

AGENDA
SUN VALLEY AIR SERVICE BOARD MEETING
KETCHUM CITY HALL
480 EAST AVENUE NORTH
KETCHUM, ID
September 25, 2019 - 2:00 P.M.

CALL TO ORDER

ROLL CALL

PUBLIC COMMENT

REMARKS FROM THE CHAIR

REMARKS FROM THE BOARD

CONSENT AGENDA *All items listed under the Consent Agenda will be approved in one motion without discussion unless any Board Member requests that the item be removed for individual discussion and possible action.*

1. Approval of Air Service Board Minutes of July 31, 2019 (Action Item);
2. Receive and File Financials:
 - a. 1% Local Option Tax Report – June and July 2019 (Action Item);

ACTION/DISCUSSION

3. Report from Fly Sun Valley Alliance on contract needs for FY 2020 (no documents)
4. Report from Sun Valley Marketing Alliance on contract needs for FY 2020 (no documents)
5. Discussion & action regarding Fly Sun Valley Alliance Contract Exhibit Payment Schedule FY 2020 (Action Item)
6. Discussion & action regarding Sun Valley Marketing Alliance Contract Exhibit Payment Schedule FY 2020 (Action Item)
7. Discussion and action regarding renewal of insurance coverage with ICRMP for the Insurance Policy Year October 1, 2019 – September 30, 2020 (Action Item);
8. Authorization for Payment of Bills on-hand through September 20, 2019 (Action Item);

EXECUTIVE SESSION – Pursuant to Idaho Code § 74-206 (d) to consider records that are exempt from disclosure as provided in Chapter 1, Title 74, Idaho Code and Idaho Code § 74-206 (e) to consider preliminary negotiations involving matters of trade or commerce in which the governing body is in competition with governing bodies in other states or nations (Action Item);

ADJOURNMENT (Action Item)

Please Note: The agenda is subject to revisions. Any person in need of assistance to attend or participate should contact Hailey City Hall prior to the meeting at 788-4221. Air Service Board Packets are online at www.haileycityhall.org; www.sunvalley.govoffice.com; and www.ketchumidaho.org.

**Sun Valley Air Service Board
Meeting Minutes
July 31, 2019
Hailey City Hall Meeting Room 2 pm**

Present: Neil Bradshaw – Mayor, City of Ketchum
Jacob Greenberg – Blaine County Commissioner
Peter Hendricks – Mayor, City of Sun Valley

Absent: Fritz Haemmerle – Mayor, City of Hailey

Staff Present: Sun Valley – Susan Robertson
Hailey – Heather Dawson

CALL TO ORDER:

2:02:13 PM by Peter Hendricks

Neil Bradshaw and Peter Hendricks are present

PUBLIC COMMENTS:

2:02:47 PM Carol Waller thanks Susan Robertson for all of her work through the years of service for air service in valley, we are going to miss her and thank her for all she has done.

Remarks by Bradshaw 2:03:22 PM thank you Susan, looks like it is a great summer so far, long may it continue.

2:03:37 PM Hendricks, will make announcement tomorrow, but wanted to say to this group. 2:04:24 PM He wanted to make remarks to this group. Hendricks announces that Robertson has accepted a position and will be departing on August 2nd to Augusta Maine. Hendricks remarks that Robertson started her tenure at Sun Valley on January 2013 in the midst of frequently headlined news stories about the government in Sun Valley, thanks to her calm even approach, in a difficult environment she led the city back to an even keel. 2:05:18 PM Hendricks will miss her help and advice, "thank you for your service," ends Hendricks. Robertson replies to Hendricks, "Thanks."

2:05:03 PM Jacob Greenberg arrives. Hendricks, asks, let the record show Jacob Greenberg joins the meeting and comments. 2:06:06 PM He summarizes where we are with the airport and all organizations (Fly Sun Valley Alliance, Visit Sun Valley), we are at a crucial juncture here and must work together, a sustainable funding measure is crucial. 2:07:17 PM The Friedman Memorial Airport Board (FMAA) is looking at improvements to the airport, and had an opportunity to review appropriate facilities for future flights and working with the Federal Aviation Administration (FAA). Tomorrow,

Airport Manager Chris Pomeroy and Greenberg will travel to Ft. Collins with consultant Bill Payne to look at a control tower 2:08:21 PM pilot program for a remote tower, objective on how to move forward with this program. We will have Raytheon to look at our facilities, 2:09:16 PM Bradshaw asks what is a remote tower? Greenberg answers, it is an array of 2:09:46 PM cameras along a runway, and look at cameras to perform traffic control. There are microphones to pick up sound. Benefit to others, have several rooms monitoring several airports, there is redundant power, they have answers for all of our questions. 2:11:59 PM Greenberg shows an electronic picture from his phone to Hendricks and Bradshaw. 2:13:06 PM the FMAA airport has invested in testing a new approach, now need to get the airlines to use it. 2:13:41 PM if we get in on the pilot program it would be free to us, and it would save us in having to rebuild a new control tower. We fit all of the characteristics of a model airport to try out this program. Our congressional delegation will be here the 13th of August, we will be visiting with them. Senator Crapo and Risch will be here, we are hoping they will convince the FAA that we are worthy. 2:15:00 PM Hendricks asks about the safety record of this program, is it tested? The Ft. Collins is not fully operational but the Leesburg facility is in use now. Hendricks asks, have the airlines weighed in on this? Greenberg responds, doesn't know if they have. He suspects they will have the same questions you will. Greenberg, will report back later.

2:16:31 PM Dick Fenton asks a question is it a net cost savings to us? Greenberg responds, yes it would mean discretionary funds to us. We match 6.7% of the cost, so yes it is a savings to us.

CONSENT AGENDA:

2:17:30 PM Consent agenda approve minutes and financials

2:17:45 PM **Bradshaw moves to approve consent agenda items, seconded by Hendricks. Motion passed with roll call vote. Hendricks, yes. Bradshaw, yes.**

PUBLIC HEARINGS:

2:18:24 PM Susan Robertson, this is a similar budget than last year, anticipating a 6% increase in contracts for services next meeting.

2:19:12 PM Bradshaw asks about allocation question, has this been discussed? Susan Robertson replies, these organizations meet and determine their individual needs and come with a proposal, and break out the money by the months. 2:20:18 PM Robertson, replies you do that at a later date, how to split it.

No Public comments.

2:20:53 PM **Bradshaw moves to approve budget, seconded by Hendricks, motion passed with roll call vote. Bradshaw yes. Hendricks, yes.**

2:21:32 PM Robertson presented these audit services with Workman and Company, is same firm with different owner.

2:22:08 PM Bradshaw moves to approve Workman and Company contract, Hendricks seconds, motion passed with roll call vote. Bradshaw yes. Hendricks, yes.

2:22:31 PM Robertson explains the bills on hand, invoices for listen,
2:22:58 PM Bradshaw move to approve invoices as presented, seconded by Hendricks. passed with roll call vote Bradshaw yes. Hendricks, yes.

6.2:23:18 PM JPA agreement Susan Robertson, this is complete, original has been signed by all parties.

2:24:17 PM Peter Hendricks updates board about a conversation he had with Mayor Haemmerle regarding Susan Robertson's departure, and he agreed that City of Hailey would assume Susan's duties in Heather Dawson, until Sun Valley can hire a replacement.

2:24:40 PM Carol Waller gave a verbal update, at the next meeting will be a formal presentation, bookings are up 10% in June.
We had a strategic planning session in June with both boards. Now smaller groups will look at needs assessments, maybe in a month or two have something to review, and have short-term FY 20 plan. Next meeting is Sept. 26th. 2:26:50 PM the new fall schedule will come out soon.

2:27:12 PM Bradshaw asks for a couple of takeaways of the recent meeting? Waller responds, both boards got more information, developing a plan more in tandem. Everyone felt positive, a got everyone on the same page.

2:29:30 PM Greenberg, there was about 40 people at the joint strategic session. Ongoing discussion of marketing efforts.

2:30:39 PM With no further business, a motion to adjourn was made by Bradshaw. Seconded by Hendricks, motion passed with roll call vote. Bradshaw yes. Hendricks, yes.

Fritz Haemmerle, Chairman

ATTEST:

Neil Bradshaw, Secretary/Treasurer

**SUN VALLEY AIR SERVICES BOARD
1% LOCAL OPTION TAX REPORT
MAY AND JUNE, 2019**

1% LOT Generated	1% LOT Received	1% LOT Contribution				Expenses		Funds for Contracts
		Sun Valley	Ketchum	Halley	TOTAL	Communities' Direct Costs	SVASB Administrative Budget	
Fund Balance								
Oct-18	Dec-18	33,520.10	154,784.92	6,220.31	194,525.33	-6,356.67	-3,025.00	207,994.00
Nov-18	Jan-19	18,843.27	135,472.58	3,651.68	157,967.53	-6,284.73	-75.00	185,143.66
Dec-18	Feb-19	83,237.35	281,950.71	7,437.28	372,625.34	-6,390.72	-75.00	151,607.80
Jan-19	Mar-19	55,839.88	197,874.24	11,027.33	264,741.45	-6,491.25	-75.00	366,159.62
Feb-19	Apr-19	52,141.52	192,124.82	7,171.65	251,437.99	-6,383.29	-75.00	258,175.20
Mar-19	May-19	78,124.75	201,127.33	9,845.07	289,097.15	-8,360.67	-75.00	244,979.70
Apr-19	Jun-19	25,266.23	110,931.24	12,103.24	148,300.71	-5,308.49	-575.00	280,661.48
May-19	Jul-19	40,469.79	120,341.42	3,215.91	164,027.12	-8,020.51	-75.00	142,417.22
Jun-19	Aug-19	69,245.12	192,896.92	6,967.03	269,109.07	-6,523.86	-75.00	155,931.61
Jul-19	Sep-19						-75.00	262,510.21
Aug-19	Oct-19						-75.00	
Sep-19	Nov-19						-75.00	
Total		456,688.00	1,587,504.17	67,639.50	2,111,831.68	(60,120.19)	(4,350.00)	

*May adjustment for Direct Cost of 1747.98 due to an error.

1% LOT Generated	1% LOT Received	Funds for Contracts	Fly SV Alliance		Invoiced Amount	Available Funds	% of Available Funds Owed	Budget Remaining	SVMA	Invoiced Amount	Available Funds
			Budget Remaining	% of Available Funds Owed							
Fund Balance		207,994.00									
Oct-18	Dec-18	185,143.66	14,559.58	7%	14,559.58	14,559.58	93%	193,434.42	193,434.42	1,690,000	193,434.42
Nov-18	Jan-19	151,607.80	74,057.46	40%	74,057.46	88,617.04	60%	111,086.20	111,086.20	324,100	304,520.62
Dec-18	Feb-19	366,159.62	60,643.12	40%	60,643.12	0.00	60%	90,964.68	90,964.68		0.00
Jan-19	Mar-19	258,175.20	146,463.85	40%	146,463.85	146,463.85	60%	219,695.77	219,695.77		219,695.77
Feb-19	Apr-19	244,979.70	103,270.08	40%	103,270.08	0.00	60%	154,905.12	154,905.12		0.00
Mar-19	May-19	280,661.48	97,991.88	40%	97,991.88	0.00	60%	146,987.83	146,987.83		0.00
Apr-19	Jun-19	142,417.22	112,264.59	40%	112,264.59	0.00	60%	168,396.89	168,396.89		0.00
May-19	Jul-19	155,931.61	71,208.61	50%	71,208.61	0.00	50%	71,208.61	71,208.61		0.00
Jun-19	Aug-19	262,510.21	77,965.81	50%	77,965.81	0.00	50%	77,965.81	77,965.81		0.00
Jul-19	Sep-19		131,255.11	50%	131,255.11	209,220.92	50%	131,255.11	131,255.11		209,220.91
Aug-19	Oct-19			50%			50%				
Sep-19	Nov-19			60%			40%				
Total			889,680.09					1,365,900.43			

*subtract the overpayment in Jul over paid Jan-19

-419.89 from Funds for Contract Apr-19, Jun-19

-629.83 from Funds for Contract Apr-19, Jun-19

**SUN VALLEY
AIR SERVICE BOARD**

**CONTRACT FOR SERVICES
BETWEEN THE
SUN VALLEY AIR SERVICE BOARD AND
FSVA**

THIS CONTRACT FOR SERVICES, (hereinafter referred to as "Contract") made and entered into this 31st day of January 2018, by and between the Sun Valley Air Service Board, an Idaho Joint Powers Authority (hereinafter referred to as the "ASB") and the Fly Sun Valley Alliance, Inc., an Idaho nonprofit corporation with an IRS 501 (c) (6) designation, (hereinafter referred to as "FSVA").

RECITALS

1. The ASB is a duly organized and existing Joint Powers Authority organized as a separate legal entity under Idaho Code §§ 67- 2328 *et seq.* The ASB is made up of the following entities (hereinafter referred to as "Component Members"):
 - a. The City of Sun Valley, Idaho
 - b. The City of Ketchum, Idaho
 - c. The City of Hailey, Idaho
 - d. Blaine County, Idaho [non-voting]
2. FSVA is an Idaho non-profit corporation with an IRC 501(c)(6) designation engaged in the business of commercial air service development for the Sun Valley, Idaho area as further described in Exhibit "A".
3. Pursuant to Idaho Code §§ 67-2328, 50-301 and 50-302, the ASB is empowered to enter into contracts and take such steps as are reasonably necessary to maintain the peace, good government and welfare of the Component Members and their trade, commerce and industry. Accordingly, the ASB has the power as conferred by the State of Idaho, to provide directly for certain promotional activities to enhance the trade, commerce, industry, and economic well-being of the Component Members.
4. The following ordinances have been adopted by certain Component Members (except Blaine County) for the purposes of a) maintaining and increasing commercial air service to Friedman Memorial Airport through the use of Minimum Revenue Guarantees ("MRG's") or other inducements to providers; b) promoting and marketing the existing service and any future service to increase passengers; c) for all ancillary costs which are associated with the ongoing effort to maintain and increase commercial air service, including reasonable program management costs and busing due to flight diversion(s); and d) direct costs to collect and enforce the tax, including administrative and legal fees:

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- a. Sun Valley Ordinance No. 45G.
 - b. Ketchum Ordinance No. 1108.
 - c. Hailey Ordinance No. 1133.
5. The primary reason for the ASB to enter this Contract is to effectuate the purposes of the local option taxes and Component Member ordinances recited above.
6. FSVA's mission is to retain, develop and improve air service to the Friedman Memorial Airport (SUN) in Blaine County.
7. The organizational goals of FSVA are consistent with the purposes and findings of the ordinances recited above.
8. It is the intention of the ASB to contract with FSVA to provide such services for consideration as hereinafter provided, subject to the tracking and reporting requirements described herein.
9. FSVA desires to enter into a contract with the ASB to retain, develop and improve air service as hereinafter provided.
10. ASB and FSVA intend to dedicate local option taxes to the payment of Air Service Contract Costs, defined as; 1) MRG's, 2) bussing costs for airline passengers due to weather related flight diversions, 3) Letter of Credit fees and 4) any applicable airline start-up costs , as well as other air service development efforts as outlined in Exhibit AFSVA has entered into contracts with commercial airlines which require the payment of Air Service Contract Costs. The contracts between FSVA and the airlines contain confidentiality provisions.
11. FSVA and Sun Valley Company have agreed that FSVA shall pay all of the Air Service Contract Costs under the airline contracts with funds from ASB but will be reimbursed by Sun Valley Company (SVC) in the amount of 50% of the Air Service Contract Costs. A portion of the reimbursement to FSVA from SVC for certain Air Service Contract Costs may be provided in contributions of products that provide an equivalent cash value. FSVA will use ASB funds to pay 100% of the annual fixed cost for Enhanced diversion bussing services (including upgraded equipment, on call drivers and airport hosts), which are provided for all airlines at Friedman Memorial Airport during the winter.
12. ASB and FSVA intend to honor the confidentiality provisions in the airline contracts but verify the costs by examining the invoices for Air Service Contract Costs in executive session.

NOW, THEREFORE, in consideration of the mutual promises and agreements set forth herein, it is agreed by and between the ASB and FSVA as follows:

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1. All Recitals above are incorporated herein by reference.
2. Services. FSVA agrees to make its dedicated professional best efforts toward retaining, developing and improving air service by securing and managing air service into Friedman Memorial Airport; providing other air service support; pursuing new and/or expanded air service; and other air service development related tasks ("Air Service Development") as more particularly set forth in Exhibit "A", which is incorporated herein by reference, and to pay 50% of the Air Service Contract Costs.
3. Expenses. FSVA agrees that it shall provide, at its sole expense, all costs of labor, materials, supplies, business overhead and financial expenses, liability insurance, fidelity bonds, and all necessary equipment and facilities required to provide the services as set for in this Contract.
4. Term. The term of this Contract shall commence upon the day of its execution and shall terminate September 30, 2018. This Contract shall be automatically extended for one (1) year terms, unless notice is provided as set forth herein. Such notice shall be served not less than sixty (60) days prior to the expiration of any annual term. This Contract may be amended to increase the length of the term if so determined by the parties.
5. Consideration.
 - A. Air Service Contract Costs and Air Service Development Reimbursement. During the term of this Contract, ASB shall pay FSVA, as reimbursement for Air Service Contract Costs and as payment for Air Service Development, a maximum sum not to exceed the total "Fly SV Alliance Contract Expenses" as identified in the schedule attached hereto as Exhibit "B" for the present fiscal year ending September 30, 2018 ("FY 18"), payable on a monthly basis. Each monthly payment shall be calculated by multiplying the percentage under "% of Available Funds" for FSVA as set forth in the Payment Schedule in Exhibit "B" by the actual amount of local option taxes received by the ASB, less direct costs, administrative expenses, and fund balance, which is designated as "Funds Available for Contracts", in Exhibit "B". In the event the monthly payments derived during FY 18 would exceed the "Fly SV Alliance Contract Expenses" amount in Exhibit "B", the last monthly payment(s) shall be reduced to ensure only a payment of the contract amount in Exhibit B.. In the event the monthly payments derived during FY 18 are less than the contract amount in Exhibit B FSVA shall not be entitled to the difference between the total of the monthly payments and the contract amount in Exhibit B. The Payment Schedule for each

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subsequent fiscal year may be amended by the parties as part of that fiscal year's budget process.

- B. FSVA shall maintain a contract with SVC wherein SVC shall reimburse FSVA for 50% of Air Service Contract Costs. Said reimbursements shall include a cash payment for 50% of MRG cost, and other contributions for at least 50% of other Air Service Contract Costs.
- C. Limitation of Funds. Funds paid by ASB to FSVA shall only be used for the purposes set forth in this Contract, and for no other purpose. The annual FSVA ASB contract budget is outlined on the spread sheet attached hereto as **Exhibit "C"**. In the event FSVA pays pursuant to the contracts described in Recital 10, above, less than the "Total FSVA Contract Amount" identified in **Exhibit "C"**, the difference may be retained by FSVA as reserves but such amount shall only be used for payment of future Air Service Contract Costs, if approved by ASB, under other airline contracts, subject to the same limitations set forth in this Contract.

6. Reporting Requirements. In partial consideration for, , FSVA agrees to provide to the ASB:

- A. Written and in-person presentations and reports in January and July during the term of this Contract or as otherwise scheduled by the parties outlining program results and plans for the upcoming season and explaining annual performance based on the metrics specified in attached **Exhibit "A"**. Semi-annual reports will be based on the government fiscal year of October 1st to September 30".
- B. The ASB has at all times the right to request an independent audit, at the sole cost of FSVA, under the provisions herein, and such audit obligation and cost on the part of FSVA shall survive any termination.
- C. The ASB may request additional financial information it deems necessary or appropriate to assist the ASB in verifying the accuracy of the FSVA's financial records, and within a reasonable time period, FSVA shall submit such information or reports relating to its activities under this Contract to ASB in such form and at such time as ASB may reasonably require. Any duly authorized agents of the ASB shall be entitled to inspect and audit all books and records of FSVA for compliance with the terms of this Contract. Any record provided hereunder which would be covered by the confidentiality provisions described in Recital 11, above, shall not be disclosed unless ordered by a court of competent

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jurisdiction or unless consent is provided by the Sun Valley Company and the relevant airline. FSVA agrees to retain all financial records, supporting documents, statistical reports, contracts, minutes, correspondence, and all other accounting records or written materials pertaining to this Contract for three (3) years following the expiration or termination of this Contract.

- D. Invoices and supporting documents from airlines for the Air Service Contract Costs to be paid by FSVA, and documentation of reimbursement of 50% of Air Service Contract Costs by SVC to FSVA. Such invoices and supporting documentation shall be presented to the ASB by FSVA in executive session.
7. Termination. The ASB may, at its sole discretion, terminate this Contract upon 90 days written notice to FSVA with or without cause. The ASB recognizes that the FSVA has made significant financial commitments (*e.g.*, vendor contracts) on behalf of the ASB and will need time to adjust its obligations. In the event of such termination, the ASB shall have no further responsibility to make any payment to FSVA under this Contract at the end of the 90-day period.
8. Equal Employment Opportunity. FSVA covenants that it shall not discriminate against any employee or applicant for employment because of race, religion, color, sex or national origin.
9. Independent Contractor Status. The parties acknowledge and agree that FSVA shall provide its services for the fee specified herein in the status of independent contractor, and not as an employee of the ASB. FSVA shall create, direct and control its own means and methods of performing this Contract. FSVA and its agents, members, employees and volunteers shall not accrue leave, retirement, insurance, bonding or any other benefit afforded to employees of the ASB. The sole interest and responsibility of the ASB under this Contract is to assure itself that the services covered by this Agreement shall be performed and rendered by FSVA in a competent, efficient and satisfactory manner.
10. Hold Harmless Agreement. FSVA hereby covenants and agrees to indemnify, defend and hold the ASB and the Component Members, and their officials, officers, employees and agents harmless from and against any and all claims, demands, causes of action, suits, losses, liabilities, damages, costs and expenses, including attorney fees, that may accrue, directly or indirectly, by reason of non-disclosure of information pursuant to Paragraph 6(D) of this Contract or by reason of any wrongful act or omission on the part of FSVA, its agents, employees, assigns or subcontractors, related to damages or bodily injury, property damage and personal injury that arise out of FSVA's actions or omissions associated with the services or obligations described in this Contract. FSVA shall have the duty to appear and defend

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any such demand, claim, suit or action on behalf of ASB and the Component Members, or tender the defense without cost or expense to ASB and the Component Members.

