudulent conduct, in connection with any "claim" or "suit" to which this insurance applies.

p. Reimbursement

In the event the Trust makes any payment under this policy on account of a "claim" or "suit" which is at any time determined to not be covered under this policy, the Trust expressly reserves the right to seek reimbursement from the Insured for such payment.

q. Two or More Policies Issued by the Trust

If this policy and any other insurance issued to you by the Trust, or any company affiliated with the Trust, apply to the same "claim" or "suit," the aggregate maximum Limit of Insurance under all such insurance shall not exceed the highest applicable Limit of Insurance under any one coverage form or policy. This condition does not apply to any coverage form or policy issued by the Trust or an affiliated company specifically to apply as excess insurance over this policy.

7. ARBITRATION

In the event a disagreement arises over the interpretation of this policy, the coverage(s) available for a particular "claim" or "suit," or the duties and responsibilities of you or the Trust under the policy, such disagreement shall be submitted and resolved through binding arbitration. Unless otherwise agreed to in writing, any matter submitted to arbitration shall be decided by a mutually selected single arbitrator. If the parties are unable to agree upon the selection of a single arbitrator, the matter shall be decided by a panel of three arbitrators. Each party shall select an independent and competent arbitrator; the arbitrators selected by the parties will then select a third independent and competent arbitrator. A written decision by a mutually selected single arbitrator or by a majority of an arbitration panel shall constitute a final decision.

Unless otherwise agreed to in writing, each party shall pay an equal share of the fees and costs of the single arbitrator selected. If the matter is submitted to an arbitration panel, each party shall pay the fees and costs of the arbitrator selected by that party, and an equal share of the fees and costs of the third arbitrator.

Unless both parties agree otherwise, venue for the arbitration shall be in Salt Lake County, Utah.

8. LIBERALIZATION

While this policy is in force, should we adopt any endorsement or form change which broaden coverage, the same shall be considered to be incorporated in this policy without additional premium charge and shall inure to your benefit as though such endorsement or form change had been made.

9. DEFINITIONS

When used in this policy (including endorsements forming a part hereof):

a. "Aircraft" means a vehicle or device designed or used for travel in the air including, without limitation, planes, drones or other unmanned vehicles, experimental aircraft, balloons, hang gliders, parachutes and helicopters.

b. "Bodily injury" means actual physical injury, sickness or disease sustained by a person, including death resulting from any of these. Bodily injury does not include mental injury such as emotional distress, mental anguish, humiliation, mental distress, or any similar injury unless it arises out of physical injury to some person.

c. "Claim" means any demand for "damages."

d. "Damages" means all amounts paid as compensation to a claimant as a result of "public officials' errors and omissions" caused by a "wrongful act." Attorney fees and litigation costs are not "damages" except where awarded under the authority of and pursuant to 42 U.S.C § 1988(b)(1994) in a civil action brought pursuant to 42 U.S.C. § 1983 and in which the claimant seeks compensation for "personal injury."

e. "Employment related-practices" means any employment practice of the Insured, including without limitation, employee termination, discipline, promotion, demotion, supervision, evaluation, assignment, discrimination or harassment.

f. "Inverse condemnation" means a claim that an Insured has taken or diminished the value of land or property through: land use restrictions, laws, permits or regulations, on such land or adjacent land or air space; or by use by the Insured of such land, adjacent land or air space.

g. "Law enforcement personnel" means a law enforcement official, officer, reserve officer, officer of a jail, nurse who works in a jail, auxiliary officer, volunteer law enforcement officer, animal control officer, or official representing a law enforcement agency who is acting within the course and scope of employment on behalf of the Named Insured.

h. "Malfeasance" means illegal conduct or the performance of an act outside the official duties of the Insured.

i. "Personal injury" means injury arising out of one or more of the following offenses:

(1) False arrest, detention or imprisonment or malicious prosecution;

(2) Libel, slander or defamation of character;

(3) Wrongful entry or eviction, or other invasion of the right of private occupancy;

(4) Discrimination or violation of constitutionally protected rights.

j. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant including, without limitation, smoke, vapor, soot, fumes, acid, alkalis, chemicals, any type of air pollution, smell, odor, and waste. Waste includes material to be discarded, recycled, reconditioned or reclaimed.

k. "Potable water" means water that is intended for human consumption.

l. . "Public official" means a person acting within the course and scope of employment on behalf of the Named Insured identified in the Declarations of this Policy.

m. "Public officials' errors and omissions" means any actual or alleged error or misstatement or act or omission or neglect or breach of duty including misfeasance or nonfeasance by the Insureds in the discharge of their duties with the public entity, individually or collectively, or any matter claimed against them solely by reason of their being or having been Insureds. However, "public officials' errors and omissions" does not include "malfeasance."