11. Non-Assignment. This Contract may not be assigned by or transferred by FSVA, in whole or in part, without the prior written consent of the ASB.
12. Mediation/Arbitration. In the event of any controversy, claim or dispute between the parties concerning this Contract or the breach of this Contract, including questions concerning the scope and applicability of this dispute resolution provision, the parties agree to participate in good faith in a mediation of any such dispute in Blaine County, Idaho. If mediation is unsuccessful, then the dispute, shall be finally settled through litigation in the District Court, Blaine County Idaho. The court shall have no power to award punitive or exemplary damages.
13. Attorney's Fees. In the event of any dispute with regard to the interpretation or enforcement of this Contract, the prevailing party shall be entitled to recover its reasonable costs and attorneys' fees incurred therein, whether or not a lawsuit is actually filed, and on any appeals, and in any bankruptcy proceeding.
14. Appropriations. No commitment of public funds will be made prior to the approval of this Contract nor are any public funds committed beyond the current fiscal year. The terms of this Contract are contingent upon sufficient appropriations being made each fiscal year by the ASB for the performance of this Contract. If sufficient appropriations are not made, this Contract shall terminate subject to the conditions subsequent concerning notice. Termination pursuant to the terms of this Contract shall not result in any claim for payment or damages by FSVA. ASB's decision as to whether sufficient appropriations are available shall be accepted by FSVA and shall be final. FSVA HAS NO RIGHT TO COMPEL COMPONENT MEMBERS TO LEVY OR COLLECT TAXES TO MAKE ANY PAYMENTS REQUIRED HEREUNDER, OR TO EXPEND FUNDS BEYOND THE AMOUNT PROVIDED FOR IN THE THEN CURRENT FISCAL YEAR. In the event that this provision conflicts with any other provision in the Agreement, this provision shall prevail.
15. Miscellaneous Provisions.
 - a. Paragraph Headings. The headings in this Contract are inserted for convenience and identification only and are in no way intended to describe, interpret, define or limit the scope, extent or intent of this Contract or any of the provisions of the Contract.
 - b. Provisions Severable. Every provision of this Contract is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of the Contract.

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- c. Rights and Remedies are Cumulative. The rights and remedies provided by this Contract are cumulative and the use of any one right or remedy by any party shall not preclude nor waive its rights to use any or all other remedies. Any rights provided to the parties under this Contract are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise.
- d. Successor and Assigns. This Contract and the terms and provisions herein shall inure to the benefit of and be binding upon the heirs, personal representatives, successors and assigns of the parties hereto.
- e. Entire Contract. This Contract contains the entire agreement between the parties respecting the matters herein set forth and supersedes all prior agreements between the parties hereto respecting such matters.
- f. Governing Law. This Contract shall be construed in accordance with the laws of the State of Idaho.
- g. Preparation of Contract. No presumption shall exist in favor of or against any party to this Contract as a result of the drafting and preparation of the document.
- h. No Waiver. No waiver of any breach by either party of the terms of this Contract shall be deemed a waiver of any subsequent breach of the Contract.
- i. Amendment. No amendment of this Contract shall be effective unless the amendment is in writing, signed by each of the parties.
- j. Notices. Notices hereunder shall be by personal delivery or US Mail Certified/Return Receipt and shall be deemed effective upon such personal delivery or two (2) business days after mailing, whichever is later. Notices shall be provided as follows:
 - a. ASB: P.O. Box 3801, Ketchum, Idaho 83340
 - b. FSVA: P.O. Box 6316, Ketchum, Idaho 83340
- k. Fiscal Year. For the purpose of this Contract, the fiscal year is considered a government fiscal year between October 1 and September 30 of the following year.

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- I. No Third Party Beneficiaries. This Agreement shall not create any rights or interest in any third parties.

IN WITNESS WHEREOF, the parties hereto have executed this Contract as of the date first set forth above.

Signatures:

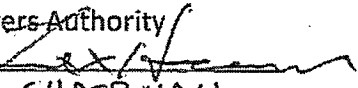
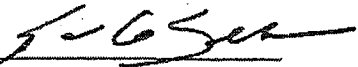
Dated: <u>7/31/18</u>	The Sun Valley Air Services Board, An Idaho Joint Powers Authority By:  Its: <u>CHAIRMAN</u>
Dated: <u>3/29/18</u>	FSVA, an Idaho Non-Profit Corporation By:  Its: President

EXHIBIT A



MISSION

FY18

Retain, develop and improve air service at Friedman Memorial Airport (SUN).

ORGANIZATIONAL STRUCTURE

Fly Sun Valley Alliance (FSVA) is an Idaho non-profit 501c(6) corporation with both private and public sector volunteer board members representing governments, organizations and businesses throughout Blaine County.

SCOPE OF WORK

AIR SERVICE DEVELOPMENT

Secure & Manage Contract Air Service: Currently Alaska (SEA/LAX/PDX) flights; United (SFO/DEN/ORD) flights

- Negotiate air service contract terms with airlines, in partnership with Sun Valley Company:
 - Operating season, schedules, equipment
 - MRG cap amount; analysis of cost per flight & projected revenues
 - LOC requirements; Weather diversion busing provisions
- Monitor bookings on weekly basis; cost & revenue monthly
- Monitor fares on ongoing basis within our competitive set, plus BOI, TWF
- Initiate fare and schedule adjustment discussions with airline partners as needed
- Assist with coordination of air service market planning for SUN with other partners (SVMA, SVR, ITC, etc.)
- Support coordination of start-up effort for new service (as needed) – launch celebrations, marketing, etc.
- Organize/support enhanced weather diversion bussing program for all SUN commercial air travelers and airlines
- Coordinate with Friedman Memorial Airport in all aspects of air service planning/implementation

Manage & Support Non-Contract Air Service: Currently Delta for year-round SLC and limited LAX flights

- Monitor fares on ongoing basis within our competitive set, plus BOI, TWF
- Initiate fare & schedule adjustment discussions with airline as appropriate
- Assist with coordination of air service marketing planning for SUN with other partners (SVMA, SVR, ITC, etc.)
- Organize/support enhanced weather diversion bussing program for all SUN commercial air travelers and airlines

RESEARCH

- Conduct air passenger survey research at SUN during winter & summer/fall seasons
- Conduct other market research on local air travel patterns – i.e., business travel survey
- Collect/analyze/report other research re: travel trends, demographics, economic impact
- Monitor monthly enplanement, seat occupancy, other air service data relative to SUN, industry & competitive set

COMMUNITY OUTREACH/EDUCATION - LOCAL AIR MARKETING

- Maintain FSVA website, www.flysunvalleyalliance.com, with information on SUN air service, news, studies, etc.
- Provide ongoing public outreach/communications via Enews, social media, meetings, presentations, other
- Create & implement local air service marketing/PR programs targeted to local and regional air travelers
- Assist with coordination of marketing of flights/fares sales, etc. with airlines and local/state partners

KEY PERFORMANCE METRICS

- **Retain/Expand Current Air Service:** Retain contracted nonstop SEA/LAX/SFO/DEN/PDX flights and support SLC flights; improve air service schedules/frequency as feasible.
- **New Air Service:** Pursue new nonstop flight market for FY18 (secured ORD winter flights) and future
- **Build SUN Passenger Traffic:** Work with airlines/marketing partners to increase load factors & minimize air service costs as feasible. Work with airlines on SUN fares and schedules to reduce air passenger leakage.
- **Research:** Conduct seasonal air passenger surveys at SUN; conduct competitive analysis, economic impact and other research as needed.

**Exhibit B
FYE 2020 PAYMENT SCHEDULE**

1% LOT Generated	1% LOT Received	Sun Valley			Ketchum			Hailey			TOTAL			Communities' Direct Costs	LOT Funds from Communities	Air Service Board Administrative Expenses	Interest & Fund Balance Applied	Funds Available for Contracts	Fly SV Alliance		SVMA	
		Sun Valley	Ketchum	Hailey	Sun Valley	Ketchum	Hailey	Sun Valley	Ketchum	Hailey	Contract Expenses	% of Available Funds	Contract Expenses						% of Available Funds			
Oct-19	Dec-19	\$50,971	\$135,462	\$4,667	\$191,100	\$6,411	\$184,689	-\$3,025	\$250,065	\$0	\$0	\$250,065	\$100,026	\$150,039	60%	\$100,026	40%	\$150,039	60%			
Nov-19	Jan-20	\$26,466	\$127,152	\$4,667	\$158,285	\$6,411	\$151,873	-\$75	\$0	\$0	\$181,664	\$72,665	\$108,998	60%	\$72,665	40%	\$108,998	60%				
Dec-19	Feb-20	\$46,012	\$299,433	\$7,667	\$353,112	\$6,558	\$346,554	-\$75	\$0	\$0	\$151,798	\$60,719	\$91,079	60%	\$60,719	40%	\$91,079	60%				
Jan-20	Mar-20	\$71,495	\$175,891	\$10,667	\$258,053	\$6,705	\$251,347	-\$75	\$0	\$0	\$346,479	\$138,591	\$207,887	60%	\$138,591	40%	\$207,887	60%				
Feb-20	Apr-20	\$54,890	\$190,525	\$8,667	\$254,081	\$6,607	\$247,474	-\$75	\$0	\$0	\$251,272	\$100,509	\$150,763	60%	\$100,509	40%	\$150,763	60%				
Mar-20	May-20	\$70,838	\$192,359	\$8,667	\$271,863	\$6,607	\$265,256	-\$75	\$0	\$0	\$247,399	\$98,960	\$148,439	60%	\$98,960	40%	\$148,439	60%				
Apr-20	Jun-20	\$41,995	\$98,262	\$3,100	\$143,357	\$6,335	\$137,022	-\$575	\$0	\$0	\$265,181	\$106,072	\$159,108	60%	\$106,072	40%	\$159,108	60%				
May-20	Jul-20	\$28,467	\$116,641	\$3,067	\$148,175	\$6,333	\$141,841	-\$75	\$0	\$0	\$136,447	\$68,223	\$68,223	50%	\$68,223	50%	\$68,223	50%				
Jun-20	Aug-20	\$53,155	\$178,238	\$7,333	\$238,726	\$6,542	\$232,184	-\$75	\$0	\$0	\$141,766	\$70,883	\$70,883	50%	\$70,883	50%	\$70,883	50%				
Jul-20	Sep-20	\$90,617	\$260,097	\$17,333	\$368,047	\$7,032	\$361,015	-\$75	\$0	\$0	\$232,109	\$116,055	\$116,055	50%	\$116,055	50%	\$116,055	50%				
Aug-20	Oct-20	\$106,370	\$254,834	\$15,333	\$376,538	\$6,934	\$369,604	-\$75	\$0	\$0	\$360,940	\$180,470	\$180,470	50%	\$180,470	50%	\$180,470	50%				
Sep-20	Nov-20	\$31,391	\$199,967	\$9,833	\$241,192	\$6,665	\$234,527	-\$75	\$899	\$899	\$369,529	\$184,764	\$184,764	50%	\$184,764	50%	\$184,764	50%				
		\$672,667	\$2,228,861	\$101,000	\$3,002,529	\$79,143	\$2,923,386	-\$4,350	\$249,166	\$249,166	\$3,170,000	\$1,400,000	\$1,770,000	56%	\$1,400,000	44%	\$1,770,000	56%				
Admin Direct Costs		\$7,918	\$66,276	\$4,949																		
Net Rev Budget		\$664,749	\$2,162,585	\$96,051	\$2,923,385																	

FSVA - \$1,400,000
SVMA - \$1,770,000
Contracts TOTAL: \$3,170,000

EXHIBIT C

SUN VALLEY AIR SERVICE BOARD

FY 2020 ADOPTED BUDGET

	FY 2017		FY 2019		FY 2019		FY 2020		+/-	FY 2019/2020	% CHANGE
	ACTUAL	FY 2017 ACTUAL	ADOPTED BUDGET	ESTIMATED ACTUAL	ADOPTED BUDGET	ESTIMATED ACTUAL	PROPOSED BUDGET	FY 2019/2020			
REVENUES											
CITY OF HAILEY 1% LOCAL OPTION TAX	93,147	92,967	93,312	103,599	96,051	96,051	2,739	2.9%			
CITY OF KETCHUM 1% LOCAL OPTION TAX	1,980,091	2,077,226	2,066,715	2,150,387	2,155,589	2,155,589	88,874	4.3%			
CITY OF SUN VALLEY 1% LOCAL OPTION TAX	602,844	678,200	625,829	672,667	645,707	645,707	19,878	3.2%			
INTEREST EARNINGS	687	1,314	500	1,300	1,000	1,000	500	100.0%			
FUND BALANCE APPLIED	0	0	207,994	65,411	276,103	276,103	68,109	32.7%			
TOTAL REVENUE	2,676,769	2,849,707	2,994,350	2,993,364	3,174,450	3,174,450	180,100	6.0%			
EXPENDITURES											
CONTRACTS FOR SERVICES	3,005,750	2,568,849	2,990,000	2,990,000	3,170,000	3,170,000	180,000	6.0%			
OFFICE SUPPLIES/POSTAGE	54	80	300	200	300	300	0	0.0%			
ADVERTISING/PUBLIC NOTICES/WEBSITE	338	240	600	350	600	600	0	0.0%			
AUDIT	995	1,100	1,100	1,100	1,100	1,100	0	0.0%			
ATTORNEY FEES	0	1,225	1,000	365	1,000	1,000	0	0.0%			
INSURANCE	1,201	1,349	1,350	1,349	1,450	1,450	100	7.4%			
TRANSFER TO FUND BALANCE	0	0	0	0	0	0	0	n/a			
TOTAL EXPENDITURES	3,008,338	2,572,843	2,994,350	2,993,364	3,174,450	3,174,450	180,100	6.0%			
BEGINNING FUND BALANCE	446,347	114,778		391,642	326,231	326,231					
ENDING FUND BALANCE	114,778	391,642		326,231	50,128	50,128					

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CONTRACT FOR SERVICES
BETWEEN THE
SUN VALLEY AIR SERVICE BOARD AND
SVMA

THIS CONTRACT FOR SERVICES, (hereinafter referred to as "Contract") made and entered into this 7th day of December, 2015, by and between the Sun Valley Air Service Board, an Idaho Joint Powers Authority (hereinafter referred to as the "ASB") and the Sun Valley Marketing Alliance, Inc., an Idaho nonprofit corporation with an IRS 501 (c) (6) designation, (hereinafter referred to as "SVMA").

RECITALS

1. The ASB is a duly organized and existing Joint Powers Authority organized as a separate legal entity under Idaho Code §§ 67- 2328 *et seq.* The ASB is made up of the following entities (hereinafter referred to as "Component Members"):
 - a. The City of Sun Valley, Idaho
 - b. The City of Ketchum, Idaho
 - c. The City of Hailey, Idaho
 - d. Blaine County, Idaho [non-voting]
2. SVMA is an Idaho non-profit corporation with an IRC 501(c)(6) designation engaged in the business of domestically marketing the Sun Valley, Idaho resort area as a destination resort as further described in **Exhibit "A"**.
3. Pursuant to Idaho Code §§ 67-2328, 50- 301 and 50- 302, the ASB is empowered to enter into contracts and take such steps as are reasonably necessary to maintain the peace, good government and welfare of the Component Members and their trade, commerce and industry. Accordingly, the ASB has the power as conferred by the State of Idaho, to provide directly for certain promotional activities to enhance the trade, commerce, industry, and economic well-being of the Component Members.
4. The following ordinances have been adopted by certain Component Members (except Blaine County) for the purposes of a) maintaining and increasing commercial air service to Friedman Memorial Airport through the use of Minimum Revenue Guarantees ("MRG's") or other inducements to providers; b) promoting and marketing the existing service and any future service to increase passengers; c) for all ancillary costs which are associated with the ongoing effort to maintain and increase commercial air service, including reasonable program management costs and busing due to

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AIR SERVICE BOARD**

flight diversion(s); and d) direct costs to collect and enforce the tax, including administrative and legal fees:

- a. Sun Valley Ordinance No. 45G.
- b. Ketchum Ordinance No. 1108.
- c. Hailey Ordinance No. 1133.

5. The primary reason for the ASB to enter this Contract is to effectuate the purposes of the local option taxes and Component Member ordinances recited above.

6. SVMA is to provide air service marketing services to promote air travel to and from Friedman Memorial Airport.

7. The organizational goals of SVMA are consistent with the purposes and findings of the ordinances recited above.

8. It is the intention of the ASB to contract with SVMA to provide such services for consideration as hereinafter provided, subject to the tracking and reporting requirements described herein.

9. SVMA desires to enter into a contract with the ASB to provide air services marketing services all as hereinafter provided.

NOW, THEREFORE, in consideration of the mutual promises and agreements set forth herein, it is agreed by and between the ASB and SVMA as follows:

1. All Recitals above are incorporated herein by reference.
2. Services. SVMA agrees to provide air service marketing services to the ASB consisting of marketing goals and objectives: creative strategy; media purchase; campaign assets and public relations efforts in air service markets, including key monitoring and tracking of advertising efforts to ensure effectiveness ("Marketing Services"), and as more particularly set forth in **Exhibit "A"**, which is incorporated herein by reference.
3. Expenses. SVMA agrees that it shall provide, at its sole expense, all costs of labor, materials, supplies, business overhead and financial expenses, liability insurance, fidelity bonds, and all necessary equipment and facilities required to provide the services as set for in this Contract.
4. Term. The term of this Contract shall commence upon the day of its execution and shall terminate September 30, 2016. This Contract shall be automatically extended for one (1) year

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terms, unless notice is provided as set forth herein. Such notice shall be served not less than sixty (60) days prior to the expiration of any annual term. This Contract may be amended to increase the length of the term if so determined by the parties.

5. **Consideration.** During the term of this Contract, ASB shall pay SVMA, as payment for Marketing Services, a maximum sum not to exceed One Million One Hundred Fifty Eight Thousand Three Hundred Ninety Seven and no/100's Dollars (\$1,158,397), for the present fiscal year ending September 30, 2016 ("FY 16"), payable on a monthly basis. Each monthly payment shall be calculated by multiplying the percentage under "% of Available Funds" for SVMA as set forth in the Payment Schedule attached hereto as **Exhibit "B"** by the actual amount of local option taxes received by the ASB, less direct costs, administrative expenses, legal reserves and fund balance, which is described as "Funds Available for Contracts", as depicted in the Payment Schedule attached hereto as **Exhibit "B"**. In the event the monthly payments derived during FY 16 would exceed \$1,158,397, the last monthly payment(s) shall be reduced to ensure only a payment of \$1,158,397. In the event the monthly payments derived during FY 16 are less than \$1,158,397, FSVA shall not be entitled to the difference between the total of the monthly payments and \$1,158,397. The Payment Schedule for each subsequent fiscal year may be amended by the parties as part of that fiscal year's budget process.

6. **Reporting Requirements.** In consideration and as part of this Contract, SVMA agrees to provide to the ASB:
 - A. Written and in-person presentations and reports in January and July during the term of this Contract or as otherwise scheduled by the parties outlining program results and plans for the upcoming season and explaining annual performance based on the metrics specified in attached Exhibit "A". Semi-annual reports will be based on the government fiscal year of October 1st to September 30".

 - B. The ASB has at all times the right to request an independent audit, at the sole cost of SVMA, under the provisions herein, and such audit obligation and cost on the part of SVMA shall survive any termination.

 - C. The ASB may request additional financial information it deems necessary or appropriate to assist the ASB in verifying the accuracy of the SVMA's financial records, and within a reasonable time period, SVMA shall submit such information or reports relating to its activities under this Contract to ASB in such form and at such time as ASB may reasonably require. Any duly authorized agents of the ASB shall be entitled to inspect and audit all books and records of

SUN VALLEY
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SVMA for compliance with the terms of this Contract. SVMA agrees to retain all financial records, supporting documents, statistical reports, contracts, minutes, correspondence, and all other accounting records or written materials pertaining to this Contract for three (3) years following the expiration or termination of this Contract.

7. Termination. The ASB may, at its sole discretion, terminate this Contract upon 90 days written notice to SVMA with or without cause. The ASB recognizes that the SVMA has made significant financial commitments (*e.g.*, vendor contracts) on behalf of the ASB and will need time to adjust its obligations. In the event of such termination, the ASB shall have no further responsibility to make any payment to SVMA under this Contract at the end of the 90 day period.
8. Equal Employment Opportunity. SVMA covenants that it shall not discriminate against any employee or applicant for employment because of race, religion, color, sex or national origin.
9. Independent Contractor Status. The parties acknowledge and agree that SVMA shall provide its services for the fee specified herein in the status of independent contractor, and not as an employee of the ASB. SVMA shall create, direct and control its own means and methods of performing this Contract. SVMA and its agents, members, employees and volunteers shall not accrue leave, retirement, insurance, bonding or any other benefit afforded to employees of the ASB. The sole interest and responsibility of the ASB under this Contract is to assure itself that the services covered by this Agreement shall be performed and rendered by SVMA in a competent, efficient and satisfactory manner.
10. Hold Harmless Agreement. SVMA hereby covenants and agrees to indemnify, defend and hold the ASB and the Component Members, and their officials, officers, employees and agents harmless from and against any and all claims, demands, causes of action, suits, losses, liabilities, damages, costs and expenses, including attorney fees, that may accrue, directly or indirectly, by reason of any wrongful act or omission on the part of SVMA, its agents, employees, assigns or subcontractors, related to damages or bodily injury, property damage and personal injury that arise out of SVMA's actions or omissions associated with the services or obligations described in this Contract. SVMA shall have the duty to appear and defend any such demand, claim, suit or action on behalf of ASB and the Component Members, or tender the defense without cost or expense to ASB and the Component Members.
11. Non-Assignment. This Contract may not be assigned by or transferred by SVMA, in whole or in part, without the prior written consent of the ASB.

SUN VALLEY
AIR SERVICE BOARD

12. Mediation/Arbitration. In the event of any controversy, claim or dispute between the parties concerning this Contract or the breach of this Contract, including questions concerning the scope and applicability of this dispute resolution provision, the parties agree to participate in good faith in a mediation of any such dispute in Blaine County, Idaho. If mediation is unsuccessful, then the dispute, shall be finally settled through litigation in the District Court, Blaine County Idaho. The court shall have no power to award punitive or exemplary damages.
13. Attorney's Fees. In the event of any dispute with regard to the interpretation or enforcement of this Contract, the prevailing party shall be entitled to recover its reasonable costs and attorneys' fees incurred therein, whether or not a lawsuit is actually filed, and on any appeals, and in any bankruptcy proceeding.
14. Appropriations. No commitment of public funds will be made prior to the approval of this Contract nor are any public funds committed beyond the current fiscal year. The terms of this Contract are contingent upon sufficient appropriations being made each fiscal year by the ASB for the performance of this Contract. If sufficient appropriations are not made, this Contract shall terminate subject to the conditions subsequent concerning notice. Termination pursuant to the terms of this Contract shall not result in any claim for payment or damages by SVMA. ASB's decision as to whether sufficient appropriations are available shall be accepted by SVMA and shall be final. SVMA HAS NO RIGHT TO COMPEL COMPONENT MEMBERS TO LEVY OR COLLECT TAXES TO MAKE ANY PAYMENTS REQUIRED HEREUNDER, OR TO EXPEND FUNDS BEYOND THE AMOUNT PROVIDED FOR IN THE THEN CURRENT FISCAL YEAR. In the event that this provision conflicts with any other provision in the Agreement, this provision shall prevail.
15. Miscellaneous Provisions.
 - a. Paragraph Headings. The headings in this Contract are inserted for convenience and identification only and are in no way intended to describe, interpret, define or limit the scope, extent or intent of this Contract or any of the provisions of the Contract.
 - b. Provisions Severable. Every provision of this Contract is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of the Contract.
 - c. Rights and Remedies are Cumulative. The rights and remedies provided by this Contract are cumulative and the use of any one right or remedy by any party shall not preclude nor waive its rights to use any or all other remedies. Any rights provided to the parties under this Contract are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise.

SUN VALLEY
AIR SERVICE BOARD

- d. Successor and Assigns. This Contract and the terms and provisions hereof shall inure to the benefit of and be binding upon the heirs, personal representatives, successors and assigns of the parties hereto.
- e. Entire Contract. This Contract contains the entire agreement between the parties respecting the matters herein set forth and supersedes all prior agreements between the parties hereto respecting such matters.
- f. Governing Law. This Contract shall be construed in accordance with the laws of the State of Idaho.
- g. Preparation of Contract. No presumption shall exist in favor of or against any party to this Contract as a result of the drafting and preparation of the document.
- h. No Waiver. No waiver of any breach by either party of the terms of this Contract shall be deemed a waiver of any subsequent breach of the Contract.
- i. Amendment. No amendment of this Contract shall be effective unless the amendment is in writing, signed by each of the parties.
- j. Notices. Notices hereunder shall be by personal delivery or US Mail Certified/Return Receipt and shall be deemed effective upon such personal delivery or two (2) business days after mailing, whichever is later. Notices shall be provided as follows:
 - a. ASB: P.O. Box 3801, Ketchum, Idaho 83340
 - b. SVMA: P.O. Box 4934, Ketchum, Idaho 83340
- k. Fiscal Year. For the purpose of this Contract, the fiscal year is considered a government fiscal year between October 1 and September 30 of the following year.
- l. No Third Party Beneficiaries. This Agreement shall not create any rights or interest in any third parties.

**SUN VALLEY
AIR SERVICE BOARD**

IN WITNESS WHEREOF, the parties hereto have executed this Contract as of the date first set forth above.

Signatures:

Dated: <u>12/7/15</u>	The Sun Valley Air Services Board, An Idaho Joint Powers Authority By: <u>[Signature]</u> Its: <u>Chairman ASB</u>
Dated: <u>12/21/15</u>	SVMA, an Idaho Non-Profit Corporation By: <u>[Signature]</u> Its: President

EXHIBIT A



SCOPE OF WORK

Mission

To raise awareness of Sun Valley and increase visitor traffic from our target markets.

Organizational Structure

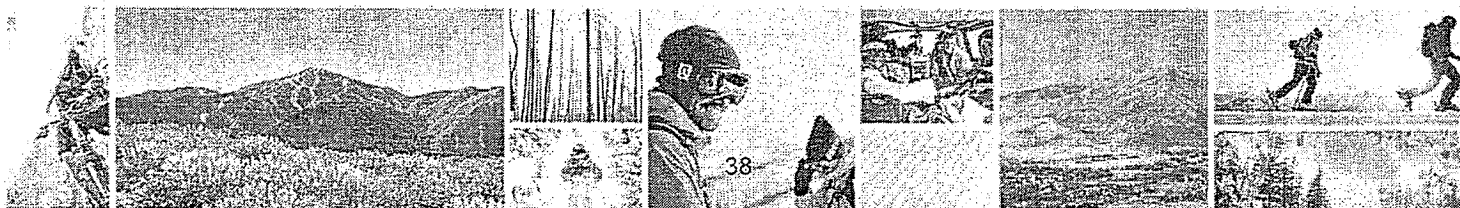
Sun Valley Marketing Alliance, Inc. DBA Visit Sun Valley is an Idaho non-profit 501c(6) corporation. The board of directors is made up of 5 directors representing the City of Ketchum, the City of Sun Valley, the Sun Valley Resort, an at-large director, and a member-elected director. There are 3 staff members plus part-time visitor center agents.

SPECIFIC SCOPE OF WORK FOR AIR SERVICE BOARD

Visit Sun Valley's core funding covers all base functions including overhead and staff. Therefore, the incremental funds from the new 1% will be put directly into external marketing for the air service markets as detailed below. The bulk of the funds will be allocated directly to incremental advertising (shown in bold below) since the core budget also contributes to the activities listed below (such as social media, website, photography and video).

Winter 2015/16 and Summer 2016 Campaigns

- Creative briefs developed outlining goals and objectives for the campaigns
- Creative strategy confirmed as per the above brief
- Campaign assets (photography, video) developed in support of the campaign
- Digital, print and out-of-home (if applicable) ads will be developed
- Media buys will be planned, negotiated, developed, executed and monitored for each target market (Seattle, Los Angeles, San Francisco, Denver, New York and Chicago) for Winter 2015/2016 and Summer 2016
- PR efforts in support of the direct air service in each of these market
- Monitoring and tracking of digital advertising buy; adjusting messaging and creative as required throughout the season to optimize results
- Managing the area website to increase visitation and maximize conversion (bookings via the website or directly with key partners)
- Leveraging current partners to extend media reach through advertising, PR and Social Media (including the Sun Valley Resort and the Idaho Travel Council).
- Maximizing the use of Social Media in support of the new flights via our existing social media properties
- Tracking and reporting results





Key Performance Indicators

Visit Sun Valley will report on the following metrics as indicators of success:

- Changes in local option tax
- Total enplanements
- Occupancy and room nights sold for Ketchum, Sun Valley and Hailey
- Website Visits by target market
- Advertising effectiveness (as measured by click-through rates, conversion and total reach)

Appendix A:

General Scope of Work (not specific to ASB contract, but essential to the overall marketing for the area)

Visit Sun Valley currently has a contract for services with the City of Sun Valley and the City of Ketchum to undertake the strategic marketing for the area. Funding is also received from the Idaho Travel Council and the membership. The overall scope of work includes:

- **Strategic Marketing:** Strategic Marketing includes advertising, public relations, social media, partnerships and promotions. All of the marketing efforts drive to the official website for the area, www.visitsunvalley.com.
- **Research:** Visit Sun Valley manages the area's occupancy reporting, maintains a visitor volume estimation model, and undertakes primary research in key target markets.
- **Membership:** Visit Sun Valley represents approximately 360 member businesses in Ketchum, Sun Valley, Hailey, and the surrounding areas.
- **Visitor Services:** Visit Sun Valley manages the Visitor Information Center and provides in-person assistance to visitors 365 days per year. Visit Sun Valley also responds to visitor queries via Live Chat and Contact Us forms and manages the website and mobile site for the area.



**Exhibit B
FYE 2020 PAYMENT SCHEDULE**

1% LOT Generated	1% LOT Received	Communities'			Air Service Board Administrative Expenses	Interest & Fund Balance Applied	Funds Available for Contracts	Fly SV Alliance		SVMMA	
		Direct Costs	from Communities	Expenses				Contract Expenses	Contract Expenses	Contract Expenses	% of Available Funds
		Sun Valley	Ketchum	Hailey	TOTAL						
Oct-19	Dec-19	\$50,971	\$135,462	\$4,667	\$191,100	\$6,411	\$184,689	\$250,065	\$100,026	\$150,039	60%
Nov-19	Jan-20	\$26,466	\$127,152	\$4,667	\$158,285	\$6,411	\$151,873	\$181,664	\$72,665	\$108,998	60%
Dec-19	Feb-20	\$46,012	\$299,433	\$7,667	\$353,112	\$6,558	\$346,554	\$151,798	\$60,719	\$91,079	60%
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May-20	Jul-20	\$28,467	\$116,641	\$3,067	\$148,175	\$6,333	\$141,841	\$136,447	\$68,223	\$68,223	50%
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Sep-20	Nov-20	\$31,391	\$199,967	\$9,833	\$241,192	\$6,665	\$234,527	\$369,529	\$184,764	\$184,764	50%
		\$672,667	\$2,228,861	\$101,000	\$3,002,529	\$79,143	\$2,923,386	\$235,351	\$102,062	\$133,289	40%
								\$3,170,000	\$1,400,000	\$1,770,000	56%
										\$3,170,000	

Admin Direct Costs \$7,918 \$66,276 \$4,949
 Net Rev Budget \$664,749 \$2,162,585 \$96,051

FSA - \$1,400,000
 SVMMA - \$1,770,000
 Contracts TOTAL: \$3,170,000

EXHIBIT C
SUN VALLEY AIR SERVICE BOARD
FY 2020 ADOPTED BUDGET

	<u>FY 2017 ACTUAL</u>	<u>FY 2017 ACTUAL</u>	<u>FY 2019 ADOPTED BUDGET</u>	<u>FY 2019 ESTIMATED ACTUAL</u>	<u>FY 2020 PROPOSED BUDGET</u>	<u>+/- FY 2019/2020</u>	<u>% CHANGE FY 2019/2020</u>
REVENUES							
CITY OF HAILEY 1% LOCAL OPTION TAX	93,147	92,967	93,312	103,599	96,051	2,739	2.9%
CITY OF KETCHUM 1% LOCAL OPTION TAX	1,980,091	2,077,226	2,066,715	2,150,387	2,155,589	88,874	4.3%
CITY OF SUN VALLEY 1% LOCAL OPTION TAX	602,844	678,200	625,829	672,667	645,707	19,878	3.2%
INTEREST EARNINGS	687	1,314	500	1,300	1,000	500	100.0%
FUND BALANCE APPLIED	0	0	207,994	65,411	276,103	68,109	32.7%
TOTAL REVENUE	2,676,769	2,849,707	2,994,350	2,993,364	3,174,450	180,100	6.0%
EXPENDITURES							
CONTRACTS FOR SERVICES	3,005,750	2,568,849	2,990,000	2,990,000	3,170,000	180,000	6.0%
OFFICE SUPPLIES/POSTAGE	54	80	300	200	300	0	0.0%
ADVERTISING/PUBLIC NOTICES/WEBSITE	338	240	600	350	600	0	0.0%
AUDIT	995	1,100	1,100	1,100	1,100	0	0.0%
ATTORNEY FEES	0	1,225	1,000	365	1,000	0	0.0%
INSURANCE	1,201	1,349	1,350	1,349	1,450	100	7.4%
TRANSFER TO FUND BALANCE	0	0	0	0	0	0	n/a
TOTAL EXPENDITURES	3,008,338	2,572,843	2,994,350	2,993,364	3,174,450	180,100	6.0%
BEGINNING FUND BALANCE	446,347	114,778		391,642	326,231		
ENDING FUND BALANCE	114,778	391,642		326,231	50,128		



Policy Year

2019-2020

PUBLIC ENTITY
Multi-Lines Insurance
Policy

Issued for:

Sun Valley Air Service Board

Issued by:

Idaho Counties Risk Management Program

3100 Vista Avenue, Suite 300, Boise, ID 83705

Phone: (208) 336-3100 ~ Fax: (208) 336-2100

SUMMARY OF ICRMP PUBLIC ENTITY POLICY CHANGES
October 1, 2019 through September 30, 2020

A. SECTION II, GENERAL DEFINITIONS

Item 1: A. (5.) *Covered Property* – CLARIFY

We adopted the definition from standardized commercial property insurance.

Item 2: A. (9.) *Employment Sexual Harassment* – CLARIFY

We adopted the definition from standardized commercial general liability insurance.

Item 3: A. (15.) *Mobile Equipment* – CLARIFY

We adopted the definition from standardized commercial property insurance.

Item 4: A. (23.) *Suit* – CLARIFY

We adopted the definition from standardized Insurance Services Organization language.

Item 5: A. (24.) *Terrorism* – CLARIFY

We adopted the definition from standardized commercial property insurance.

Item 6: A. (25.) *Unmanned Aircraft System* – CLARIFY

We adopted the definition from standardized commercial property insurance and changed the term from *Drone* to *Unmanned Aircraft System*.

B. SECTION III, GENERAL CONDITIONS

Item 1: A. (6.) *Deductibles* – CLARIFY

We adopted the language from standardized commercial property insurance.

Item 2: A. (14.) *Multiple Insureds, Claims, Suits or Claimants* – CLARIFY

We adopted the language from standardized commercial insurance.

Item 3: A. (17.) *Non-Stacking of Limits* – CLARIFY

Because we provide a policy that incorporates many lines of liability coverages and property coverages, we have clarified how each section will apply in all given claim situations.

Item 4: A. (19.) *Other Insurance* – CLARIFY

We adopted the language from standardized commercial insurance.

Item 5: A. (20.) *Policy Modification* – CLARIFY

We adopted the language from standardized commercial insurance.

Item 6: A. (23.) *Subrogation/Recovery/Right of Reimbursement* – CLARIFY

We adopted the language from standardized commercial insurance.

C. SECTION IV, GENERAL EXCLUSIONS

Item 1: A. (8.) *Cyber Liability* – CLARIFY

We adopted the language from standardized commercial insurance.

Item 2: A. (27.) *Terrorism* – CLARIFY

We adopted the language from standardized commercial insurance.

D. SECTION V, PROPERTY INSURANCE

Item 1: New sub-limit – *Claim Preparation Fees & Expenses* - BROADEN

Added a new sub-limit coverage to reimburse for claim preparation fees and expenses payable to your accountants, architects, auditors, engineers, or other professionals for producing and certifying any particulars or details contained in your books or documents. Claim preparation fees and expenses are limited to a maximum of \$100,000 per occurrence.

Item 2: New sub-limit – *Debris Removal* - CLARIFY

Added a sub-limit to existing debris removal coverage of \$2,500,000. Debris removal expenses are limited to a \$2,500,000 or 25% of the loss, whichever is greater.

Item 3: New sub-limit – *Operational Disruption New Sub-Limits* - BROADEN

Added the following new sub-limits and coverages for losses related to Operational Disruption coverage related to a property loss.

- Extra Expense as detailed in the specific condition and costs are limited to a maximum of \$1,000,000 per occurrence.
- Expediting Expense as detailed in the specific condition and costs are limited to a maximum of \$500,000 per occurrence.

- Leasehold Interest as detailed in the specific condition and costs are limited to a maximum of \$1,000,000 per occurrence.

Item 4: Increased Limit –*Property in Course of Construction* - BROADEN

Increased per occurrence limit to \$5,000,000.

Item 5: Removed sub-limit –*Terrorism* - BROADEN

Terrorism is no longer a separate endorsement that limited coverage to \$50,000,000 per occurrence and in the aggregate for all members combined. It is now a covered peril in Section V Property and has the same limit as any other covered peril and is subject to the policy's per occurrence limit for all members combined of \$200,000,000.

Item 6: Definition B. (1.) –*Actual Cash Value* - CLARIFY

Adopted standard Insurance Services Office definition.

Item 7: Definition B. (3.) –*Earthquake* - CLARIFY

Added a definition to clarify the meaning.

Item 8: Definition B. (4.) –*Earth Movement* - CLARIFY

Amended the definition to clarify the meaning. It also now includes a 168-hour period of time to condense all loss related to one occurrence/earth movement.

Item 9: Definition B. (6.) –*Fine Arts* - CLARIFY

Added a definition to clarify the meaning.

Item 10: Definition B. (7.) –*Flood* - CLARIFY

Amended the definition to clarify the meaning. It also now includes a 168-hour period of time to condense all loss related to one occurrence/flood.

Item 11: Definition B. (8.) –*Flood Insurance Rate Map* - CLARIFY

Added a definition to clarify the meaning inside flood coverage.

Item 12: Definition B. (9.) –*Normal* - CLARIFY

Added a definition to clarify the meaning referenced in this section.

Item 13: Definition B. (15.) –*Special Flood Hazard Area* - CLARIFY

Added a definition to clarify the meaning inside flood coverage.

Item 14: Definition B. (16.) –*Vacant or Unoccupied Property* - CLARIFY

Added a definition to clarify the meaning of vacant and/or unoccupied property.

Item 15: Definition B. (17.) –*Valuable Papers and Records* - CLARIFY

Added a definition to clarify the meaning referenced in this section.

Item 16: Specific Condition C. (1.) –*Additional Coverages* - CLARIFY

Made clear that several newly added sub-limits are in addition to building values as stated on the schedule of values.

Item 17: Specific Condition C. (2.) –*Appraisal* - CLARIFY

Amended to clarify the steps involved during the appraisal process to determine the value of a covered loss.

Item 18: Specific Condition C. (5.) –*Claim Preparation Fees and Expenses* - BROADEN

Added a new sub-limit of \$100,000 per occurrence to help an insured pay for fees related to certifying details of claims as listed in the condition.

Item 19: Specific Condition C. (7.) –*Deductibles* - CLARIFY

Since a new definition for deductibles was added in General Definitions, this condition expands on how each type of deductible is triggered by the peril named. Additionally, we amended the language surrounding Flood Type 1 and Flood Type 2 to match language found in the National Flood Insurance Program.

Item 20: Specific Condition C. (9.) –*Increased Cost of Construction* - CLARIFY

Adopted industry standard language surrounding this additional coverage sub-limit.

Item 21: Specific Condition C. (12.) –*Operation Disruption Expense* - CLARIFY

Added these new sub-limits under the operational disruption expense condition.

- Extra Expense as detailed in the specific condition and costs are limited to a maximum of \$1,000,000 per occurrence.
- Expediting Expense as detailed in the specific condition and costs are limited to a maximum of \$500,000 per occurrence.

- Leasehold Interest as detailed in the specific condition and costs are limited to a maximum of \$1,000,000 per occurrence.

Item 22: Specific Condition C. (15.) –Property in Course of Construction - BROADEN

Increased sub-limit from \$2,000,000 to \$5,000,000

Item 23: Specific Condition C. (17.) –Protection & Preservation of Property - CLARIFY

Adopted industry standard language surrounding this additional coverage sub-limit.

Item 24: Specific Condition C. (18.) –Schedule of Values - CLARIFY

Clarified intent of property items that required listing on the schedule of values.

Item 25: Specific Condition C. (21.) –Valuation of Loss - CLARIFY

Adopted our reinsurance vendor's valuation of loss which is a standard property insurance valuation clause found in commercial insurance policies. As such, this new language clarifies and details how each type of property will be valued.

E. SECTION VI, CRIME INSURANCE

Item 1: New limit of indemnification –Employee Dishonesty, Loss Inside Premises & Loss Outside Premises - REDUCTION

Lowered limit of indemnification for all insuring agreements within the Crime Insurance Section based on net operating budget. Tiered limits based on budget are: \$100,000, \$250,000 or \$500,000. Additionally, the limits of indemnification include an aggregate for all claims annually. Finally, the deductible for crime losses has been increased and based on the limits provided. Tiered deductibles based on limits are: \$2,500 or \$5,000.

Item 2: New Definition –Social Engineering Financial Fraud - CLARIFY

Added definition to clarify an exclusion.

Item 3: New Definition –Social Engineering Financial Fraud Loss - CLARIFY

Added definition to clarify an exclusion.

Item 4: New Exclusion –Social Engineering Financial Fraud - REDUCTION

Added exclusion to remove social engineering financial fraud losses from the Crime coverage section. Sub-limited coverage with per occurrence limit of \$100,000 has been added to the Cyber Liability endorsement to provide coverage for this type of loss. There has also been

language added to define that a specific sequence of events must be relied upon in responding to a request for electronic transfers of money before a loss will be covered.

F. SECTION VII, AUTOMOBILE LIABILITY INSURANCE

Item 1: Exclusion D. 1 (k.) – *Sexual Molestation* - REDUCTION

Added exclusion to clearly state than any claims of sexual molestation are not covered in this section.

Item 2: Exclusion D. 1 (l.) – *Unmanned Aircraft System* - REDUCTION

Added exclusion to clearly state than drones are not covered in this section while doing any of the exclusions listed.

G. SECTION VII, GENERAL LIABILITY INSURANCE

Item 1: Insuring Agreement 1 (a.) – *Garagekeeper's Liability* - CLARIFY

Moved this liability coverage from the conditions section to part of the insuring agreement for clarity.

Item 2: Insuring Agreement 1 (b.) – *Fire Suppression Liability* - CLARIFY

Moved this liability coverage from the conditions section to part of the insuring agreement for clarity.

Item 3: Insuring Agreement 1 (c.) – *Hostile Fire Liability* - CLARIFY

Moved this liability coverage from the conditions section to part of the insuring agreement for clarity.

Item 4: Insuring Agreement 1 (d.) – *Host/Liquor Liability* - CLARIFY

Moved this liability coverage from the conditions section to part of the insuring agreement for clarity.

Item 5: Insuring Agreement 1 (e.) – *Sewer Back-up Claims* - CLARIFY

Moved this liability coverage from the conditions section to part of the insuring agreement for clarity.

Item 6: Insuring Agreement 1 (f.) – *Incidental Medical Liability* - CLARIFY

Moved this liability coverage from the conditions section to part of the insuring agreement for clarity.

Item 7: Exclusion D. 1 (i.) – *Sexual Molestation* - REDUCTION

Added exclusion to clearly state than any claims of sexual molestation are not covered in this section.

H. SECTION IX, LAW ENFORCEMENT LIABILITY INSURANCE

Item 1: Insuring Agreement A (1.) – *Law Enforcement Liability* - CLARIFY

Added text to clarify that a series of related wrongful acts by an insured which have as a common nexus any fact, circumstance, situation, event transaction or series of facts, circumstances, situations, events or transactions is considered one claim.

Item 2: Exclusion D. 1 (f.) – *Sexual Molestation* - REDUCTION

Added exclusion to clearly state than any claims of sexual molestation are not covered in this section.

I. SECTION X, ERRORS & OMISSIONS INSURANCE

Item 1: Insuring Agreement A (1.) – *Errors & Omissions* - CLARIFY

Added text to clarify that a series of related wrongful acts by an insured which have as a common nexus any fact, circumstance, situation, event transaction or series of facts, circumstances, situations, events or transactions is considered one claim.

Item 2: Exclusion D. 1 (h.) – *Unmanned Aircraft System* - REDUCTION

Added exclusion to clearly state than drones are not covered in this section while doing any of the exclusions listed.

Item 3: Exclusion D. 1 (i.) – *Sexual Molestation* - REDUCTION

Added exclusion to clearly state than any claims of sexual molestation are not covered in this section.

J. SECTION XI, EMPLOYEE BENEFIT PROGRAM LIABILITY INSURANCE

Item 1: Insuring Agreement A (1.) – *Employee Benefit Program Liability* - CLARIFY

Added text to clarify that a series of related wrongful acts by an insured which have as a common nexus any fact, circumstance, situation, event transaction or series of facts, circumstances, situations, events or transactions is considered one claim.

Item 2: Exclusion D. 1 (e.) – *Sexual Molestation* - REDUCTION

Added exclusion to clearly state than any claims of sexual molestation are not covered in this section.

K. SECTION XII, EMPLOYMENT PRACTICES LIABILITY INSURANCE

Item 1: Insuring Agreement A (1.) – *Employment Practices Liability* - CLARIFY

Added text to clarify that a series of related wrongful acts by an insured which have as a common nexus any fact, circumstance, situation, event transaction or series of facts, circumstances, situations, events or transactions is considered one claim.

Item 2: Exclusion D. 1 (e.) – *Sexual Molestation* - REDUCTION

Added exclusion to clearly state than any claims of sexual molestation are not covered in this section.

L. SECTION XIII, SEXUAL MOLESTATION OR SEXUAL ABUSE LIABILITY INSURANCE

Item 1: Insuring Agreement A (1.) – *Sexual Molestation or Sexual Abuse Liability* - CLARIFY

Clarified text to simplify that all sexual molestation or sexual abuse bodily injury claims or related sexual molestation or sexual abuse bodily injury claims will be deemed one claim per the text as written. In addition, we clarified that the absolute first sexual molestation or sexual abuse occurrence must be on or after the retroactive date listed on the declarations pages.

Item 2: Definition B (4.) – *Related Sexual Molestation or Sexual Abuse Bodily Injury Liability* - CLARIFY

Added definition to clarify meaning within the insuring agreement.

Item 3: Definition B (5.) – *Sexual Molestation or Sexual Abuse* - CLARIFY

Added definition to clarify meaning within the insuring agreement.

M. SECTION XIV, CHEMICAL SPRAYING ACTIVITIES LIABILITY INSURANCE

Item 1: Exclusion D (4.) – *Sexual Molestation* - REDUCTION

Added exclusion to clearly state than any claims of sexual molestation are not covered in this section.