n. "Sexual abuse" means any actual, attempted or alleged forcing of unwanted sexual activity by one person on another, as by the use of threats or coercion, or sexual activity that is deemed improper or harmful, which causes physical and/or mental injuries. "Sexual abuse" includes: sexual molestation, sexual assault, sexual exploitation or sexual injury. "Sexual abuse" does not include "Sexual harassment" as defined in this policy.

o. "Sexual harassment" means any actual, attempted or alleged unwelcome sexual advances, requests for sexual favors, or other conduct of a sexual nature, of a person or persons acting in concert, which causes physical and/or mental injuries. "Sexual harassment" includes:

(1) The above conduct when submission to or rejection of such conduct is made either explicitly or implicitly a condition of a person's employment, or a basis for employment decisions affecting a person; or

(2) The above conduct when such conduct has the purpose or effect of unreasonably interfering with a person's work performance or creating an intimidating, hostile or offensive work environment.

"Sexual harassment" does not include "Sexual abuse" as defined in this policy.

p. "Suit" means a formal civil or arbitration proceeding in which "damages" to which this insurance applies are alleged.

q. “Wrongful Act” means an alleged or actual omission, error, misstatement, act of neglect, or breach of duty, including “employment-related practices” or “personal injury,” by a “public official.”

r. “Wrongful law enforcement act” means any actual or alleged error, act, omission, neglect or breach of duty, including misfeasance or nonfeasance, by a “law enforcement personnel” or any matter claimed against them solely by reason of their being or having been a “law enforcement personnel.”

COVERAGE PART II: EMPLOYEE BENEFITS LIABILITY

1. INSURING AGREEMENT

Subject to the Exclusions, Limits, Conditions, Definitions and other terms set forth in Coverage Part 1: Public Officials’ Errors and Omissions Liability, the Trust will pay “damages” for which an Insured is legally liable to pay as a result of a negligent act, error or omission arising directly from the Insured’s “administration” of its “Employee Benefit Programs.” Coverage under this section is provided for claims which occur during the policy period as shown in the Declarations.

2. ADDITIONAL DEFINITIONS

In addition to the Definitions set forth in Coverage Part 1: Public Officials’ Errors and Omissions Liability, the following definitions apply:

a. “Administration” means interpreting or giving advice to employees, dependents or beneficiaries with respect to the Insured’s “Employee Benefit Program(s)” or handling records or enrollment of employees under the Insured’s “Employee Benefit Program(s).”

b. “Employee Benefit Program(s)” means group life insurance, group health insurance, profit sharing plans, pension plans, employee stock subscription plans, workers compensation, unemployment insurance, Social Security, disability benefits insurance, travel plans, savings plans or vacation plans.

3. ADDITIONAL EXCLUSIONS

In addition to the Exclusions set forth in Coverage Part 1: Public Officials' Errors and Omissions Liability, the following exclusions apply:

a. Any "claims" or "damages" involving state or federal taxes, fines, fees or penalties.

b. Any "claims" or "damages" arising out of actual or alleged wrongful termination of employment, discrimination, hostile work environment or any other employment-related practices.

c. Any "claims" or "damages" arising out of actual or alleged libel, slander, discrimination or humiliation.

d. Any "claims" or "damages" arising out of bodily injury, sickness, disease or death of any person.

e. Any "claims" or "damages" arising out of property damage or impairment or loss of use of any property.

f. Any "claims" or "damages" arising out of any actual or alleged breach of warranty or misrepresentation by any Insured.

g. Any "claims" or "damages" arising out of any failure of any investment to perform.

h. Any "claims" or "damages" arising out any opinion, advice or counsel by any Insured regarding whether or not to participate in any Employment Benefit Programs or invest in any fund.

i. Any "claims" or "damages" arising out of any actual or alleged failure or error in providing information regarding the past performance of any investment.

j. Any "claims" or "damages" arising out of any legal, accounting or tax advice regarding any Employee Benefit Programs.

k. Any "claims" or "damages" arising out of the cancellation or termination of any Employee Benefit Program.

l. Any "claims" or "damages" arising out of the acts of any insurer, third party administrator, broker, agent or other entity which administers any Employee Benefit Programs.

m. Any "claims" or "damages" arising out of an insufficiency of funds on the part of an Insured to meet obligations under any Employee Benefit Programs.