N. SECTION XV, ENDORSEMENTS

Item 1: #2 Cyber & Technology Liability Endorsement. – BROADEN

Added text to clearly state than any occurrence must first commence and be sustained on or after the retroactive date as listed in the declaration's pages.

Added several new coverages and correlated sub-limits to the First Party coverages as listed.

- Business Income up to \$1,000,000
- Extra Expense up to \$1,000,000
- Dependent Business Interruption – System Failure up to \$500,000
- System Failure Loss of Business Income up to \$500,000
- System Failure Extra Expense up to \$500,000
- Social Engineering Financial Fraud up to \$100,000

Added a \$10,000,000 aggregate annual limit for all members combined for all losses related to this endorsement.

Item 2: #6 Equipment Breakdown Endorsement. – CLARIFY

Moved the Machinery Breakdown section to an Endorsement to Section V Property and renamed it Equipment Breakdown. It is no longer a standalone coverage, but dependent on the property section. Coverages, definitions, conditions, exclusions and limits are as stated.

Item 3: #7 Attorney Consultation Reimbursement Amendatory Endorsement. – CLARIFY

ICRMP has always provided its members with pre-litigation risk management legal advice regarding employment terminations and disciplinary action in order to mitigate liability losses related to those activities. This endorsement formalizes the process and that members can seek reimbursement of such activities, up to the limits stated, if they choose to utilize attorneys other than ICRMP's pre-litigation risk management legal advice.



**JOINT POWERS SUBSCRIBER
AGREEMENT**

**APPROVED BY BOARD OF TRUSTEES
FOR USE AFTER JULY 19, 2017**

JOINT POWERS SUBSCRIBER AGREEMENT

Idaho Counties Risk Management Program, Underwriters

THIS AGREEMENT is entered into pursuant to the provisions of Idaho Code, Sections 67-2326 through 67-2333, relating to the joint exercise of powers among political subdivisions of the State of Idaho, by political subdivisions of the state of Idaho as defined by the Idaho Tort Claims Act, as subscribers to counterparts of this Agreement, for the purpose of operating a separate legal entity to be known and designated as the Idaho Counties Risk Management Program, Underwriters, hereinafter referred to as "ICRMP". At the time of making of this Agreement, ICRMP is considered by the Idaho Department of Insurance to be a reciprocal insurer organized pursuant to provisions of Idaho Code, Title 41, Chapter 29.

It is AGREED among the MEMBERS of ICRMP all of which have accepted this Agreement or to a prior counterpart, that by virtue of accepting the terms of this version of the Joint Powers Subscriber Agreement, by approving a prior counterpart and subsequently renewing participation after changes to a prior counterpart have been implemented by the Board of Trustees or by paying a Member contribution as billed, as follows:

WHEREAS, POLITICAL SUBDIVISIONS of the State of Idaho have the authority to purchase liability insurance for themselves and their employees pursuant to Idaho Code §6-923 and to contract for property and other insurance coverage as they deem necessary or proper pursuant to Idaho Code §67-2328; and

WHEREAS, it is to the mutual benefit of POLITICAL SUBDIVISIONS to join together to establish the legal entity created by this Joint Powers Agreement (JPA) to accomplish the purposes hereinafter set forth; and

WHEREAS, the MEMBERS have determined that there is a need for POLITICAL SUBDIVISIONS to jointly create an insurance and risk management program; and

WHEREAS, the laws of the State of Idaho authorize the formation of what has been classified as a reciprocal insurer by POLITICAL SUBDIVISIONS without abrogating any privileges or immunities accorded to them by law;

NOW, THEREFORE, BE IT AGREED, in consideration of the mutual advantages, obligations and benefits to each POLITICAL SUBDIVISION and the mutual covenants herein contained, the MEMBERS of ICRMP, with the consent and concurrence of the subscribing POLITICAL SUBDIVISION, agree as follows:

ARTICLE I. DEFINITIONS.

As used in this Agreement, the following terms shall have the respective meanings hereinafter set forth:

- (1) **ICRMP (PROGRAM).** The Idaho Counties Risk Management Program, Underwriters, a pooled insurance and risk management program established pursuant to the statutes of this state by this Joint Powers Subscriber Agreement and licensed as a reciprocal insurer pursuant to Idaho Code Title 41, Chapter 29.
- (2) **BOARD.** The Board of Trustees of ICRMP, which shall serve as the Subscribers' Advisory Committee, as such is required by Idaho Code Title 41, Chapter 29.
- (3) **MEMBERS.** The POLITICAL SUBDIVISIONS, as defined in Section 6-902(2), Idaho Code, which qualify and agree to the terms of this JPA, as such may be revised upon approval by the Board of Trustees from time to time.
- (4) **JOINT POWERS SUBSCRIBER AGREEMENT (JPA).** This Agreement, wherein political subdivisions agree to participate in the insurance and risk management offerings of ICRMP as set forth by the BOARD.

ARTICLE II. ESTABLISHMENT, MAINTENANCE AND PARTICIPATION IN ICRMP.

The Idaho Counties Risk Management Program, Underwriters, a separate Joint Powers Entity, was created through a JPA by numerous counties of the state of Idaho with an initial effective date of November 29, 1985. The JPA has been subsequently amended numerous times during the history of the PROGRAM. This JPA is intended to continue the organization and operation of ICRMP into future years upon the foundation laid by prior joint powers and subscribers' agreements. The public entity named on the concluding page of this JPA, a political subdivision of the State of Idaho, upon approval of payment of an allocated MEMBER contribution will become a MEMBER of the Idaho Counties Risk Management Program, Underwriters (ICRMP) with all rights and duties associated therewith. This Agreement supersedes all prior ICRMP JPAs and will become effective for all MEMBERS on the date identified in the footer of this version of the JPA upon acceptance of the tender of continued participation offered during the annual renewal process. Changes to the JPA are deemed accepted either by express action by the governing board or by renewing participation in the PROGRAM by paying the allocated MEMBER contribution for a succeeding year. The rights and privileges of any withdrawing Member will be governed by the JPA in effect for the final year of any Member's participation.

ARTICLE III. PURPOSES AND DURATION.

- (1) The purposes of ICRMP are to provide an insurance and risk management program and to assist MEMBERS to prevent and reduce losses to MEMBERS' property and injuries or harm to persons or property which might result in claims being made

against MEMBERS, their employees, officers, or agents, whether appointed, employed, elected or serving as recognized volunteers.

- (2) It is the intent of the MEMBERS of ICRMP to create a separate entity of unlimited duration that will administer an insurance and risk management program and use funds contributed by MEMBERS to defend and indemnify, in accordance with this Agreement and the issued policy(ies) of insurance, any ICRMP MEMBER against stated liability or loss, to the limits of the insurance policy issued by or procured through ICRMP. It is also the intent of the MEMBERS to have ICRMP provide continuing stability and availability of needed insurance coverage at reasonable costs and to provide education and training to ICRMP MEMBERS in the interest of meeting the challenges of local governance. All income and assets of ICRMP shall be at all times dedicated to the ultimate benefit of its MEMBERS in matters of risk and insurance, inclusive of services and issues not directly addressed by ICRMP-issued policies.
- (3) It is the intent of the MEMBERS of ICRMP that the PROGRAM serve as a vehicle for cooperative undertakings for all program MEMBERS, or selected groups thereof, to share the costs of certain required or desired insurance or risk-related obligations which the MEMBERS desire to study or implement. In implementation of any such programs, the participating MEMBERS shall bear the allocated costs of carrying out the purposes of the program(s).
- (4) Participation in ICRMP shall be comprised of those POLITICAL SUBDIVISIONS that have approved this Agreement or one of its prior iterations and that have agreed to pay the required MEMBER contributions. MEMBERS agree to the admission of future MEMBERS in accordance with provisions of the JPA and acknowledge that they shall have no right to object to the addition of such MEMBERS provided they are admitted in accordance with the terms hereof. This Agreement shall be automatically renewed, annually or periodically, consistent with BOARD-established policy terms, unless the provisions for withdrawal, expulsion or termination are applied in compliance with the terms of this agreement or adopted BOARD policy. No insurance will be provided unless the allocated MEMBER contribution is paid when due. The BOARD, or the Executive Director, as delegated by the BOARD, is authorized to attach conditions to entry into ICRMP membership or to maintenance of membership in ICRMP in the interest of protecting the shared interests of participating MEMBERS. Such conditions may include contribution surcharges, coverage limitations, reductions of limits or other methods designed to recognize risk exposure or to protect the shared interests of other PROGRAM participants.

ARTICLE IV. MANNER OF FINANCING.

Financial operations of ICRMP shall be committed to the sound discretion of the BOARD with the primary intent being the long-term solvency of the PROGRAM. Financial contributions from MEMBERS shall be determined by the BOARD of ICRMP working through the Executive Director, considering, among other factors, risk exposure, loss experience, net

operating expenditures, property ownership, costs of administering claims, costs of providing risk management services, participation in risk reduction programs, conduct by officials and other appropriate or necessary costs of program administration .

ARTICLE V. NON-WAIVER OF GOVERNMENTAL OR OTHER IMMUNITY.

MEMBERS of ICRMP, by participation in this PROGRAM, do not waive any immunities or limitations of liability provided to political subdivisions or their employees by any law of this state or nation.

ARTICLE VI. ICRMP POWERS AND DUTIES.

The powers of ICRMP to perform and accomplish the purposes set forth above shall, within budgetary limits and procedures set forth in this Agreement and as otherwise established by the BOARD, be to:

- (a) Employ agents, employees and independent contractors.
- (b) Purchase, sell, encumber and lease real property; to incur obligations on behalf of the PROGRAM to the extent permitted by Idaho statutes and the Idaho Constitution; and to purchase, sell, or lease equipment, machinery, and personal property.
- (c) Invest funds as allowed by Idaho statutes.
- (d) Carry out educational and other programs relating to risk management, including the prerogative to offer discounts or credits upon demonstrating compliance with standards for BOARD-approved risk reduction methods or plans.
- (e) Create, collect funds for, and administer an insurance and risk management program.
- (f) Purchase excess insurance and/or reinsurance to supplement the self-insured retention.
- (g) Establish reasonable and necessary loss reduction and prevention recommendation procedures to be followed by the MEMBERS.
- (h) Provide insurance-related services, risk management, loss control, underwriting and claims adjustment or to contract for such services, including the defense and settlement of claims, subject to specific limitations and/or restrictions, which may be imposed and adopted by the BOARD.
- (i) Carry out such other activities as are necessarily implied or required to carry out the purposes of ICRMP specified in Article III of this Agreement, even though such undertakings might not be known at the time of entering into this Agreement, or might not be included within the specific powers enumerated in this Article.
- (j) Sue and be sued.
- (k) Enter into contracts.
- (l) Reimburse BOARD members for reasonable and approved expenses incurred in attending to BOARD responsibilities.
- (m) Provide security, insurance or bonds regarding the official responsibilities of all officers, BOARD members and employees of ICRMP.
- (n) Borrow funds with approval by the BOARD as necessary for current operating purposes, so long as repayment is achieved before the conclusion of the subsequent fiscal year.

- (o) Take appropriate steps to protect pool resources from careless or reckless conduct by ICRMP MEMBERS or by individual public officials of Member entities.
- (p) Establish terms and conditions of initial or continued Membership in the ICRMP Program.

ARTICLE VII. PARTICIPATION.

Any MEMBER of ICRMP shall be permitted to participate in the activities of ICRMP as authorized by this Agreement or pursuant to decisions by the Board of Trustees. MEMBER participation in ICRMP activities concerning the respective rights and responsibilities of any particular MEMBER shall require the approval of the governing board of that MEMBER.

ARTICLE VIII. MEMBERS' RIGHTS AND OBLIGATIONS - DISPUTE RESOLUTION PROCEDURES.

- (1) The individual MEMBERS of ICRMP, acting through their respective governing boards, shall have the right to:
 - (a) Petition the BOARD to be heard regarding any aspect of the PROGRAM operation in accordance with internal dispute resolution procedures approved by the BOARD or as otherwise determined in accordance with procedural guidelines authorized by the BOARD or the Chairman of the BOARD as circumstances warrant.
 - (b) Withdraw from PROGRAM participation at any time authorized by this Agreement. MEMBERS recognize that the PROGRAM is managed for long-term participation and that agreements that support PROGRAM operation are of one-year or longer duration. Consequently, early withdrawal from the PROGRAM during the course of a policy year may be subject to additional financial obligation for the withdrawing MEMBER as determined by the BOARD.
 - (c) After renewing its membership in ICRMP at least once, to nominate, recommend or vote concerning selection of a representative to serve on the BOARD of ICRMP as provided by this JPA.
- (2) The obligations of MEMBERS of ICRMP shall be as follows:
 - (a) To pay promptly all MEMBER contributions to ICRMP at such times and in such amounts as shall be established by the BOARD pursuant to this Agreement. Any delinquent payments may incur interest, penalties or other financial consequences as determined by resolution of the ICRMP Board of Trustees. Insurance coverage and other services will not continue for MEMBERS that are delinquent in payment of contribution amounts according to the terms of this Agreement and any related resolution approved by the Board of Trustees. Notice of termination of coverage or of services, for non-

payment or otherwise, will be provided in writing in compliance with Idaho Department of Insurance requirements.

- (b) To allow the PROGRAM and its agents, officers and employees reasonable access to all premises of the MEMBER and all records, including but not limited to financial and administrative records, as reasonably required for the administration of ICRMP and the effective handling of claims threatened or brought against MEMBERS.
- (c) To cooperate fully with the PROGRAM'S attorneys, claims adjusters and any other agent, employee, or officer of ICRMP in activities relating to the purposes and powers of ICRMP.
- (d) To make good faith efforts to follow the safety, loss reduction and prevention recommendations expressed by the PROGRAM and to cooperate in risk reduction strategies proposed or required by the PROGRAM.
- (e) To report to ICRMP immediately all incidents or occurrences that could reasonably be expected to result in ICRMP being required to consider a claim against the MEMBER, its agents, officers, or employees, or for losses to MEMBER'S property within the scope of coverage undertaken by ICRMP.
- (f) To report to ICRMP as soon as reasonably possible, by way of the public entity's insurance agent or otherwise, in accordance with the issued Policy of Insurance and related guidelines, the addition of new programs, facilities and equipment or the significant reduction or expansion of existing programs, facilities and equipment or other acts that could cause material changes in the MEMBER'S risk of property or liability-related loss exposure.
- (g) To provide ICRMP periodically and consistent with Policy terms, but in no instance less frequently than annually, in accordance with the issued Policy of Insurance, with information on the value of buildings and contents and other real and personal properties. Each MEMBER is obliged to cooperate with the PROGRAM *via* its independent insurance agent.
- (h) To utilize BOARD-approved dispute resolution procedures regarding any contest or disagreement regarding a provision or scope of coverage pursuant to the insurance program/policy or any other aspect of PROGRAM operation, prior to addressing any such disagreement to a state or Federal administrative agency or prior to initiating legal action against ICRMP. MEMBERS expressly agree to follow the internal dispute resolution procedures adopted by the BOARD before contesting administrative determinations, coverage or claims non-payment issues in a court of law or before a regulatory agency. Such procedures require MEMBERS to thoroughly disclose any bases for such disagreement in writing to the BOARD prior to being heard in the process of resolving any such dispute. MEMBER expressly agrees that failure

to exhaust the internal dispute resolution procedures established by the BOARD constitutes a material breach of this JPA. MEMBER further agrees not to initiate legal action against the PROGRAM or initiate contested procedures before any state or Federal regulatory agency regarding any dispute with the PROGRAM until said dispute resolution procedure has reached its conclusion before the BOARD within a reasonable timeframe. MEMBER agrees that ICRMP may enforce this provision by seeking the remedy of specific performance in a court of competent jurisdiction. A MEMBER that pursues a remedy in court or before a regulatory agency agrees to reimburse the PROGRAM its reasonable costs and attorney fees incurred in defense of any such suit or administrative proceeding if the matter has not first been brought to the BOARD pursuant to this dispute resolution procedure. The restrictions contained in this subsection may be waived by mutual agreement of the PROGRAM and the MEMBER.

- (3) The basic elements of the dispute resolution procedure within ICRMP shall include the following:
 - (a) Filing a written statement by the MEMBER stating the specific basis for disagreement with a decision by the Executive Director or BOARD regarding aspects of PROGRAM operation or contribution requirements, provision of coverage or non-payment of a claim for money damages. Such filing shall be followed promptly by a conference with the Executive Director, in person or by telephone, to attempt to resolve the stated differences. The Executive Director shall thereafter respond to the MEMBER in writing not more than ten (10) business days after the conference. Such written response shall set forth the basis of the Executive Director's decision concerning the contested matter. If the matter contested involves a decision originally made by the BOARD, the request for BOARD consideration can be routed directly to the BOARD if the Executive Director lacks authority to revise a BOARD-established policy, practice or result.
 - (b) Following receipt of the Executive Director's written response, MEMBER may appeal the determination of the Executive Director to the BOARD. Any such appeal shall be made in writing setting forth the specific basis for the appeal and the particular reasons for the disagreement with the determination of the Executive Director. When an appeal is received at least fourteen (14) days prior to a BOARD meeting, it will be included on the next BOARD agenda. If an appeal is not received at a time that allows it to be timely placed upon the agenda of the next BOARD meeting, the MEMBER and Executive Director, working in consultation with the Chairman of the BOARD, shall determine whether the matter is of such importance and urgency that it requires the call of a special BOARD meeting or whether it can be addressed at the next regularly scheduled BOARD meeting without irreparably harming the MEMBER. If a MEMBER insists upon the call of a special meeting by

formal action of its governing board, a special meeting of the BOARD shall be called to hear the appeal.

- (c) The BOARD shall hear oral presentations, not in excess of one hour each, by the MEMBER and the Executive Director, or those designated by the Executive Director, should either or both desire. After hearing from both parties, the BOARD shall decide the controversy and shall tender its decision in writing within thirty (30) days. In doing so the BOARD may consult independently, or through the Executive Director, with legal advisers and/or consultants. The decision of the BOARD shall be final, unless reconsideration is requested by the MEMBER and approved for reconsideration by the BOARD. Until a final decision is made pursuant to the procedures set forth in this Article, no MEMBER may initiate or institute legal action against ICRMP or its officers, employees or agents arising out of the performance of this Agreement or the contract of insurance issued pursuant to this Agreement. Nor shall a contested matter be initiated by a MEMBER before a state or federal administrative agency without completing the dispute resolution procedure set forth herein.
- (d) The BOARD reserves the right to vary the foregoing procedures in a mutually agreeable manner, as necessary to accommodate the interests of ICRMP, its MEMBERS, or others with an interest in the just resolution of differences regarding PROGRAM operation.

ARTICLE IX. MEMBER CONTRIBUTIONS.

The BOARD of ICRMP shall institute methods to establish annual or periodic contribution amounts for MEMBERS. The PROGRAM may change contribution amounts charged to any MEMBER from year to year to reflect changes in PROGRAM operating costs, changes in risk resulting from operational changes, changes in property values or ownership, reevaluation of operating risks, MEMBER conduct concerning exposures or risks or refusal to participate in or willful violation of safety or loss prevention programs or for other reasons established by the BOARD. Conversely, the PROGRAM may offer contribution amount discounts for any MEMBER that faithfully participates in loss prevention and safety programs or for other reasons established by the PROGRAM. Each MEMBER'S contribution amount shall be calculated in accordance with rate determination methods approved by the BOARD for any Policy Year, unless additional coverage is requested by the MEMBER. While the BOARD'S rate determination methods must have the objective for each MEMBER'S contribution to not be inadequate, excessive or unfairly discriminatory, relative to the assessable risk of each MEMBER and the PROGRAM, MEMBERS acknowledge that rate-setting involves risk and exposure assumptions which are not purely formulaic and which rely on the professional judgment of the BOARD and BOARD'S advisors. No MEMBER may be further assessed during a Policy Year unless in response to a material change in property or activities not disclosed or addressed at the time of annual renewal. Additional contribution amount may be charged when changes are made to covered property or activities during the course of a year. The PROGRAM reserves the right to condition continued participation by any MEMBER upon

compliance with specific performance requirements, payment of modified deductible amounts and such other measures as the PROGRAM deems necessary or appropriate. The PROGRAM also reserves, in compliance with Article XVIII, the right to discontinue membership or diminish coverage or limits or increase the self-insured responsibility of any MEMBER that does not cooperate with PROGRAM goals, objectives, or requirements or that acts without regard to consequences concerning matters that affect ICRMP and its MEMBERS.

ARTICLE X. BOARD OF TRUSTEES – ELECTION AND REPRESENTATION.

The BOARD of Trustees shall be comprised of nine (9) elected public officials, upon the initial effective date of this iteration of the JPA, six (6) of whom shall be county commissioners and three (3) who shall hold elective office in other POLITICAL SUBDIVISIONS. The electoral/appointive boundaries for designated BOARD members shall be organized as follows:

County District I: Counties of Boundary, Bonner, Kootenai, Benewah and Shoshone.

County District II: Counties of Latah, Clearwater, Nez Perce, Lewis and Idaho.

County District III: Counties of Adams, Valley, Washington, Payette, Gem, Boise, Canyon, Ada, Elmore and Owyhee.

County District IV: Counties of Camas, Blaine, Gooding, Lincoln, Jerome, Minidoka, Twin Falls and Cassia.

County District V: Counties of Bingham, Power, Bannock, Caribou, Oneida, Franklin and Bear Lake.

County District VI: Counties of Lemhi, Custer, Clark, Fremont, Butte, Jefferson, Madison, Teton and Bonneville

Region I: Elected official of a city from within Districts I, II, and III elected by all Member cities in the Region .

Region II: Elected official of a city from within Districts IV, V and VI elected by Member cities in the Region.

Special District Member: Elected official of any MEMBER other than a county or city, selected by a vote of the Board, chosen from nominees submitted by non-county or non-city MEMBERS.

Each member of the BOARD shall be either a commissioner elected from a MEMBER County, an elected official of a MEMBER city or other POLITICAL SUBDIVISION, and shall serve for a period of two (2) years, or until a successor is elected or appointed. Four (4) members of the BOARD (even-numbered County Districts and the Region II seat) shall be elected for two (2) year terms in the final months of odd-numbered years, while another five (5) members of the BOARD (odd-numbered County Districts and the Region I seat plus the Special District Member shall be elected/appointed for two (2) year terms in even-numbered years. For purposes of this Agreement, a "Board Seat" shall be defined as the position on the ICRMP Board of Trustees designated for and occupied by the representative duly elected or appointed from a District, Region or statewide, respectively, as outlined in this Section. The Executive Director shall administer the election process in order to allow election results to be canvassed by the BOARD prior to undertaking official Board business in the succeeding calendar year. The respective boards of county commissioners of each MEMBER county may cast a ballot for their District member of the BOARD; governing boards of cities may vote for regional City

representatives and Special District Member candidates may be nominated by governing boards of Member Special Districts. Valid ballots must be received by ICRMP at a time and place specified by the Executive Director. Each member of the BOARD shall serve from the date of the first BOARD meeting in the year succeeding his election/appointment through the conclusion of his/her term when a succeeding BOARD member is seated or for another term if the BOARD member is re-elected/reappointed.

Article XI. REMOVAL OF BOARD MEMBER

At any time during the course of service of an elected BOARD member such member may be removed by the PROGRAM MEMBERS that elected such BOARD member by either of two (2) means. The first method by which an elected BOARD member's continued service may be submitted to his constituent electors is by receipt of a petition of no confidence approved by the respective governing boards of MEMBER entities equal to at least one-half (1/2) of the number of votes received by the BOARD member when the BOARD member was most recently elected to the BOARD. Any such petition shall succinctly set forth the reasons of misconduct, personal behavior, wrongdoing, failure to exercise diligence or failed representation that justifies a no-confidence/removal election.

The second alternative to refer a BOARD member's continued service to his constituent electors would be a no-confidence declaration by members of the ICRMP BOARD. By majority vote of no confidence, exclusive of the BOARD member in question, the BOARD may choose to submit the question of continued service by an elected BOARD member to the BOARD member's constituent electors, stating in any motion to proceed with such election the express reasons therefor. Any BOARD member appointed to fill the remainder of an elected member's term shall be treated as an elected BOARD member.

In the event of receipt of a qualifying no-confidence petition, or following a no-confidence vote by the ICRMP BOARD, the question to be presented to a BOARD member's constituent electors shall be whether the identified BOARD member should continue to serve on the BOARD. The reasons for no-confidence stated in the petition from dissatisfied MEMBERS or expressed in the motion by BOARD shall be included in election materials sent to constituent electors along with a statement prepared by the BOARD member in response, if supplied by the Board member in a timely manner. Neither message shall exceed three hundred (300) words. Voting in any such election shall be open for at least twenty-one (21) days from the date ballots are first mailed. The Executive Director shall establish a time and date-certain by which all ballots must be received. Votes shall be tallied by the Executive Director or his designee(s). A majority of lawful votes cast shall determine the outcome. If a no-confidence vote results in removal of BOARD member, the seat may be refilled by BOARD appointment until the next election wherein a replacement can be elected to fill a new term or the remainder of the prior term, whichever is applicable.

Any BOARD Member holding an appointive or *ex-officio* non-voting position may be removed by majority vote of the BOARD for reasons of misconduct, personal behavior, wrongdoing or failure to exercise diligence after providing the BOARD Member a written statement of concerns and allowing the BOARD Member an opportunity to be heard by the

BOARD. In the circumstances of such proceedings, a BOARD Member facing possible removal shall be entitled to written notice of the concerns no less than seven (7) calendar days prior to BOARD action and the hearing opportunity for the subject BOARD Member shall be no less than one (1) hour in duration.

ARTICLE XII. POWERS AND DUTIES OF THE BOARD OF TRUSTEES.

The BOARD shall have the following powers and duties to:

- (1) Annually elect a chairman and vice-chairman. Each officer shall serve until his or her successor is elected.
- (2) Admit or expel MEMBERS, or to condition continued participation in the PROGRAM, in accordance with this Agreement.
- (3) Establish procedures for determining contribution amounts and authorizing payment procedures for MEMBERS.
- (4) Establish the insurance and risk management program design.
- (5) Provide for selection of all personnel and contractors necessary for the administration of ICRMP, including the appointment of an Executive Director to supervise the business of the PROGRAM and carry out other functions delegated by the BOARD.
- (6) Establish a schedule for BOARD meetings.
- (7) Exercise all powers of ICRMP, except powers reserved to the MEMBERS.
- (8) Prepare, adopt and oversee ICRMP's budget.
- (9) Receive reports concerning PROGRAM activities and to make reports to the MEMBERS.
- (10) Provide for underwriting, claims and loss control procedures.
- (11) Provide for the investment and disbursement of funds.
- (12) Enact resolutions establishing procedures governing its own conduct and the powers and duties of its officers, not inconsistent with this Agreement and applicable provisions of law.
- (13) Provide to MEMBERS an annual report of operations and financial affairs.
- (14) Form committees and advisory panels; and to provide other services as needed by ICRMP. The BOARD shall determine the method of appointment and terms of members of committees and advisory panels.
- (15) Submit to MEMBERS an amended JPA upon adoption and at the date of periodic renewal, or otherwise, for re-adoption, express acceptance or payment of a member contribution by MEMBERS.
- (16) Dissolve ICRMP when BOARD action is accompanied by a two-thirds (2/3) vote of the entire then-current MEMBERSHIP, provided that a notice of intent to dissolve ICRMP shall be given to the Director of the Department of Insurance of the State of Idaho at least ninety (90) days prior to the proposed effective date. Like notice of such intent shall be provided to all MEMBERS at least thirty (30) days before any such vote regarding dissolution in compliance with title 41, Idaho Code and other applicable statutes. Assets remaining after discharge of its indebtedness and policy obligations, the return of any surplus made as provided in Idaho Code §41-2916, and the return of any unused premium, savings or credits

then standing on subscribers' accounts, shall be distributed to its subscribers who were such within the twelve (12) months prior to the last termination of its certificate of authority, according to such reasonable formula as the director may approve pursuant to Idaho Code §41-2928.

- (17) Appoint or remove appointed or non-voting *ex-officio* members of the BOARD
- (18) Do or delegate all acts necessary and proper for the implementation of this Agreement.

ARTICLE XIII. ESTABLISHMENT OF LOSS PAYING FUND.

The PROGRAM shall endeavor to maintain available funds in amounts the BOARD deems reasonably sufficient to annually provide the resources necessary to fund ICRMP's general and administrative expenses, any reinsurance or excess insurance requirements, to pay the current year's claims and claims expenses and to sustain the financial stability of the PROGRAM, in addition to funds necessary to meet ICRMP's obligation to satisfy the requirements of any regulatory authority.

ARTICLE XIV. SCOPE OF COVERAGE.

- (1) ICRMP shall provide policy protection to each MEMBER as provided in the MEMBER'S policy of insurance. MEMBER acknowledges that the policy of insurance transfers risk of loss from the MEMBER to ICRMP subject to the terms, conditions and exclusions addressed by the policy. MEMBER acknowledges that not all risks are insurable and that any excluded risks are not transferred pursuant to this Agreement.
- (2) In the event that a claim or a series of claims exceeds the amount of coverage provided by the MEMBER's Policy, payment of valid claims shall become the sole and separate obligation of the individual MEMBER or MEMBERS against whom the claim was made and perfected by litigation or settlement. No Subscriber shall be entitled to a contribution from other MEMBERS beyond the annual amount obligated by this Joint Power Subscribers Agreement and the policy of insurance which complements it.

ARTICLE XV. MEETINGS OF THE BOARD OF TRUSTEES.

- (1) The BOARD may set a time and place for meetings in accordance with applicable law. All provisions of law applicable to public meetings shall be observed.
- (2) A majority of seated trustees shall constitute a quorum to do business. All formal acts of the BOARD shall require a majority vote of the trustees present and voting, unless otherwise required by law.
- (3) Because of the distance that separates the Trustees, the BOARD may conduct official business by telephone/video conference call. When a conference call meeting is convened the base of such meeting will normally be the ICRMP Building in Boise,

Idaho. An alternative base meeting location may be designated by the Executive Director when necessary to effectively conduct BOARD business. At the base location a speaker phone shall be provided in order to allow the public to hear the discussion carried on by the BOARD. Executive session and notice provisions of the Open Meeting Law shall apply when appropriate or required.

ARTICLE XVI. LIABILITY OF BOARD OF TRUSTEES OR OFFICERS.

The trustees or officers of ICRMP should use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties hereunder. They shall not be personally liable for any mistake of judgment or other action made, taken or omitted by them in good faith; nor for any action taken or omitted by any agent, employee or independent contractor selected with reasonable care so long as the actions or omissions complained of shall have taken place within the course and scope of their official duties. No trustee shall be personally liable for any action taken or omitted by any other trustee. The assets of ICRMP may be used to defend and indemnify any trustee, officer, agent or employee for actions taken by each such person in good faith within the scope of his or her authority for ICRMP as public officials in the state of Idaho. ICRMP may purchase insurance providing coverage for trustees, officers and employees.

ARTICLE XVII. WITHDRAWAL FROM MEMBERSHIP.

Any MEMBER may withdraw from ICRMP after the MEMBER'S initial one (1) year term by giving notice to the Executive Director, in writing, of its desire to withdraw. Any MEMBER may withdraw from ICRMP within thirty (30) days after the date that the PROGRAM gives notice in writing of an amendment to this Agreement or its accompanying policy of insurance by tendering to the Executive Director written notice of its intent to withdraw. The continuing rights of any withdrawing MEMBER shall be as set forth in the most recent JPA. A voluntarily withdrawing MEMBER shall be deemed to have forfeited any claim of right or equity to any portion of liquidated surplus or to any credit or dividend should any be declared by the Board of Trustees.

ARTICLE XVIII. EXPULSION OF MEMBERS - CONDITIONS OF CONTINUED PARTICIPATION.

- (1) Any MEMBER may be expelled at the initiation of the Executive Director or the BOARD at any time during a policy year for one or more of the following reasons:
 - (a) Failure to make any payments due to ICRMP.
 - (b) Willful failure to undertake or continue loss reduction or loss prevention recommendations by ICRMP.
 - (c) Failure to allow ICRMP reasonable access to all facilities and records of the MEMBER necessary for proper administration of ICRMP.
 - (d) Failure to fully cooperate with ICRMP's attorneys, claim adjusters or other agents, employees, or officers of ICRMP.
 - (e) Failure to carry out any obligation of a MEMBER which impairs the ability of ICRMP to carry out its purpose or powers.

- (f) Exhibiting reckless behavior which causes claims which could have been avoided by prudent or responsible action.
- (2) No MEMBER expulsion shall be effective until at least thirty (30) days after notice from the Executive Director of the alleged failure of performance, however the notice of expulsion from the Executive Director may include exclusions from, or limitations on, coverage related to foreseeable willful actions addressing conduct of the MEMBER. Any such exclusions or limitations shall be effective immediately unless subsequently rescinded by BOARD action or modified by mutual agreement. Notice to a MEMBER shall state whether a cure is believed to be possible. The MEMBER may request, in writing, a hearing before the BOARD, either by telephone or in person, within fourteen (14) days of the notice provided by the Executive Director. MEMBERS must act through their governing board. Notices of expulsion or extraordinary exclusions or limitations of coverage are subject to the Dispute Resolution Procedure set forth in Article VIII. If a decision to expel, exclude or limit is affirmed after hearing, such date of expulsion or limitation shall relate back to the date of initial decision to expel by the Executive Director or the BOARD from which the notice of intent to expel derives. The rights of any expelled MEMBER shall be as set forth in this Agreement or upon such other terms and conditions as the BOARD may negotiate with the expelled MEMBER. Nothing in any policy of insurance shall contravene provisions of this JPA respecting separation from the PROGRAM.
- (3) Any MEMBER separating from ICRMP (withdrawing or expelled) shall not be entitled to any reimbursement of contribution amounts that have been paid unless otherwise required by provisions of applicable law. All claims relating to events occurring after the date of separation from ICRMP shall become the sole responsibility of the separated Subscriber. With respect to any Claims Made coverage provided to a MEMBER, any claims occurring or reported after the date of separation from ICRMP shall become the sole responsibility of the separated MEMBER. Any MEMBER expelled from the PROGRAM by action of the Board of Trustees shall have any entitlement to liquidation value provided pursuant to this JPA reduced by the amount of ultimate net loss that exceeds the MEMBER's contributions for the period of liquidation rights established by the terms of the JPA then in effect. Such entitlement to liquidation value shall be payable only upon actual liquidation of the PROGRAM.
- (4) As an alternative to expulsion the BOARD or Executive Director may, at any time, condition continued participation in the PROGRAM upon compliance with specific terms and conditions established by agreement between the MEMBER and ICRMP. Conditions may include consultation requirements, increased deductible amounts, increased MEMBER contributions, restriction of coverage, diminishment of coverage limits and such other limitations as the BOARD may deem reasonable to protect the resources of ICRMP as allowed by applicable law.

ARTICLE XIX. BINDING CONTRACTUAL OBLIGATION.

This document shall constitute a JPA, a binding contract, among those POLITICAL SUBDIVISIONS that are MEMBERS of ICRMP. The terms of this Agreement may be enforced in court by ICRMP itself or by any of its MEMBERS, as respects its interests, subject to the terms and conditions of applicable laws and this Agreement. The consideration for the duties herewith imposed upon the MEMBERS to take certain actions and to refrain from certain other actions is based upon the mutual promises and agreements of the MEMBERS set forth herein and the Member contributions paid by Members. This Agreement shall be deemed approved by each MEMBER by payment of the required Member contribution or by subsequent renewal pursuant to procedures specified by law, the Executive Director or the BOARD. MEMBER asserts that it has complied with relevant laws and that it waives its ability to object to the binding nature of this Agreement by virtue of informalities in its approval. Except to the extent of the financial contributions to ICRMP agreed to herein, or such additional obligations as may come about through amendments to this Agreement, no MEMBER agrees or contracts herein to be held responsible for any claims in tort or contract made against any other MEMBER. The contracting parties intend in the creation of ICRMP to establish an organization for joint risk management only within the scope herein set out, and have not herein created as between MEMBER and MEMBER any relationship of general surety or indemnitor, nor by participating herein does any MEMBER otherwise assume responsibility for the debts of or claims against any other MEMBER.

ARTICLE XX. DISTRIBUTION OF PROPERTY, FUNDS AND SUPPLIES UPON DISSOLUTION OF ICRMP.

In the event of termination of this JPA such that ICRMP is dissolved, all unused consumable supplies, non-consumable supplies or other property or assets acquired by ICRMP shall be liquidated in a manner permissible by law, and the proceeds of such liquidation shall be disbursed to the then-current MEMBERS at a rate proportionate to each MEMBER'S *pro rata* share of the cumulative Member contributions paid to ICRMP for the most recent five (5) fiscal years. Said determination of net asset distribution shall be made in good faith by the BOARD subject to application of the business judgment rule.

ARTICLE XXI. SEVERABILITY.

In the event that any Article, provision, clause or other part of this Agreement should be held invalid or unenforceable by a court of competent jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability with respect to other Articles, provisions, clauses, applications or occurrences, and this Agreement is expressly declared to be severable.

ARTICLE XXII. POWER OF ATTORNEY - EXPENSES AND DUTIES.

- (1) To the extent required by Idaho Code Title 41, Chapter 29, and not inconsistent with applicable constitutional and statutory obligations and prerogatives, MEMBER hereby appoints Idaho Counties Risk Management Program, Underwriters (ICRMP),

as its Attorney-in-Fact empowered to take all actions and execute all documents which are necessary or appropriate in carrying on the business of insurance through ICRMP on behalf of MEMBER. MEMBER agrees that the BOARD of ICRMP may delegate powers to an Executive Director in accordance with this JPA.

- (2) The Executive Director appointed by the BOARD is hereby empowered by the undersigned to accept service of process on behalf of ICRMP. The Director of the Department of Insurance of the State of Idaho is also authorized to receive service of process in actions against ICRMP upon contracts of insurance provided to Subscribers of ICRMP. Such authorization does not supersede the procedural requirements of this Agreement. The general services to be performed by the Executive Director shall include: (a) issuing, underwriting and servicing policies of insurance; (b) contracting with agents for sale and servicing of policies of insurance; (c) executing treaties of reinsurance or contracts of excess insurance; (d) providing risk management services and administering programs to diminish claims for damages and (e) supervising the investment policy of ICRMP. The Executive Director's obligations and liability shall be limited by the terms and conditions of ICRMP's JPA and by the Idaho Tort Claims Act.
- (3) The general items of expense to be paid by ICRMP shall include, but not be limited to: (a) losses and claims payments; (b) allocable claims expense; (c) governmental charges, license fees, and lawful taxes; (d) expenses incurred in auditing ICRMP's books and records; (e) contribution amount collection costs; (f) BOARD expenses; (g) premiums on reinsurance and excess insurance; (h) fees of investment counsel and direct investment expense; (i) salaries and expenses of officers and employees of ICRMP; (j) disbursement of dividends; (k) special expenses authorized by the Board of Trustees of ICRMP; (l) broker and agent commissions; (m) indemnity insurance premiums; (n) home and branch office expense; and (o) actuarial, auditing, legal, risk management and loss prevention expenses.
- (4) The Power of Attorney conveyed herein shall expire upon termination of all obligations of ICRMP. The policies of insurance issued by ICRMP are conditional upon payment of MEMBER contributions to ICRMP. The liability of each MEMBER for the obligations of ICRMP shall be an individual, several and proportionate liability and not a joint liability. The liability of each MEMBER shall be limited as stated in this JPA provided, however, that in no event shall any MEMBER be required to contribute more than the amount authorized by applicable state statutes and constitutional provisions pursuant to which ICRMP is established.

ARTICLE XXIII. MISCELLANEOUS PROVISIONS - NOTICE.

- (1) The provisions of this Agreement shall be interpreted pursuant to the laws of the State of Idaho.

- (2) The parties hereto consent that courts in the State of Idaho shall have jurisdiction over any dispute arising under this Agreement after exhaustion of the dispute resolution procedures provided for herein. If reasonable attorney fees are incurred in enforcing provisions of this Agreement in a court of law, the prevailing party to such an action shall be entitled to reimbursement of its reasonable attorney fees.
- (3) No waiver of any breach of this Agreement or any provision herein contained shall be deemed a waiver of any preceding or succeeding breach thereof or of any of the other provisions herein contained. No extension of time for performance of any obligation or act shall be deemed an extension of time for performance of any other obligations or acts.
- (4) In the event that any provision of this Agreement is in conflict with or is incompatible with the MEMBER'S Policy issued hereunder, the terms and conditions of the MEMBER'S Policy shall prevail and take precedence.
- (5) This Agreement may be modified or amended by a written proviso authorized by the Board. Provided, however, no such modification shall be effective retroactively, nor as to any insurance contract or coverage issued prior thereto. Said modifications may be made effective during a Policy Year only to comply with applicable laws respecting operation of ICRMP or with express consent of the MEMBER. Changes may be made to the policy of insurance issued by ICRMP at any time during the policy year in accordance with rules or statutes governing the business of insurance within the State of Idaho. If a MEMBER does not accept changes made during a policy year, its sole remedy shall be to cancel future coverage, subject to a proportionate refund of any *pro rata* MEMBER contributions already paid, less equitable commission and administrative charges.
- (6) MEMBER agrees to hold ICRMP, its employees, contractors, and/or legal counsel, harmless and without liability to MEMBER from any claims arising out of loss control or related administrative activities undertaken for Subscriber's benefit. ICRMP assumes no responsibility for the lawful operation of MEMBER'S POLITICAL SUBDIVISION. MEMBER further agrees that communications with attorneys on the ICRMP staff or retained by the PROGRAM to assist a MEMBER to resolve or avoid claims will remain confidential pursuant to the Attorney-Client privilege and that written materials generated as a consequence of such effort to assist MEMBER shall constitute attorney work product. MEMBER further agrees that the employees, contractors and/or legal counsel of ICRMP when acting in a loss control capacity are representing ICRMP, not MEMBERS, and that information obtained in such loss control capacity may be provided to ICRMP in order to carry out the purposes of this JPA.
- (7) All notices required to be given under this Agreement shall be delivered in writing. Notices by a MEMBER to ICRMP shall be sent to ICRMP'S principal place of business. Notices to any MEMBER shall be sent to the MEMBER'S last known address. In the event that any party to this Agreement desires to change its address,

notice of change of address shall be sent to the other party by United States Mail in accordance with the terms and provision of this Article. Each MEMBER of ICRMP whether by initiating membership after October 1, 2013, or by renewing membership after October 1, 2013, hereby authorizes and consents to delivery of documents between itself and ICRMP by electronic means in accordance with provisions of Idaho Code §41-1851 or its successor unless it provides written notice to ICRMP that it declines to accept delivery of documents by electronic means.

- (8) Warranty of Eligibility – Each MEMBER authorizing participation in ICRMP by approval of this Agreement and execution by an authorized official hereby warrants that it is a political subdivision of the state of Idaho as defined by the Idaho Tort Claims Act and thereby eligible to be a MEMBER of ICRMP. By such warranty each MEMBER consents to its immediate separation from ICRMP participation upon discovery that it is not a qualifying political subdivision. Each MEMBER also agrees that it will indemnify ICRMP for any loss ICRMP may suffer by virtue of the inapplicability of privileges and immunities otherwise available to political subdivisions of the state of Idaho by virtue of the mischaracterization of any MEMBER as a qualified Idaho political subdivision.
- (9) Procedural standards established within this JPA shall serve functions frequently fulfilled by organizational by-laws. Other procedural requirements may be established by applicable state law. Additionally, nothing contained in this JPA shall prohibit the ICRMP Board of Trustees from adopting procedural standards or guidelines for the conduct of Board business or from authorizing administrative policies to guide ICRMP's internal affairs.

ARTICLE XXIV. EXECUTION AND ATTEST.

In Witness hereof, this Agreement is executed on the ____ day of _____ 20____, by the undersigned who are duly authorized officer(s) of the Political Subdivision indicated below and by the Idaho Counties Risk Management Program, Underwriters (ICRMP), pursuant to action taken by the Governing Board of the MEMBER on the ____ day of _____ 20____ or by payment of the required member contribution. Such payment of Member contribution, execution upon this Agreement or upon execution of a prior counterpart accompanied by continuing renewal shall constitute agreement by the POLITICAL SUBDIVISION to the terms and conditions of membership in ICRMP until proper written notice of withdrawal is provided or until a MEMBER is expelled as provided herein. An authorized signature or payment of member contribution is required for new membership. Renewal occurs annually by issuance of a policy of insurance and payment of member contribution subject to the terms of the then-current JPA proffered by the ICRMP Board of Trustees in conjunction with insurance policy terms for the succeeding policy year.

POLITICAL SUBDIVISION: _____

By: _____
CHAIRMAN OF THE BOARD, MAYOR, OR OTHER
EXPRESSLY AUTHORIZED OFFICER

Title: _____

Attest/Witness: _____
CLERK OR OTHER AUTHORIZED OFFICER

ACCEPTED FOR THE IDAHO COUNTIES RISK MANAGEMENT
PROGRAM, UNDERWRITERS (ICRMP)

By: _____
EXECUTIVE DIRECTOR

August 19, 2019

TO: Sun Valley Air Service Board

RE: Terrorism Coverage for Policy Year Effective October 1, 2019

Dear Valued ICRMP Member:

Following the events of September 11, 2001, the nation's largest insurers took their case to Congress concerning their ability to withstand the financial consequences of additional terrorist acts that might take place on American soil. As a consequence, Congress enacted the Terrorism Risk Insurance Act (TRIA) that is intended to protect insured property owners by assuring that their property insurers are not overwhelmed by terrorism-driven claims. Local government risk sharing pools generally were excluded from TRIA.


Because ICRMP is regulated under Idaho law as a reciprocal insurer, federal law requires ICRMP to offer complete terrorism property coverage to its Members. In accordance with the Terrorism Risk Insurance Act, as extended on December 26, 2007, we are required to offer you coverage of all of the property we insure that your entity lists on our schedule of values against any "certified act of terrorism". We are providing property coverage by including the peril of terrorism as a cause of loss in Section V-Property of your renewal policy.