NO-FAULT SEWAGE AND POTABLE WATER ENDORSEMENT

This Endorsement modifies the insurance provided under the following:

COMPREHENSIVE GENERAL LIABILITY

In consideration of premium paid, this Endorsement, if shown in the Declarations, provides added coverage benefits. Unless indicated in this Endorsement, all of the terms, conditions, definitions, limitations and exclusions of the above referenced policy or policies apply. **Read the entire Endorsement carefully to determine your rights, duties and what is and is not covered.**

1. INSURING AGREEMENT

a. Release of Sewage. Notwithstanding Exclusions "k.," "m." and "n.," the Trust will pay on behalf of the Insured damages sustained by a third-party person, firm or entity relying on the Insured to provide sewage treatment services caused by the "release of sewage."

b. Sudden and Accidental Release. Notwithstanding Exclusion "k.," the Trust will pay on behalf of the Insured "property damages" to any third-party person, firm or entity caused by the sudden, accidental and unintended release of "potable water" from pipes or utilities owned by the Insured.

2. LIMIT OF INSURANCE

Coverage under this Endorsement is limited up to $5,000 per Household/Business, $100,000 Aggregate per policy period. Notwithstanding the Supplementary Payments provision, any coverage provided under this Endorsement is inclusive of defense costs, and is not in excess of defense costs, and the Trust's obligations to indemnify or defend the Insured against any "claim" or "suit" which falls within this Endorsement will cease upon exhaustion of the limits set forth in this Endorsement.

3. DEFINITIONS

The following definitions apply as used in this Endorsement:

a. "Release of sewage" means an "occurrence" where solid, liquid, or gaseous "pollutants" cause "property damage" or "bodily injury" by passing back through the toilets and/or drains located in the premises owned or leased by any third-party person, firm or entity relying upon the Insured for sewage treatment services. Solid, liquid or gaseous "pollutants" which cause "property damage" or "bodily injury" by any means other than passing back through the toilets and/or drains located in the premises owned or leased by such third-party persons, firms or entities, does not constitute "release of sewage" and damages caused thereby are not covered under this Endorsement.

b. “Potable water” means water that is intended to be used for human consumption.

4. PROOF OF CLAIM

As soon as practicable, any third-party person, firm or entity seeking coverage under this Endorsement shall provide the Trust written proof of claim, and such other information and documentation the Trust may reasonably require, in order to determine the amount payable under this Endorsement.

5. SUBROGATION

If payment is made under this Endorsement, the Trust shall be subrogated to the rights of the third-party to whom payment was made, to the extent of the payments made, and that third-party must do whatever is reasonably necessary to secure and not prejudice those rights.

6. NONDUPLICATION OF BENEFITS AND OTHER INSURANCE

No third-party shall recover duplicate benefits for the same elements of damage under this or any other insurance. In the event a third-party has other valid and collectible insurance available, the coverage provided under this Endorsement shall be secondary.

DECLARATORY, INJUNCTIVE RELIEF AND LAND USE DEFENSE ENDORSEMENT

This Endorsement modifies the insurance provided under the following policies:

COMPREHENSIVE GENERAL LIABILITY

In consideration of premium paid, this Endorsement, if shown in the Declarations, provides added coverage benefits. Unless indicated in this Endorsement, all of the terms, conditions, definitions, limitations and exclusions of the above referenced policy or policies apply. **Read the entire Endorsement carefully to determine your rights, duties and what is and is not covered.**

1. INSURING AGREEMENT

a. The Trust will have the right and duty to defend any "claim" or "suit" seeking declaratory or injunctive relief, or arising out of any "land use" dispute which occurs during the policy period. If the Trust defends such a "claim" or "suit," the Trust retains the right to select defense counsel to defend the Insured. However:

(1) The amount the Trust will pay under this Endorsement to defend any such "claim" or "suit" is limited as described in this Endorsement;

(2) The Trust may, at its discretion, investigate any "claim" or "suit" seeking declaratory or injunctive relief, or arising out of any "land use" dispute;

(3) The Trust has the right, but not the duty, to settle any "claim" or "suit" covered by this Endorsement; and

(4) This Endorsement provides limited defense benefits to the Named Insured, but provides no indemnification to any Insured for "claims" or "suits" seeking declaratory or injunctive relief, or arising out of any "land use" dispute.

2. LIMIT OF INSURANCE

a. Notwithstanding the Supplementary Payments provision, the coverage amount set forth below represents the limit of all payments, including, without limitation, defense costs and attorney fees, available for any "claim" or "suit" defended by the Trust under this Endorsement. The Trust shall have no obligation to indemnify any Insured under this Endorsement. The Trust's obligations to defend under this Endorsement will cease upon exhaustion of the Declaratory, Injunctive Relief and Land Use Defense coverage limit.