This is your *formal notice* as required by Federal Law and disclosure that there is not an additional premium for this coverage. The Terrorism Risk Insurance Act, as extended on December 26, 2007 by the enactment of the Terrorism Risk Insurance Program Reauthorization Act of 2007 (TRIPRA), is a U.S. Treasury Department program under which the federal government would share, with regulated insurance carriers, the risk of loss from terrorist attacks. The Act applies when the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, certifies that an event meets the definition of a "certified act of terrorism". Certified acts of terrorism can also include foreign or domestic acts of terrorism, but they still must be certified as such by the Federal officers listed above.

Sincerely,

Sandy Moser
Underwriting Manager

For Policy Year Effective October 1, 2019



PUBLIC ENTITY MULTI-LINES INSURANCE POLICY DECLARATIONS

ISSUED BY IDAHO COUNTIES RISK MANAGEMENT PROGRAM, UNDERWRITERS

3100 Vista Avenue, Suite 300

Boise, Idaho 83705

(208) 336-3100

Named Insured:	Sun Valley Air Service Board
Address:	PO Box 416 Sun Valley, Idaho 83353
Application Date:	August 1, 2019
Policy Number:	39A15014100119
Policy Period:	From: October 1, 2019 To: October 1, 2020 <i>Both dates above at 12:01 AM</i>
Member Contribution:	\$1,443
<p>NOTICE REGARDING INSURANCE GUARANTY ASSOCIATION</p> <p>As required by Article VIII, Section 4 and Article XII, section 4 of the Idaho Constitution and Idaho Code Section 41-3603(10), the ICRMP Program is not a participant in the Idaho Insurance Guaranty Association. As such, ICRMP Subscribers are not responsible for the costs of private insurer insolvencies, nor are they or claimants against them entitled to any of the protections which participation in the Guaranty Association would provide. This notice is provided in cooperation with the Idaho Insurance Guaranty Association. For additional information concerning this notice, contact ICRMP at 208-336-3100.</p>	

PROPERTY

Section V limit of indemnification is \$200,000,000 per occurrence and this limit is for all property coverages and all limits of indemnification combined for all public entity members collectively.

<i>Insuring Agreements</i>	<i>Limit of Indemnification</i>	<i>Coverage Basis</i>	<i>Deductible</i>
Buildings, Structures & Property, Mobile Equipment and Automobile Physical Damage			
<u>Sublimits:</u>			
Claim Preparation Fees & Expenses	\$100,000	Per covered occurrence.	The first \$1,000 per occurrence is applicable to Section V, Insuring Agreements 1 and 2, excepting flood and earth movement losses. Earth Movement: The first \$25,000 per covered occurrence. *Flood Type 1: The first \$500,000 per building and first \$500,000 per contents per covered occurrence. **Flood Type 2: The first \$25,000 per covered occurrence.
Debris Removal	\$2,500,000 or 25% of loss, whichever greater	Per covered occurrence.	
Earth Movement	\$50,000,000	Per covered occurrence and/or in the Annual Aggregate all Public Education members combined in this policy year.	
Employee/Volunteer Property	\$50,000	Per accident.	
Fine Arts	\$1,000,000	Per covered occurrence and/or in the aggregate for multiple occurrences in this policy year.	
Flood Type 1*	\$5,000,000	Per Covered occurrence and/or in the Annual Aggregate all Public Education members claims combined in this policy year.	
Flood Type 2**	\$50,000,000	Per Covered occurrence and/or in the Annual Aggregate all Public Education members claims combined in this policy year.	
Inadvertently Omitted Items	\$500,000	Per covered occurrence and/or in the aggregate for multiple occurrences in this policy year.	
Increased Cost of Construction	\$10,000,000	Per covered occurrence.	
Landscape Items	\$25,000	Per covered occurrence.	
Newly Acquired Property	\$10,000,000/120 days	Per covered occurrence.	
Operational Disruption Expense	\$4,000,000	Per covered occurrence and includes sublimits as listed under heading.	
• Data Restoration	\$250,000	Per covered occurrence and is included in the \$4,000,000 limit.	
• Extra Expense	\$1,000,000	Per covered occurrence and is included in the \$4,000,000 limit.	
• Expediting Expense	\$500,000	Per covered occurrence and is included in the \$4,000,000 limit.	
• Leasehold Interest	\$1,000,000	Per covered occurrence and is included in the \$4,000,000 limit.	
Professional Fees	\$1,000,000	Per covered occurrence.	
Property in Course of Construction	\$5,000,000	Per covered occurrence.	
Property in Transit	\$1,000,000	Per covered occurrence.	
Protection & Preservation of Property	\$250,000	Per covered occurrence.	
Service Animals	\$25,000	Per covered occurrence.	
Unmanned Aircraft (Drones)	\$50,000	Per covered occurrence.	
Valuable Papers and Records	\$1,000,000	Per covered occurrence.	
• Data Restoration Related to Valuable Papers and Records	\$500,000	Per covered occurrence and/or in the aggregate for multiple occurrences in this policy year.	
Automobiles & Mobile Equipment	\$1,000,000	Per item per covered occurrence and no more than \$10,000,000 in annual aggregate for multiple items per occurrence while not in use.	
Water/Sewer Backup	\$1,000,000	Per covered occurrence.	

----- CRIME INSURANCE -----

Insuring Agreements	Limit of Indemnification	Coverage Basis	Deductible
1. Employee Dishonesty	\$500,000	Per covered occurrence and in the aggregate for all claims annually.	The first \$2,500 of any loss in this section.
2. Loss Inside Premises	\$500,000	Per covered occurrence and in the aggregate for all claims annually.	
3. Loss Outside Premises	\$500,000	Per covered occurrence and in the aggregate for all claims annually.	

----- OCCURRENCE LIABILITY COVERAGES -----

Section and/or Insuring Agreements	Indemnification Limit for Covered Claims Brought Pursuant to Title 6, Ch. 9, Idaho Code	Indemnification Limit for All Other Covered Claims	Defense Cost Limit for Covered Claims	Coverage Basis
AUTO LIABILITY- SECTION VII				
1. Automobile Liability (Accident Outside State of Idaho)	\$500,000	\$3,000,000	\$2,000,000	Per covered accident. Per covered accident.
Automobile Liability (Accident Inside State of Idaho)	\$500,000	\$500,000	Included in above	
2. Automobile Medical Payments	\$5,000 \$100,000	\$5,000 \$100,000	Not Applicable	Each person. Each accident.
3. Uninsured / Underinsured Motorists	\$100,000 \$300,000	\$100,000 \$300,000	Included in above	Each person. Each accident.
GENERAL LIABILITY- SECTION VIII				
1. General Liability	\$500,000	\$3,000,000	\$2,000,000	Per covered occurrence.
<u>Sublimits:</u>				
Sewer Backup	\$500,000	\$500,000	Included in above	Per covered occurrence.
Fire Suppression Liability	\$500,000	\$500,000	Included in above	Per covered occurrence.
LAW ENFORCEMENT LIABILITY- SECTION IX				
1. Law Enforcement Liability	\$500,000	\$3,000,000	\$2,000,000	Per covered occurrence.

**ANNUAL AGGREGATE INDEMNIFICATION LIMIT FOR POLICY PERIOD FOR SECTIONS VII, VIII, IX, X, XI, XII, XIII, XIV, AND XV COMBINED IS \$5,000,000.
ANNUAL AGGREGATE DEFENSE COST LIMIT FOR POLICY PERIOD FOR SECTIONS VII, VIII, IX, X, XI, XII, XIII, XIV, AND XV COMBINED IS \$3,000,000.**

-----CLAIMS MADE LIABILITY COVERAGES-----

<i>Section and/or Insuring Agreements</i>	<i>Indemnification Limit for Covered Claims Brought Pursuant to Title 6, Ch. 9, Idaho Code</i>	<i>Indemnification Limit for All Other Covered Claims</i>	<i>Defense Cost Limit for Covered Claims</i>	<i>Coverage Basis</i>
ERRORS & OMISSIONS LIABILITY – SECTION X <u>CLAIMS MADE COVERAGE</u> Retroactive Date: February 21, 2011 1. <i>Errors & Omissions Liability</i>	\$500,000	\$3,000,000	\$2,000,000	Per covered claim.
EMPLOYEE BENEFITS LIABILITY – SECTION XI <u>CLAIMS MADE COVERAGE</u> Retroactive Date: February 21, 2011 1. <i>Employee Benefits Liability</i>	\$500,000	\$3,000,000	\$2,000,000	Per covered claim.
EMPLOYMENT PRACTICES LIABILITY – SECTION XII <u>CLAIMS MADE COVERAGE</u> Retroactive Date: February 21, 2011 1. <i>Employment Practices Liability</i>	\$500,000	\$3,000,000	\$2,000,000	Per covered claim.
SEXUAL MOLESTATION/SEXUAL ABUSE LIABILITY – SECTION XIII <u>CLAIMS MADE COVERAGE</u> Retroactive Date: February 21, 2013 1. <i>Sexual Molestation/Sexual Abuse Liability</i>	\$500,000	\$3,000,000	\$2,000,000	Per covered claim.
CHEMICAL SPRAYING ACTIVITIES LIABILITY – SECTION XIV <u>CLAIMS MADE COVERAGE</u> Retroactive Date: February 21, 2011 1. <i>Chemical Spraying Activities Liability</i>	\$500,000	\$500,000	\$500,000	Per covered claim and/or in the aggregate for multiple claims.

ANNUAL AGGREGATE INDEMNIFICATION LIMIT FOR POLICY PERIOD FOR SECTIONS VII, VIII, IX, X, XI, XII, XIII, XIV, AND XV COMBINED IS \$5,000,000.
 ANNUAL AGGREGATE DEFENSE COST LIMIT FOR POLICY PERIOD FOR SECTIONS VII, VIII, IX, X, XI, XII, XIII, XIV, AND XV COMBINED IS \$3,000,000.

SECTION XV – ENDORSEMENTS

<i>Insuring Agreements</i>	<i>Limit of Indemnification</i>	<i>Defense Cost Limit</i>	<i>Coverage Basis and/or Aggregate</i>	<i>Deductible</i>
#1 - Accidental Discharge of Pollutants Amendatory Endorsement	\$100,000	Not applicable	Per covered occurrence and/or in the aggregate for multiple claims.	The first \$1,000 of any loss for Endorsement #1.
#2 – Cyber & Technology Liability Amendatory Endorsement CLAIMS MADE COVERAGE Retroactive Date October 1, 2015 Third Party Coverages 1. Media 2. Privacy & Cyber Security 3. Privacy Regulatory Defense, Awards & Fines 4. PCI DSS First Party Coverages 1. Business Income 2. Extra Expense 3. Data Recovery 4. Cyber-Extortion & Ransomware 5. Data Breach Response & Crisis Management 6. Dependent Business Interruption-System Failure 7. System Failure Loss of Business Income 8. System Failure Extra Expense 9. Social Engineering Financial Fraud	\$1,000,000 \$1,000,000 \$1,000,000 \$500,000 \$1,000,000 \$1,000,000 \$1,000,000 \$1,000,000 \$1,000,000 \$500,000 \$500,000 \$500,000 \$100,000	Included in limit of indemnification	Per Covered Claim and \$10,000,000 in the aggregate annually for all ICRMP Members Collectively insured by this Endorsement for multiple claims.	The first \$1,000 of any loss for Endorsement #2.
#3 – Public Land Fire Suppression Amendatory Endorsement	\$500,000	Not applicable	Per covered occurrence and/or in the aggregate for multiple claims subject to annual aggregate.	
#4 - Terrorism Liability Amendatory Endorsement	\$500,000	\$500,000	Per covered occurrence and/or in the aggregate for multiple claims subject to annual aggregate.	
#5 – Asbestos Remediation Amendatory Endorsement	Included in Building Value as listed in Schedule of Values	Not applicable	Per covered occurrence.	The first \$1,000 of any loss for Endorsement # 5.
#6 – Equipment Breakdown Endorsement 1. Spoilage 2. Service Interruption 3. Business Interruption 4. Extra Expense 5. Expediting Expense 6. Hazardous Substance 7. Ammonia Contamination 8. Electronic Data and Media 9. CFC Refrigerants 10. Computer Equipment	\$500,000 \$2,500,000 \$5,000,000 \$1,000,000 \$500,000 \$1,000,000 \$500,000 \$1,000,000 \$100,000 \$5,000,000	Not applicable for endorsement	Per covered occurrence for each limit and sublimit as listed. This endorsement's limit of indemnification is \$100,000,000 per occurrence for all machinery breakdown coverages and all limits of indemnification combined for all public entity members collectively.	The first \$1,000 of any loss for Endorsement #6.
#7 – Attorney Consultation Reimbursement Amendatory Endorsement	\$1,500 \$50,000	Not applicable for endorsement	Per Claim. In the aggregate for multiple claims and subject to annual aggregate.	

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DEFINED TERMS

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SECTION I - GENERAL INSURING AGREEMENT

- A. Unless otherwise stated in a specific subsequent section or endorsement, the following General Insuring Agreements apply to all sections of this policy. Certain provisions in this policy restrict coverage or limit damage amounts. The entire policy should be read carefully to determine **your** rights and duties, and to determine what is and is not covered.
1. Idaho Counties Risk Management Program, Underwriters (ICRMP) agrees with the **named insured** as listed in the declarations pages of this policy made a part hereof, in consideration of the payment of the member contribution and subject to the limits of indemnification, insuring agreements, conditions, exclusions and other terms of this policy, as follows:
 - a. **We** will provide the insurance described in this policy and declarations pages if **you** have paid the member contribution and have complied with all policy provisions and conditions.
 - b. The insurance set forth in this policy is subject to the limits of indemnification as indicated on the declarations pages or as set forth within the policy or any other endorsements issued during this term.
 - c. The liability insuring agreements afforded by this policy responding to covered claims for **damages** brought pursuant to Title 6, Chapter 9, Idaho Code (the Idaho Tort Claims Act) are expressly limited to five hundred thousand dollars (\$500,000) per occurrence. It is the express intent of ICRMP to limit exposure and coverage to the limit of \$500,000 per covered claim, **accident, occurrence, claim** or loss as established by statute. Any reference to liability indemnification amounts in excess of five hundred thousand dollars (\$500,000) contained in this policy shall not apply to claims brought pursuant to the Idaho Tort Claims Act.
 - d. By acceptance of this policy **you** agree that the declarations pages accurately indicate the coverages **you** have purchased.
 - e. All limits of indemnification, including annual aggregate, are as stated in the declarations pages or within the accompanying policy.
 - f. The insurance provided by this policy applies to any covered claim or lawsuit filed and maintained only within the fifty (50) states, including the District of Columbia, of the United States of America.
 - g. In regard to defense of claims or lawsuits, **we** may investigate or settle any covered claim or **suit** against **you**. **We** will provide a defense with counsel of **our** choice, at **our** expense, if **you** are sued for a covered claim. **Our** obligation to defend any claim or **suit** ends when either:
 - (1) The amount of loss or **damages we** pay equals the limit(s) of indemnification afforded as listed in the declarations pages under this policy; or
 - (2) The defense costs incurred by **us** equal the defense costs limit for covered claims afforded under this policy either for an individual claim, or in the aggregate as listed in the declarations pages under this policy.
 2. **Entire Agreement.** This policy, when read in concert with the Joint Powers Subscriber Agreement, embodies the entirety of the agreement existing between **you** and **us** relating to this Insurance. **You** acknowledge that the independent insurance agent responsible for maintaining information about **your** insurance needs has no power to bind ICRMP to provide insurance beyond that expressed in this policy, its endorsements, and its attendant declarations pages.
 3. **Titles.** The titles in this policy are only for reference. The titles do not in any way affect the provisions of this policy.

SECTION II - GENERAL DEFINITIONS

- A. Unless otherwise stated or amended in a specific subsequent section or endorsement, the following definitions are applicable to all sections and endorsements of this policy.
1. **"Accident"** means a sudden, unexpected and unintended event.
 2. **"Aircraft"** means any contrivance used or designed to carry people in flight.
 3. **"Automobile"** means a motorized land vehicle principally licensed and designed for travel on public roads. **Automobile** does not include **mobile equipment**.
 4. **"Bodily Injury"** means physical injury, sickness, disease, shock, fright, mental injury or anguish, emotional distress, or disability sustained by a natural person, including death resulting from any of these. **Bodily Injury** does not include sexual molestation.
 5. **"Covered Property"** means the following as listed on your **schedule of values**:
 - a. Real property, including buildings, remodeling, installations, and construction in which **you** have an insurable interest.
 - b. Personal Property:
 - (1) Owned by **you**, including **your** interest as a tenant in improvements and betterments;
 - (2) Of **your** officers and employees of **your** property; or
 - (3) Of others in **your** custody to the extent **you** are under obligation to keep insured for physical loss or damage insured;
 - c. **Mobile equipment**, towers, **automobiles**, and **unmanned aircraft system** **you** own, rent, or lease.
 6. **"Damages"** means monetary compensation to be awarded through judgment in a court proceeding or through settlement agreed to by **us** to compensate a claimant for harm suffered.
 7. **"Discrimination"** means any actual or alleged:
 - a. Violation of any employment discrimination law; or
 - b. Disparate treatment of, or the failure or refusal to hire a person because he or she is or claims to be a member of a class which is or is alleged to be legally protected.
 8. **"Employee Benefit Program"** means group life insurance, group accident or health insurance, or group dental, vision and hearing plans, retirement, profit sharing, unemployment insurance, or any other benefit provided that no one other than an employee of the **named insured** may subscribe to such insurance or plans and such benefits are made generally available to those employees who satisfy the plan's eligibility requirements.
 9. **"Employment Sexual Harassment"** means any actual, attempted or alleged unwelcome sexual advances, requests for sexual favors or any other verbal or physical conduct of a sexual nature of a person by another person, or persons acting in concert, which causes harm when:
 - a. Submission to or rejection of such unwelcome conduct is made either explicitly or implicitly a condition of a person's employment, or basis for employment decisions affect a person; or
 - b. Such conduct has the purpose or effect of unreasonably interfering with a person's work performance or creates an intimidating, hostile or offensive work environment.

10. "**Employment Harassment**" means any actual or alleged harassment, other than **employment sexual harassment**, which creates a work environment that interferes with job performance, or creates an intimidating, hostile or offensive work environment.
11. "**First Aid**" means the rendering of emergency medical treatment at the time of an accident and only when other licensed medical professional care is not immediately available.
12. "**First Made**" means when **you** first give written notice to **us** that a claim has been made against **you**, but not later than the end of this policy period or any extended reporting period **we** provide. Reports of incidents or circumstances made by **you** to **us** as part of risk management or loss control services shall not be considered notice of a claim.
13. "**Fungi**" means any organism of the plant kingdom Fungi, which lacks chlorophyll and vascular tissue, including but not limited to, yeast, mold, mildew, rust, smut, mushrooms, spores, mycotoxins, or any other substances, odors, or byproducts arising out of the current or past presence of fungi.
14. "**Insured**" means:
 - a. The **Named Insured** and
 - b. Any current or former elected or appointed official serving as a volunteer or employee of the **named insured**, as well as any volunteer or employee of the **named insured** while acting within the scope of their duties as such. This does not include any appointed or elected official or employee who is serving the **named insured** as an independent contractor.
15. "**Mobile Equipment**" means equipment such as earthmovers, tractors, diggers, farm machinery, forklifts, contractors' equipment, medical equipment, etc., that even when self-propelled, are not considered **automobiles** or vehicles.
16. "**Named Insured**" means the public entity identified in the declarations pages of this policy.
17. "**Occurrence**" means an **accident** or a continuous or repeated exposure to conditions which result in **personal injury** or **property damage** during the policy period. All **personal injury** to one or more persons and/or **property damage** arising out of an **accident** or a continuous or repeated exposure to conditions shall be deemed one **occurrence**.
18. "**Personal Injury**" means **bodily injury**, mental anguish, shock, sickness, disease, disability, wrongful eviction, malicious prosecution, humiliation, invasion of rights of privacy, libel, slander or defamation of character, piracy and any infringement of copyright of property, erroneous service of civil papers, assault, battery and disparagement of property.
19. "**Pollutant(s)**" means:
 - a. Those materials that can cause or threaten damage to human health or human welfare or cause or threaten damage, deterioration, loss of value, marketability or loss of use to property;
 - b. Any solid, liquid, gaseous, or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, metals and waste, including debris and trash and materials to be recycled, reconditioned or reclaimed;
 - c. Bacteria, **fungi**, mold, mildew, virus, silica, or hazardous substances as listed in the Federal Water Pollution Control Act, Clean Air Act, Resource Conservation and Recovery Act of 1976, Toxic Substances Control Act or as designated by the U.S. Environmental Protection Agency or any other governing authority.
20. "**Premises**" means any real property or land possessed and controlled by **you** in **your** capacity as a possessor.
21. "**Property Damage**" means physical damage to or destruction of tangible property, including loss of use resulting from such physical damage or destruction.

22. **"Retaliation"** means any actual or alleged wrongful termination or other adverse employment action by any *insured* against a person or persons on account of:
- a. Assistance, testimony or cooperation with a proceeding or investigation regarding alleged violations of law; or
 - b. Exercise or attempted exercise of rights protected by law; or
 - c. Disclosure or threat to disclose to a superior or to any governmental agency alleged violations of the law; or
 - d. Refusal to violate any law.
23. **"Suit"** means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal injury" to which this insurance policy applies are alleged.
24. **"Terrorism"** means an act or series of acts, including the use of force or violence, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s), committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public or any section of the public in fear for such purposes. Terrorism shall also include any act which is verified or recognized by the United States Government as an act of Terrorism.
25. **"Unmanned Aircraft System"** means an unmanned aircraft and the equipment necessary for the safe and efficient operation of that aircraft. An unmanned aircraft is a component of an unmanned aircraft system. An unmanned aircraft is an aircraft that is operated without the possibility of direct human intervention from within the or on the aircraft.
26. **"We", "Us" and "Our"** means Idaho Counties Risk Management Program, Underwriters (ICRMP).
27. **"Wrongful Act"** means the actual or alleged negligent performance of a legal duty or responsibility or failure to perform a legal duty or responsibility, or any error, misstatement, act or omission respectively by *you*, performed in a tortious manner pursuant to the Idaho Tort Claims Act or unlawful violations of civil rights pursuant to Federal law arising out of public office or position. **Wrongful act** is not a **wrongful employment practice act**, as defined elsewhere in this policy.
28. **"Wrongful Employment Practice Act"** means any actual or alleged employment-related act or omission in the form of one or more of the following:
- a. **Discrimination**;
 - b. Employment-related libel, slander, defamation;
 - c. **Employment sexual harassment** or **employment harassment**;
 - d. Negligent hiring, supervision, training or retention.
 - e. **Retaliation**;
 - f. Violation of the Family Medical Leave Act;
 - g. Wrongful discipline, deprivation of career opportunity, or evaluation;
 - h. Wrongful termination.
29. **"You" and "Your"** means the *named insured* identified in the declarations pages of this policy.

SECTION III – GENERAL CONDITIONS

A. Unless otherwise stated in a specific subsequent section or endorsement, the following conditions are applicable to all sections and endorsements of this policy.

1. **Apportionment.** In the event a *suit* alleges a claim which is covered by the terms of this policy and a claim which is not covered by the terms of this policy, *our* obligation for the costs of defense and payment of any award or settlement for *damages* shall be limited to only those sums related to a covered claim.
2. **Assignment.** *Your* interests in this insurance may not be assigned.
3. **Bankruptcy and Insolvency.** In the event of *your* bankruptcy or insolvency or any entity *you* comprise, *we* shall not be relieved of the payment of any claim by *you* or against *you* or the liquidator, receiver or statutory successor of *you* under this policy without diminution because of *your* insolvency provided that *you* have timely paid *your* member contributions.
4. **Cancellation and Nonrenewal.**
 - a. Cancellation.
 - (1) *You* may cancel this policy by mailing or delivering to *us* advance written notice of cancellation. Cancellation will be effective on the later of the date requested by *you* or the date *we* receive the request.
 - (2) *We* may cancel this policy as follows:
 - (a) If this policy has been in effect for sixty (60) days or less, and is not a renewal of a policy *we* issued, *we* may cancel this policy by mailing or delivering to *you* written notice of cancellation at least:
 - (i) Ten (10) days before the effective date of cancellation if *we* cancel for nonpayment of member contribution; or
 - (ii) Thirty (30) days before the effective date of cancellation if *we* cancel for any other reason.
 - (b) If this policy has been in effect for more than sixty (60) days, or is a renewal of a policy *we* issued, *we* may cancel this policy by mailing or delivering to *you* written notice of cancellation to *you* at least:
 - (i) Ten (10) days before the effective date of cancellation if *we* cancel for nonpayment of member contribution; or
 - (ii) Thirty (30) days before the effective date of cancellation if *we* cancel for one or more of the following reasons:
 1. Nonpayment of member contribution;
 2. Fraud or material misrepresentation made by *you* or with *your* knowledge in obtaining a policy, continuing the policy or in presenting a claim under the policy;
 3. Acts or omissions on *your* part which increase any hazard insured against;
 4. Change in the risk which materially increases the risk of loss after the policy has been issued or renewed including, but not limited to, an increase in exposure due to regulation, legislation or court decision;

5. Loss of or decrease in reinsurance which provided **us** with coverage for all or part of the risk insured;
 6. A determination by the Director of Insurance that continuation of this policy would jeopardize **our** solvency or place **us** in violation of the insurance laws of Idaho or any other state; or
 7. Violation or breach by **you** of any policy terms or conditions other than nonpayment of member contribution.
- b. Nonrenewal.
- (1) If **we** elect to not renew this policy, **we** will mail or deliver to **you** a written notice of intention not to renew at least forty-five (45) days prior to the expiration date of the policy.
 - (2) If notice is not mailed or delivered at least forty-five (45) days before the expiration date of this policy, this policy will remain in effect until forty-five (45) days after notice is mailed or delivered.
 - (3) **We** will not mail or deliver this notice if:
 - (a) **We** have offered to renew this policy; or
 - (b) **You** have obtained replacement coverage; or
 - (c) **You** have agreed in writing to obtain replacement coverage.
5. **Currency.** The member contribution and losses under this insurance are payable in currency of the United States.
6. **Deductibles.** In each case of loss covered by this policy, **we** will be liable only if **you** sustain a loss in a single occurrence greater than the underlying limit or the applicable deductible specified in the declarations pages, insuring agreements or endorsements, and only for its share of that greater amount. In the event of any occurrence resulting in loss or damage insured against under this policy for which two or more deductibles apply, the total deductible shall not exceed the single largest deductible applicable to the occurrence.
7. **Dispute Resolution Procedure.** **You** and **we** agree that it is in **our** mutual interest to have a dispute resolution procedure in order to address potential disputes and disagreements as to whether or not a claim is covered by the terms and conditions of this policy. **You** and **we** agree that the dispute resolution procedure as set out in the Joint Powers Subscriber Agreement currently in force as of the effective date of this policy shall apply to address any potential disputes and disagreements as to coverage.
- a. Inapplicable to Certain Disputes and Disagreements:
- (1) These dispute resolution procedures do not apply to the appraisal condition set forth in the specific conditions applicable to the property Insuring Agreements in section V of this policy, or to the arbitration condition set forth in the specific conditions applicable to the automobile liability Insuring Agreements set out in section VII of this policy.
 - (2) These dispute resolution procedures do not apply in any way to **our** decisions regarding terms of claim settlement, claim payment amount, or the claim investigation process.
8. **Duties After Occurrence, Accident, Wrongful Act, Wrongful Employment Practice Act, Claim or Suit.**
- a. **You** must see to it that **we** are notified as soon as practicable of an **occurrence** which may reasonably result in a claim. To the extent possible, notice should include:
- (1) How, when and where the **occurrence, claim, accident, wrongful act, wrongful employment practice act** or **suit** took place;

- (2) The names, addresses and telephone numbers of any injured persons and witnesses; and
 - (3) The nature and location of any injury or damage arising out of the **occurrence, accident, wrongful act, wrongful employment practice act, claim or suit.**
- b. If a claim is made or **suit** is brought against any **insured, you** and any involved **insured** must:
- (1) Immediately send **us** copies of any claims, demands, notices, summonses or legal papers received in connection with the claim, **occurrence, accident, wrongful act, wrongful employment practice act, claim or suit;**
 - (2) See that **we** receive written notice of the claim or **suit** as soon as practicable;
 - (3) Authorize **us** to obtain records and other information, and provide a sworn statement, if requested;
 - (4) Cooperate with **us** in the investigation, or defense of the claim or **suit**, including but not limited to, attendance at hearings and trials, securing and giving evidence, and obtaining the attendance of witnesses; and
 - (5) Assist **us**, upon **our** request, in the enforcement of any right against any person or organization which may be liable to **you** because of injury or damage to which this Insurance may also apply.
- c. **You** shall not, except at **your** own risk, voluntarily make a payment, assume any obligation, or incur any expense, other than for **first aid**, without **our** consent.
- d. **Your** failure to comply with the foregoing duties shall constitute a material breach deemed prejudicial to **us**, thereby entitling **us** to refuse any coverage for the **occurrence, accident, wrongful act, wrongful employment practice act, claim or suit**, or any duties arising therefrom.
- e. Reports of incidents or circumstances made by **you** to **us** as part of risk management or loss control services shall not be considered notice of a claim.
9. **Extended Reporting Periods.** All coverage sections designated as claims-made are conditioned as follows if this policy is cancelled or not renewed for any reason, other than for non-payment of member contribution or non-compliance with the terms and conditions of this policy:
- a. **We** will provide an Extended Reporting Period of thirty (30) days duration following immediately upon the effective date nonrenewal or cancellation, to apply to a claim brought forth under the applicable coverage section which is **first made** against **you** in writing to **us** but only by reason of a **wrongful act, occurrence, claim or wrongful employment practice act** which first commences and was sustained subsequent on or after the retroactive date set forth in the declarations pages and prior to the effective date of this policy's cancellation or termination, and which is otherwise afforded by all coverages within this policy.
 - b. If, however, this policy is immediately succeeded by a similar claims-made insurance policy with any insurer, in which the retroactive date is the same as or earlier than that shown in the declarations pages of this policy, the succeeding policy shall be deemed to be a replacement of this policy, and the extended reporting period will not apply. Once in effect, an extended reporting period cannot be canceled.
 - c. The extended reporting period does not reinstate or increase the limit(s) of indemnification applicable to any coverages of this policy.
10. **Inspections, Audit and Verification of Values.** **We** shall be permitted, but not obligated, to review or inspect **your** property, operations, records, and books, at any reasonable time. Neither **our** right to make inspections or conduct reviews, nor the making thereof, nor any report thereon, shall constitute an undertaking on behalf of or for the benefit of **you** or others, to determine or warrant that such property or operations are safe or healthful. **We** will have no liability to **you** or any other person because of any inspection or failure to inspect. It is **your** responsibility to disclose accurate statements of values.

11. **Loss Payments.** When it has been determined that **we** are liable under this policy, **we** shall pay losses in excess of the stated deductible up to the limits of indemnification stated in the declarations pages. **Our** obligation to make loss payments shall arise as amounts owed are determined.
12. **Misrepresentation and Fraud.** This policy shall be void in entirety if, whether before or after a loss, you have:
 - a. Willfully concealed or misrepresented any material fact or circumstance concerning this insurance, the subject thereof, any insurance claim, or the interest of any insured.
 - b. Made any attempt to defraud us; or
 - c. Made any false swearing.
13. **Mitigation.** In the event of a loss covered under this policy, **you** must take all reasonable steps to prevent further loss or damage.
14. **Multiple Insureds, Claims, Suits or Claimants.** The limits of indemnification as stated in the declarations pages is the most we will pay on **your** behalf under this policy regardless of the number of:
 - a. Insureds;
 - b. Claims made or **suits** brought; or
 - c. Persons or organizations making claims or bringing **suits**.
15. **No Benefit to Bailee.** **We** will not recognize any assignment or grant any coverage for the benefit of any person, entity or organization holding, storing or transporting **your** property, regardless of any other provision of this policy.
16. **Non-Stacking of Insurance Coverage.** No individual or entity entitled to coverage under any coverage section of this policy shall recover duplicate payment for the same elements of loss under other coverage sections of this policy, or other policies written by **us**.
17. **Non-Stacking of Limits.**
 - a. **Claims Made Coverage – Single Claim.**
 - (1) All claims arising out of the same Errors and Omissions Liability **wrongful act** or a series of related Errors and Omissions Liability **wrongful acts** (Section X); or
 - (2) All claims arising out of the same Employee Benefit Liability **wrongful act** or a series of related Employee Benefit Liability **wrongful acts** (Section XI); or
 - (3) All claims arising out of the same Employment Practices Liability **wrongful employment practice act** or a series of related Employment Practices Liability **wrongful employment practice acts** (Section XII); or
 - (4) All claims arising out of the same Sexual Molestation or Sexual Abuse bodily injury occurrence or a series of related Sexual Molestation or Sexual Abuse bodily injury occurrences (Section XIII); or
 - (5) All claims arising out of the same Chemical Spraying Activities Liability occurrence or a series of related Chemical Spraying Activities Liability occurrences (Section XIV),shall be treated as a single claim considered **first made** against an **insured** during the policy period or any extended reporting period when the first of such claims is made. Only the affected coverage section's limits of indemnification as stated in the declarations page for that policy period apply to such single claim.

b. **Multiple Insuring Agreements – Single Claim.** If a single claim is covered under two or more Insuring Agreements within a coverage section of this policy, our claim payment shall be limited to the higher limit(s) of indemnification as shown in the declarations page, and its corresponding deductible, if any, for that coverage section. If the affected Insuring Agreements have equal limits of indemnification, only one set of limits of indemnification, and its corresponding deductible, if any, shall apply and it shall be the Insuring Agreement of the coverage section **we** deem to provide primary coverage for the claim.

c. **Multiple Coverage Sections – Single Claim.** If a single claim is covered under two or more coverage sections of this policy, our claim payment shall be limited to that coverage section with the higher limits of indemnification as shown in the declarations page, and its corresponding deductible, if any, of this policy. If the affected coverage sections have equal limits of indemnification, only one set of limits of indemnification, and its corresponding deductible, if any, shall apply and it shall be the coverage section of this policy **we** deem to provide primary coverage for the claim.

d. **Multiple Coverage Sections – Related Claims; Claims Made Coverage.** If:

- (1) Two or more claims are covered under two or more coverage sections of this policy, or under any preceding or succeeding policy **we** issue, that provide claims made coverage; and
- (2) These claims are made against the same **insured** or the same perpetrator, or against two or more **insureds** acting in concert or against two or more perpetrators acting in concert; and
- (3) Without regard to number of ICRMP policy periods over which the acts, errors, omissions, occurrences, events, accidents or **wrongful acts** take place,

such related claims shall be treated as a single claim considered **first made** during the policy period or during any extended reporting period when the first of such covered claims is made. Any claim payment(s) we make with respect to such single claim shall be limited to the coverage section and corresponding limits of indemnification as shown in the declarations page, and its corresponding deductible, if any, of the policy when the claim was considered **first made**.

e. **Multiple Coverage Sections – Related Claims; Occurrence Coverage.** If:

- (1) Two or more claims are covered under two or more coverage sections of this policy, or under any preceding or succeeding policy **we** issue, providing occurrence-based coverage; and
- (2) These claims are made against the same **insured** or the same perpetrator, or against two or more **insureds** acting in concert or against two or more perpetrators acting in concert; and
- (3) Without regard to number of ICRMP policy periods over which the occurrences take place,

such related claims shall be treated as a single claim. The date of the first covered occurrence will determine the policy and its respective coverage section applicable to such single claim. Any claim payment(s) we make with respect to such single claim shall be limited to that policy's coverage section and its corresponding limits of indemnification as shown in the declarations page, and its corresponding deductible, if any.

f. **Multiple Coverage Sections – Related Claims; Claims Made / Occurrence Coverage.** If:

- (1) Two or more claims are covered under two or more coverage sections of this policy, or under any preceding or succeeding policy **we** issue, that individually provide claims made coverage or occurrence-based coverages; and
- (2) These claims are made against the same **insured** or the same perpetrator, or against two or more **insureds** acting in concert or against two or more perpetrators acting in concert; and
- (3) Without regard to number of ICRMP policy periods over which the acts, errors, omissions, occurrences, events, accidents or **wrongful acts** take place,

such related claims shall be treated as a single claim. The policy and its corresponding coverage section that shall apply to such single claim shall be determined by the earlier of:

- (4) The date the first covered act, error, omission, occurrence, event, accident or **wrongful act, wrongful employment practice act, occurrence** or other covered loss takes place with respect to claims made coverage, conditioned upon that date being on or after the retroactive date, if any, and before the end of the applicable policy period; or
- (5) The date the first covered occurrence takes place with respect to occurrence-based coverage.

Any claim payment(s) we make with respect to such single claim shall be limited to the coverage section and corresponding limits of indemnification as shown in the declarations page, and its corresponding deductible, if any, of the policy determined by subparagraphs (4.) and (5.) above.

18. Notice of Member Contribution or Coverage Changes.

- a. **We** will mail or have delivered to **you** through **your** independent agent, at the last known mailing address, written notice of the following for a subsequent year at least thirty (30) days prior to the expiration date of this policy:
 - (1) A total member contribution increase greater than ten percent (10%) which is the result of a comparable increase in member contribution rates.
 - (2) Changes in deductibles.
 - (3) Reductions in limits of indemnification.
 - (4) Reductions in coverage.
- b. If **we** fail to provide at least thirty (30) day notice, the policy previously provided to **you** shall remain in effect until thirty (30) days after such notice is given or until the effective date of a replacement policy or self-insurance obtained by **you**, whichever occurs first.
- c. For purposes of this provision, notice is considered given on the date of mailing of the notice to **you**. Proof of mailing of conditions of renewal to the last known mailing address of **you** shall be sufficient proof of notice.

19. Other Insurance.

- a. If **you** have other insurance (whether primary, excess or contingent), against loss covered by this Insurance, **we** shall be liable, under the terms of this Insurance only as excess of other insurance, collectable or not. Notwithstanding the foregoing, **you** may purchase insurance specifically in excess of this insurance. Such excess insurance shall not be considered "other insurance" for purposes of this condition.
- b. **We** will not be liable for any loss to the extent that **you** have collected such loss from others. Any other insurance that would have provided primary coverage in the absence of the policy will not be considered excess.
- c. **You** are permitted to have other insurance for all, or any part, of any deductible in this policy. The existence of such other insurance will not prejudice recovery under this policy. If the limits of liability of such other insurance are greater than this policy's applicable deductible, this policy's insurance will apply only after such other insurance has been exhausted.
- d. In the event this policy is deemed to contribute with other insurance, the limit of liability applicable at each **covered property**, for purposes of such contribution with other insurers, will be the latest amount described in this policy or the latest **covered property** value listed on **your schedule of values**.

20. **Policy Modification.** This policy contains all of the agreements between **you** and us concerning this insurance. **You** or **we** may request changes to this policy. This policy can only be changed by endorsements issued by **us** and made a part of this policy. Notice to any agent or knowledge possessed by any agent or by any other person will not:
 - a. Create a waiver, or change any part of this policy; or
 - b. Prevent us from asserting any rights under the provisions of this policy.
21. **Reporting Property on Your Schedule of Values.** Coverage is conditioned upon information being entered into the online ICRMP e-Agent website by **your** agent. It is the responsibility of the independent insurance agent to enter information into the online ICRMP e-Agent website. It is the responsibility of **you** to report the required information to **your** agent.
22. **Salvage.** The salvage value of **your** damaged property may be credited against the amount **we** pay to replace **your** damaged property if **you** retain said property.
23. **Subrogation/Recovery/Right of Reimbursement.** If **we** make payment under this policy to **you** or on **your** behalf, and **you** or the person or entity for whom payment was made has a right to recover damages, **we** will be subrogated to that right. **You** must do whatever is necessary to enable **us** to exercise **our** rights and must do nothing to prejudice **our** rights. **We** may prosecute an action or pursue other lawful proceedings in **your** name for the recovery of these payments, and **you** must cooperate and assist **us** at **our** request. Any recovery from subrogating proceedings, less costs incurred by us in such proceedings, will be payable to you in the proportion that the amount of (1) any applicable deductible and/or (2) any provable uninsured loss, bears to the entire provable loss amount.
24. **Suit Against Us.** No **suit**, action or proceeding for the recovery of any claim will be sustained in any court of law or equity unless the following procedures are satisfied:
 - a. As a condition precedent to filing **suit**, **you** have fully complied with all the provisions of this policy and the ICRMP Joint Powers Subscriber Agreement;
 - b. Any **suit** against **us** arising from a claim or loss must be filed within the State of Idaho allowable statute of limitations from the date we take our final action with respect to the claim or loss;
 - c. No one shall have any right to join **us** as a party to any action against an **insured**.
25. **Terms of Policy to Conform to Statutes.** In the event any terms of this policy are determined to be in conflict with the statutes of the State of Idaho, they are hereby amended to conform to such statutes.

SECTION IV - GENERAL EXCLUSIONS

- A. Unless otherwise stated in a specific subsequent section or endorsement, the following exclusions are applicable to all sections of this policy. This policy does not cover in whole or in part, arising directly or indirectly out of, or resulting from any **personal injury, bodily injury, damages**, claim, **property damage**, damage to **covered property, wrongful act, wrongful employment practice act**, cost, expense or any other type of loss, however characterized for:
1. **Aircraft.** This policy does not cover any claim resulting from or arising out of the ownership, maintenance, use or entrustment to others of any **aircraft**, airfields, runways, or fueling stations related to aviation activities.
 2. **Asbestos, Dioxin or Polychlorinated Biphenyls.** This policy does not cover any claim caused by, resulting from, or contributed to by:
 - a. The use of, sale of, installation of, removal of, abatement of, distribution of, containment of, or exposure to asbestos, asbestos products, asbestos-containing material, asbestos fibers, asbestos dust, dioxin or polychlorinated biphenyls; or
 - b. The actual or threatened abatement, mitigation, removal or disposal of asbestos, asbestos products, asbestos-containing material, asbestos fibers, asbestos dust, dioxin or polychlorinated biphenyls; or
 - c. Any supervision, instructions, recommendations, warnings or advice given, or which should have been given in connection with parts a. and b. above; or
 - d. Any obligation of the covered party to indemnify or contribute with any party in connection with parts a., b. or c. above.
 3. **Bids or Estimates.** This policy does not cover any claim arising out of estimates of probable costs, or cost estimates being exceeded, or for faulty preparation of bid specifications or plans.
 4. **Civil and Criminal Penalties.** This policy does not cover any claim resulting from any civil penalties, criminal penalties, fines or obligations to pay for public services rendered where such obligation is imposed or provided for pursuant to any federal, state, or local law, statute, ordinance, or regulation, however characterized, except as expressly provided elsewhere, herein.
 5. **Claims by Members against Past or Present Public Officials.** This policy does not cover the interest of any past or present employee, elected official, or agent arising out of any claim for money **damages**, monetary reimbursement or specific performance brought against such employee, elected official or agent by the **named insured** by whom the public official, employee, elected official or agent was employed or retained. Also excluded are those claims brought by an elected official, or by one appointed to fill an elected position for a **named insured** against another official of the same **named insured**, or the **named insured** itself, arising out of a dispute or interpretation involving the relative governmental authority of the elected officials of the **named insured**.
 6. **Contractual Liability.** This policy does not cover a claim where the alleged harm for which compensation is sought derives from:
 - a. The performance or nonperformance of terms of a contract, whether written, oral or implied, or concerns the measure of payment related to contract performance, derives from fines, penalties or administrative sanctions imposed by a governmental agency, or is generated by intergovernmental determination, calculation, handling or allocation of funds according to the law. The claims for which this policy provides defense and indemnification must arise out of conduct of a tortious nature or be premised upon allegations of unlawful violation of civil rights pursuant to state or federal law.
 - b. The interests of the State of Idaho or the United States Government, or their officers, agents, employees, volunteers, officials or trustees, for their conduct and activities arising out of or in any way related to any written, oral or implied contract or agreement with **you**, or otherwise. Each governmental entity shall be responsible for its own conduct and activities under any contract.

7. **Course and Scope.** This policy does not cover any claim resulting from an act or omission outside the course and scope of employment or any act performed with malice or criminal intent. This exclusion applies regardless of whether any **insured** is actually charged with, or convicted of, a crime.
8. **Cyber Liability.** This policy does not cover:
- a. Any claim, notification costs, **credit monitoring expenses**, forensic expenses, loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data; public relations expenses or any other loss; costs or expenses arising directly or indirectly out of, resulting from, caused by or contributed to by losses related to computer-connected access to and/or computer disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of non-public information, except for that data that is required to be disclosed under the Idaho Public Records Act; or
 - b. Any functioning or malfunctioning of the internet or similar facility, or of any intranet or private network or similar facility, including but not limited to computer virus. For this exclusion, computer virus shall mean a set of corrupting, harmful or otherwise unauthorized instructions or code including a set of maliciously introduced unauthorized instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature. Computer Virus includes but is not limited to 'Trojan Horses', 'worms' and 'time or logic bombs'; or
 - c. Any corruption, destruction, distortion, erasure or other loss or damage to data, software, or any kind of programming or instruction set; or
 - d. Loss of use or functionality whether partial or entire of data, coding, program, software, any computer or computer system or other device dependent upon any microchip or embedded logic, and any ensuing liability or failure of the Insured to conduct business; or
 - e. The failure of any of the following, whether owned by you or others due to the inability of these items to correctly recognize, process, or accept one or more dates or times as their true calendar date or time:
 - (1) Data processing equipment, software, data, or media;
 - (2) Hardware or software-based computer operating systems;
 - (3) Microprocessors;
 - (4) Integrated circuits; or,
 - (5) Any other electronic equipment, computerized equipment, or similar devices;
9. **Eminent Domain.** This policy does not cover any claim arising out of or in any way connected with the operation of the principles of eminent domain, condemnation proceedings, inverse condemnation, annexation, regulatory takings, land use regulation, or planning and zoning activities or proceedings, however any such matters may be characterized, whether such liability accrues directly against **you** or by virtue of any agreement entered into by or on **your** behalf
10. **Employee Benefits.** This policy does not cover any employee benefit related claim:
- a. Arising directly or indirectly out of the failure of any investment in or by any **employee benefit program** including but not limited to stocks, bonds or mutual funds to perform as represented by an **insured** or by any party authorized by an **insured** to offer benefits to employees.
 - b. Arising directly or indirectly out of the negligence, financial failure or breach of contract by any health or employee benefit provider that the **named insured** contracts with to provide employee benefits.