$25,000 per Claim/Suit
$50,000 Aggregate Limit per Policy Period

b. All payments made under this Endorsement shall erode the coverage limit applicable under this Endorsement. The Trust's right and duty to defend ends when the amount of coverage available under this Endorsement has been exhausted. Once the coverage available under this Endorsement has been exhausted, the defense of any "claim" or "suit" being defended by the Trust under this Endorsement shall revert to and become the sole responsibility of the Named Insured.

c. The per Claim/Suit Limit shown above is the most the Trust will pay in defending all "claims" or "suits" arising out of substantially the same general facts and allegations.

d. Any "claim" or "suit" taking place over more than one policy period shall be subject to one Claim/Suit Limit.

3. DEFINITIONS

The following definitions apply as used in this Endorsement:

a. "Claim" means any demand seeking declaratory or injunctive relief, or arising from a "land use" dispute.

b. "Inverse Condemnation" means a claim that an Insured has taken or diminished the value of land or property through: land use restrictions, laws, permits or regulations, on such land or adjacent land or air space; or by use by the Insured of such land, adjacent land or air space.

c. "Land Use" means the regulation of the use of land or real property which may include, without limitation, the application, interpretation and enforcement of land use restrictions, laws, permits or regulations, and may involve constitutional claims, claims of eminent domain, condemnation, "inverse condemnation," or adverse possession.

d. “Suit” means a formal civil or arbitration proceeding seeking declaratory or injunctive relief, or arising from a “land use” dispute.

MALFEASANCE DEFENSE ENDORSEMENT

This Endorsement modifies the insurance provided under the following:

COMPREHENSIVE GENERAL LIABILITY
PUBLIC OFFICIAL'S ERRORS AND OMISSIONS LIABILITY

In consideration of premium paid, this Endorsement, if shown in the Declarations, provides added coverage benefits. Unless indicated in this Endorsement, all of the terms and conditions of the above referenced policies apply. **Read the entire Endorsement carefully to determine your rights, duties and what is and is not covered.**

1. INSURING AGREEMENT

a. The Trust will have the right and duty to defend any "claim" or "suit" brought against an Insured person alleging an act of "malfeasance" that arises out of such person's employment, service, election or appointment with the Named Insured, which occurs during the policy period. If the Trust defends such a "claim" or "suit," the Trust retains the right to select defense counsel to defend the Insured. However:

(1) The amount the Trust will pay under this Endorsement to defend any such "claim" or "suit" is limited as described in this Endorsement;

(2) The Trust may, at its discretion, investigate any "claim" or "suit" alleging "malfeasance";

(3) The Trust has the right, but not the duty, to settle any "claim" or "suit" covered by this Endorsement;

(4) The Trust will have no duty to defend any "claim" or "suit" once there is an admission or judicial determination that an act of "malfeasance" actually occurred; and

(5) This Endorsement provides limited defense benefits only, but provides no indemnification to any Insured for "claims" or "suits" arising from any actual or alleged act of "malfeasance."

2. LIMIT OF INSURANCE

a. Notwithstanding the Supplementary Payments provision, the coverage amount set forth below represents the limit of all payments, including, without limitation, defense costs and attorney fees, available for any "claim" or "suit" defended by the Trust under this Endorsement. The Trust shall have no obligation to indemnify any Insured under this Endorsement. The Trust's obligations to defend under this Endorsement will cease upon exhaustion of the Malfeasance Defense coverage limit.

$10,000 per Claim/Suit
$20,000 Aggregate Limit per Policy Period

b. All payments made under this Endorsement shall erode the coverage limit applicable under this Endorsement. The Trust's right and duty to defend ends when the amount of coverage available under this Endorsement has been exhausted. Once the coverage available under this Endorsement has been exhausted, the defense of any "claim" or "suit" being defended by the Trust under this Endorsement shall revert to and become the sole responsibility of the Insured.

3. DEFINITIONS

The following definitions apply as used in this Endorsement:

a. "Claim" means any demand arising from an act of "malfeasance."

b. "Malfeasance" means illegal conduct or the performance of an act outside the official duties of the Named Insured.

c. "Suit" means a formal civil or arbitration proceeding in which an act of "malfeasance" is alleged.

Moonlight Village PID No. 1
2025 Audit Proposals

Firm	Lead Partner	Fee	Experience
Haynie & Company	Ty Holman	$8,000	Serves as auditor for approx 1/2 of PIDs to date
HBME	Jeff Miles/Aaron Hixon	$8,500	Works with several municipalities; not as many districts and no PIDs to date
Hinton Burdick	McKay Hall	$9,250	Serves as auditor for approx 1/2 of PIDs to date