- c. Based upon an *insured's* failure to comply with any law concerning worker's compensation, unemployment insurance, social security or disability benefits.
 - d. Arising out of an insufficiency of funds to meet any obligations under any plan included in the *employee benefit program*.
 - e. For benefits to the extent that such benefits are available, with reasonable effort and cooperation of the *insured*, from the applicable funds accrued or other collectible insurance.
 - f. For errors in providing information on past performance of investment vehicles or advice given by an *insured* to participate or not to participate in or by any *employee benefit program*.
 - g. Arising directly or indirectly out of insolvency, poor performance, misrepresentation, or any other wrongful conduct of any *employee benefit program* provider.
 - h. For which any *insured* is liable because of liability imposed on a fiduciary by the Employee Retirement Security Act of 1974, as now or hereafter amended, or by any similar federal, state or local laws.
11. **Employee Defendants in Criminal Actions.** This policy does not cover any obligation of a *named insured* to make payments pursuant to Idaho Code § 6-610A, which provides for the payment of defense costs on behalf of certain employees of governmental entities who are named as defendants in a criminal action.
12. **Fungi.** This policy does not cover any claim caused by, arising out of, contributed to or resulting from or produced by:
- a. Any fungus(i) or spore(s);
 - b. Any solid, liquid, vapor or gas produced by or arising out of any fungus(i) or spore(s);
 - c. Any material, product, building component, or building structure that contains, harbors, nurtures or acts as a medium for any fungus(i) or spore(s);
 - d. Any intrusion, leakage, or accumulation of water or any other liquid that contains, harbors, nurtures or acts as a medium for fungus(i) or spore(s);
 - e. The actual or threatened abatement, mitigation, removal or disposal of fungus(i) or spore(s) or any material, product, building component, or building structure that contains, harbors, nurtures or acts as a medium for any fungus(i) or spore(s);
 - f. Any supervision, instructions, recommendations, warnings or advice given, or which should have been given in connection with subparagraphs a. through e. above; or
 - g. Any obligation to indemnify or contribute with any party in connection with subparagraphs a. through f. above. For this exclusion fungus(i) includes, but is not limited to, any form or type of mold, mushroom or mildew and spore(s) include any reproductive body produced by or arising out of any fungus(i).
13. **Hostile or Warlike.** This policy does not cover any claim for:
- a. Hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack by any:
 - (1) Government or sovereign power (de jure or de facto);
 - (2) Military, naval or air force; or
 - (3) Agent or authority of any party specified in (1) or (2) above.

- b. Discharge, explosion or use of any nuclear device, weapon or material employing or involving nuclear fission, fusion or radioactive force, whether in time of peace or war and regardless of who commits the act.
 - c. Insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an event.
 - d. Seizure or destruction under quarantine or custom regulation, or confiscation by order of any governmental or public authority.
 - e. Risks of contraband, or illegal transportation or trade.
14. **Limits on Defense of Claims or Suit.** Notwithstanding any other provision of this policy, **we** will have no duty to investigate or defend any claim, **suit**, dispute, disagreement or other proceeding seeking relief or redress in any form other than money **damages**, including but not limited to costs, fees, fines, penalties or expenses which any **insured** may become obligated to pay as a result of a consent decree, settlement, adverse judgment for declaratory relief or injunctive relief. Such denial of investigation or defense includes, but shall not be limited to any claim, **suit**, dispute, disagreement or other proceeding:
- a. By or on behalf of any **named insured**, whether directly or derivatively, against:
 - (1) Any other **named insured**; or
 - (2) Any other federal, state or local governmental entity or political subdivision.
 - b. By the spouse, child, parent, brother or sister of any **insured** for consequential injury as a result of any injury to an **insured**; or
 - c. Involving any intergovernmental agreement where any **named insured** is a party to the agreement(s).
15. **Incidental Medical Liability.** This policy does not cover any claim arising out of the rendering of or failure to render the following professional health care services:
- a. Medical, surgical, dental, x-ray or nursing service or treatment or the furnishing of food or beverages in connection therewith; or
 - b. Any professional medical service by a physician, except supervisory physicians as defined by Idaho Code § 6-902A (2) (b), and only when performing those duties as outlined in Idaho Code § 6-902A (2) (a).; or
 - c. Any professional medical service by a physician's assistant, nurse practitioner or nurse; or
 - d. Furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances.
16. **Intentional Acts.** This policy does not cover any claim resulting from an act or omission intended or expected or deliberated on from the standpoint of any **insured** to cause **personal injury, bodily injury** or **property damage** to others or damage to **covered property**. This exclusion applies even if the **personal injury, bodily injury** or **property damage** is of a different kind or degree, or is sustained by a different person or property, than that intended or expected or deliberated on. This exclusion shall not apply to a claim resulting from the use of reasonable force to protect persons or property, or in the performance of a duty of the **insured**.
17. **Intergovernmental Claims.** This policy does not cover any claim alleging loss or damage arising or in any way related to a dispute or disagreement between an ICRMP member and another governmental entity, including another political subdivision, a state or the government of the United States involving any of the following:
- a. Claims of loss or damage between an ICRMP member and another governmental entity wherein there has been no accident or allegation of actual **bodily injury** or property damage.

- b. The respective authority of public agencies to use governmental powers, irrespective of the style or nature of such claim.
 - c. The respective duty of public agencies to use governmental powers, irrespective of the style or nature of such claim.
 - d. Intergovernmental disputes or disagreements concerning The exercise of powers or acceptance or assignment of duties by governmental entities to carry out public activities whether **damages** are claimed as a result of such dispute or disagreement, or not.
 - e. Claims in any way related to allocation of financial responsibilities between or among public agencies.
18. **Investigatory, Disciplinary or Criminal Proceedings.** This policy does not cover any claim arising from any investigatory, disciplinary or criminal proceeding against an **insured**, except that **we** may at **our** own option, associate counsel in the defense of any such investigatory, administrative or disciplinary proceeding. Should **we** elect to associate counsel, such election shall not constitute a waiver or estoppel of any rights **we** may have pursuant to the terms, conditions, exclusions and limitations of this policy.
19. **Lead.** This policy does not cover any claim caused by or contributed to by lead as described in parts a. through d. below:
- a. **Bodily injury, property damage or personal injury** arising out of, resulting from, caused by or contributed to by the toxic or pathological properties of lead, lead compounds or lead contained in any materials;
 - b. Any cost or expense to abate, mitigate, remove or dispose of lead, lead compounds or materials containing lead;
 - c. Any supervision, instructions, recommendations, warnings or advice given, or which should have been given in connection with parts a. or b. of this subsection above; or
 - d. Any obligation to share **damages** with or repay someone else who must pay **damages** in connection with parts a., b. or c. of this subsection.
20. **Miscalculation or Legality of Assessments.** This policy does not cover any claim Involving miscalculation or legality of assessments, adjustments, disbursements, fees, licenses or the collection of taxes, fines or penalties, including those imposed under the Internal Revenue Code or any state or local law, however described.
21. **Nuclear, Chemical and Biological Incident.** This policy does not cover a claim arising from:
- a. Nuclear detonation, reaction, radiation, radioactive contamination or hazardous properties of nuclear material of any type, however caused or characterized, including any loss or damage by fire resulting therefrom;
 - b. The dispersal, application or release of, or exposure to, chemical or biological materials or agents that are harmful to property or human health, whether controlled or uncontrolled, or due to any act or condition incidental to any of the foregoing, whether such loss be proximate or remote, or be in whole or in part caused by, contributed to or aggravated by any physical loss or damage insured against by this policy, however such dispersal, application, release or exposure may have been caused.
22. **Opinion, Treatment, Consultation or Service.** This policy does not cover any claim based upon or attributable to the rendering or failure to render any opinion, treatment, consultation or service, if such opinion, treatment, consultation or service was rendered or failed to have been rendered while any **insured** was engaged in any activity for which they received compensation from any source other than as a public entity or an employee of a public entity.

23. **Pollution.** This is an absolute pollution exclusion. It is the intention of **you** and **we** that there is absolutely no coverage arising out of or relating to **pollutants**, however characterized or defined. This policy does not cover any injury, loss, damage, costs, fines, penalties or expenses of any kind directly or indirectly arising out of the actual, alleged or threatened existence, discharge, dispersal, release or escape of **pollutants** or negligence in any way related thereto:
- a. At or from **premises you** now, or in the past, have owned, rented or occupied, including but not limited to **premises** that **you** have operated or managed as an involuntary possessor; or
 - b. At or from any site or location used by or for **you** or others for the handling, storage, disposal, processing or treatment of waste at any time; or
 - c. That at any time involves the transportation, handling, storage, treatment, disposal or processing by or for **you** or any person or organization for whom **you** may be legally responsible:
 - (1) At or from any site or location on which **you** or any contractors or subcontractors working directly or indirectly on **your** behalf are performing operations; or
 - (2) If the **pollutants** are brought on or to the site or location in connection with such operations; or
 - (3) If the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize the **pollutants**;
 - d. Whether caused or alleged to have been caused by the **named insured** or any other person, entity or third-party, however characterized; or
 - e. Arising out of any direction, request or order of any governmental agency, court of law, or other authority, that **you** test for, monitor, clean up, remove, contain, treat, detoxify or neutralize **pollutants**, including any and all costs or attorney's fees associated therewith; or
 - f. Arising out of the failure of the **named insured** to prevent or regulate **pollutants** generated or caused by any other person, entity, or third-party, however characterized; and
 - g. This exclusion shall not apply to tear gas or mace as applied by law enforcement personnel within the scope of their duties.
24. **Professional Board.** This policy does not cover any claim for any **insured** arising out of the rendering of or failure to render services as a member of a formal accreditation or similar board or committee of an **insured**, or as a person charged with the duty of executing directives of any such board or committee or officer or director, or other official of any organization, other than the **named insured**. This exclusion does not apply if an **insured** is serving at the direction of or on behalf of the **named insured** and is acting within the scope of their duties as such.
25. **Punitive Damages.** This policy does not cover any claim for exemplary or punitive **damages**, however characterized.
26. **Silica.** This policy does not cover any claim caused by or contributed to by silica as described in paragraphs a. and b. below:
- a. **Bodily injury, property damage, or personal injury** arising out of, resulting from, caused by, or contributed to by silica, exposure to silica or the use of silica, except for road or pedestrian way maintenance applications or operations;
 - b. Any **damages**, loss, cost or expense arising out of any:
 - (1) claim or **suit** by or on behalf of any governmental authority or any other alleged responsible party because of, or request, demand, order or statutory or regulatory requirement that any covered party or any other person or entity should be, or should be responsible for:
 - (i) Assessing the presence, absence, amount or effects of silica;

- (ii) Identifying, sampling or testing for, detecting, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, abating, disposing of or mitigating silica; or
 - (iii) Responding to silica in any way other;
- (2) supervision, instructions, recommendations, warnings or advice given, or which should have been given in connection with any of the paragraphs a. or b. above; or
 - (3) obligation to share **damages** with or repay someone else in connection with any of the provisions of paragraphs a. or b. above.
27. **Terrorism.** This policy does not cover any claim loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with or any action taken in controlling, preventing, suppressing **terrorism** whether controlled or uncontrolled, proximate or remote, sudden or over any length of time, or which is contributed to or aggravated by any other cause or event. Such **terrorism** is excluded regardless of any other cause or event occurring concurrently or in any sequence with such **terrorism**, whether followed by fire or other perils, and whether certified as **terrorism** or not by the United States government.
28. **Wages.** This policy does not cover any claim for back wages or legal penalties to which an employee is lawfully entitled for work performed, including any claim for wages, **damages**, liquidated damages or any other form of compensation, however characterized, pursuant to, or derived in any way, from an employer's responsibility to comply with the Fair Labor Standards Act or other state or federal statute directing the manner or amount of payment of compensation to employees.
29. **Watercraft.** This policy does not cover any claim involving the ownership, maintenance or use, including loading and unloading, of watercraft over fifty (50) feet in length.
30. **Workers' Compensation and Other Benefits Laws.** This policy does not cover any claim to any obligation for which **you** may be held liable under any workers' compensation, unemployment compensation, disability benefits law, employer's liability, or under any similar federal, state or local law, ordinance, rule or regulation, however characterized, as well as any claim or **suit** by a spouse, child, parent or sibling of an **insured** as a consequence of **personal injury** to an **insured**.

SECTION V – PROPERTY INSURANCE

A. Insuring Agreements Applicable to Property Insurance

The following insuring agreements are applicable to this Section only and may amend insuring agreements located in Section I General Insuring Agreement of this policy. Also, the below listed insuring agreements are subject to Section II General Definitions, Section III General Conditions and Section IV General Exclusions of this policy, unless amended as stated within this Section.

1. **Buildings, Structures and Property.** We agree to pay *you*, or on *your* behalf, for an **occurrence** of direct accidental physical loss of or direct accidental physical damage, including **terrorism**, to **your covered property** provided such loss or damage occurs during the policy period specified in the declaration pages.
2. **Mobile Equipment and Automobile Physical Damage.** We agree to pay *you*, or on *your* behalf, for an **occurrence** of direct accidental physical loss of or direct accidental physical damage including **terrorism**, to any **automobile or mobile equipment** owned by *you*, or any **automobile or mobile equipment** for which *you* have an obligation to provide adequate insurance because of an ownership or possessory interest, provided such loss or damage occurs during the policy period specified in the declaration pages.

B. Definitions Applicable to Property Insuring Agreements

The following definitions are applicable to this Section only. They may amend definitions located in Section II General Definitions of this policy.

1. **"Actual Cash Value"** means the amount it would cost to repair or replace damaged or destroyed **covered property**, on the date of loss, with material of like kind and quality, with proper deduction for obsolescence and physical depreciation.
2. **"Computer System"** means a system of computer hardware, software, and associated electronic devices that *you* operate or own.
3. **"Earthquake"** means a shaking or trembling of the earth that is tectonic or seismic in origin.
4. **"Earth Movement"** means any natural or man-made earth movement, including but not limited to **earthquake**, seaquakes, landslides, submarine landslides, avalanches, subsidence or volcanic eruption regardless of any other cause or event contributing concurrently or in any other sequence of loss. However, physical damage by fire, explosion, or sprinkler leakage resulting from **earth movement** will not be considered to be loss by **earth movement** within the terms and conditions of this policy. All **earth movement** within a continuous 168-hour period will be considered a single earth movement; the beginning of such period shall be determined by *you*.
5. **"Electronic Data and Media"** means all forms of data, converted data, electronically converted data and/or programs and/or applications and/or instructions and/or media vehicles employed.
6. **"Fine Arts"** means manuscripts; paintings; etchings; pictures; murals; tapestries; rare or art glass; art glass windows; valuable rugs; statuary; sculptures; antique furniture; antique jewelry; bric-a-brac; porcelains; and similar property of rarity, historical value, or artistic merit excluding automobiles, coins, stamps, furs, jewelry, precious stones, precious metals, watercraft, aircraft, money, securities.
7. **"Flood"** means a general and temporary condition of partial or complete inundation of **normally** dry land from:
 - a. Flood, or rising waters, waves, tide, or tidal water;
 - b. The unusual and rapid accumulation or runoff of surface water from any source; or,
 - c. Mudslide or mud flow caused by accumulation of water on or under the ground; The overflow of inland or tidal waters outside the **normal** watercourse or natural boundaries;
 - d. The release of water, the rising, overflowing or breaking of boundaries of natural or man-made bodies of water, or the spray therefrom.

- e. However, physical damage by fire, explosion or sprinkler leakage resulting from **flood** is not considered to be loss by **flood** within the terms and conditions of this policy. All flooding within a continuous 168-hour period will be considered a single **flood**; the beginning of such period shall be determined by **you**.
- 8. "**Flood Insurance Rate Map**" means the official map of a community on which the administrator has designated the special hazards are applicable to the community.
- 9. "**Normal**" means the condition that would have existed had no physical loss or damage occurred.
- 10. "**Occurrence**" means any one loss, disaster, casualty or series of losses, disasters or casualties, arising out of one event. When the term applies to loss or losses from the perils of tornado, cyclone, hurricane, windstorm, snow or ice storm, named storm, hail, volcanic eruption, riot, riot attending a strike, civil commotion, and vandalism and malicious mischief one event shall be construed to be the cause of all losses arising during a continuous period of 72 hours. When filing a loss, **you** may elect the moment at which the 72-hour period shall be deemed to have commenced, which shall not be earlier than the first loss to the **covered property** occurs.
- 11. "**Operational Disruption Expense**" means costs incurred by the **named insured** in order to continue as nearly as practicable the **normal** operation of **your** public entity immediately following a covered loss. This includes the loss of any income, net of expenses, incurred during the **period of restoration** of the operation of the public entity.
- 12. "**Period of Restoration**" means that period of time that begins with the date of the direct physical loss of or direct physical damage to **covered property** and ends with the date when such part of the **covered property** as has been lost or damaged could, with the exercise of **your** due diligence or dispatch, be rebuilt, or replaced.
- 13. "**Replacement Cost**" means the cost to repair, rebuild or replace with new materials of like kind, size and quality, without deduction for depreciation.
- 14. "**Schedule of Values**" means those records describing **covered property** as entered into the ICRMP database by **your** independent insurance agent and kept on file with **us**.
- 15. "**Special Flood Hazard Area**" means the areas of **flood insurance rate map** which are identified as Zones A, AO, AH, AI — A30, AE, A99, AR, AR/A, AR/AE, AR/A1 — A30, AR/AH, AR/A0, V, V1-V30, and VE. For purposes of determining which areas qualify as **special flood hazard areas** as specified above, only those **flood insurance rate maps** which were in effect at the time of the **flood** loss shall apply.
- 16. "**Vacant or Unoccupied Property**" means a building is vacant or unoccupied if less than 10% of its total square footage is used by **you** to conduct customary operations, excluding common areas such as lobbies and garages. Buildings under construction or renovation shall not be considered **vacant or unoccupied property**. Buildings with the same security and fire protection and have all heating and cooling systems still in operation that existed prior to being vacant shall not be considered **vacant or unoccupied property**. Buildings that are **normally** vacant during parts of the year shall not be considered **vacant or unoccupied property**.
- 17. "**Valuable Papers and Records**" means written, printed or otherwise inscribed documents, securities, and records including but not limited to books, maps, films, drawings, abstracts, evidence of debt, deeds, mortgages, mortgage files, manuscripts and micro or electronically/magnetically inscribed documents, but not including the monetary value of monies and/or securities

C. Specific Conditions Applicable to Property Insuring Agreements

The following conditions are applicable to this Section only. They may amend conditions located in Section III General Conditions of this policy.

- 1. **Additional Coverages.** This section includes various additional coverages for physical loss or damage insured by this section. These additional coverages:
 - a. Are subject to the applicable limit of liability;
 - b. Will not increase the overall policy limit of liability; and

- c. Are subject to the policy and the section provisions, including applicable exclusions and deductibles.
2. **Appraisal.** The appraisal process is available to determine the value of a covered loss but is not available to determine whether a loss is covered.
- a. If **you** and **we** fail to agree on the amount of loss, each will, on the written demand of either, select a competent and disinterested appraiser. Each will notify the other of the appraiser selected within thirty (30) days of such demand. The two appraisers shall first select a competent, disinterested umpire. If the two appraisers fail to agree upon an umpire within thirty (30) days, **you** and **we** shall jointly move to have an umpire selected by a district judge in the State of Idaho to select an umpire. The appraisers shall then identify each item of physical damage or loss and appraise the amount of loss. The appraisal shall include a detailed breakdown of the costs necessary to repair or replace the item and shall state separately the **actual cash value** and **replacement cost** value as of the date of loss and the amount of loss, for each item of physical loss or damage. If the appraisers fail to agree within fourteen (14) days, they shall submit their differences to the umpire.
 - b. The umpire shall review the appraisals prepared by the appraisers selected by **you** and **us** and shall inspect the property prior to preparing the appraisal. The appraisers for **you** and **us** shall be afforded the opportunity to attend the umpire's inspection of the property and provide sufficient input to allow the umpire to understand the nature and reasons for the differences between the appraisals. After inspecting the property and receiving input from the appraisers, the umpire shall identify each item of physical loss or damage and shall appraise the amount of loss for each item. The umpire's appraisal shall include a detailed breakdown of the costs necessary to repair or replace the item and shall state separately the **actual cash value** and **replacement cost** value as of the date of the loss. An award agreed to in writing by any two of the three appraisers will determine the amount of loss. The appraisal award is subject to all terms of the coverage document and may be reduced by the application of a deductible called for by this policy.
 - c. **You** and **we** will each:
 - (1) Pay its chosen appraiser; and
 - (2) bear equally the other expense of the appraisal and umpire.
 - d. A demand for appraisal shall not relieve **you** of **your** continuing obligation to comply with the terms and conditions of this policy. **We** will not be held to have waived any of its right by any act relating to appraisal.
3. **Automobiles and Mobile Equipment that are Leased or Rented.** **Automobiles** and **mobile equipment** that are leased or rented to an **insured**, for less than ninety (90) days, and used for official business, are covered under Insuring Agreement 2, and are not required to be listed on the **schedule of values**.
4. **Automobiles or Mobile Equipment Owned by Employees or Authorized Volunteers.** **Automobiles** or **mobile equipment** owned by employees or authorized volunteers of the **named insured** are provided secondary physical damage insurance while the **automobiles** or **mobile equipment** are being used by the employee or authorized volunteers on official business of the **named insured**. Insurance provided by this condition shall be deemed secondary to the insurance of the employee or authorized volunteers' personal insurance, which shall be primary insurance. The intent of this special condition shall not be interpreted to extend insurance to **automobiles** owned by other public or private entities, which are made available to **you**, **your** employees or volunteers. For these non-owned **automobiles**, the terms and conditions already contained in this section shall apply. This condition does not apply to **automobiles** or **mobile equipment** owned by authorized volunteers engaged in search and rescue activities. Insuring Agreement 2 is intended to provide primary insurance for search and rescue volunteers only when actively participating in search and rescue mobilizations initiated by the **named insured**.
5. **Claim Preparation Fees and Expenses.** This section covers the actual costs incurred by **you** for reasonable fees payable to **your** accountants, architects, auditors, engineers, or other professionals for producing and certifying any particulars or details contained in **your** books or documents, or such other proofs, information or evidence required by us resulting from an insured loss payable under this policy for which **we** have accepted liability. Coverage will not include the fees and costs of attorneys, public adjusters, and loss appraisers, all including any of their subsidiary, related or associated entities either partially or wholly owned by them or retained

by them for the purpose of assisting them. Claim preparation fees and expenses are limited to a maximum of \$100,000 per **occurrence**.

6. **Debris Removal.** This section covers the reasonable and necessary costs incurred to remove debris from **your covered property** that remains as a direct result of physical loss or damaged insured by this section. This additional coverage does not cover the costs of removal of contaminated uninsured property or the contaminant in or on uninsured property whether or not the contamination results from insured physical loss or damage. Contamination includes, but is not limited to, the presence of a **pollutant** or hazardous material. Debris removal expenses are limited to a \$2,500,000 or 25% of the loss, whichever is greater, per **occurrence**.

7. **Deductibles.**

a. Flood Type 1: As respects buildings or structures wholly or partially situated in a **special flood hazard area** the following deductibles shall apply separately for loss from the peril of **flood**, as covered and defined under the National Flood Insurance Program:

(1) for all coverages insured against under this section, if **you** purchase coverage from the National Flood Insurance Program, the deductible shall be the greater of the amount recoverable from the National Flood Insurance Program or the **actual cash value**, not to exceed \$500,000. This deductible shall apply for each building or each structure for real property, and for contents at each building or each structure.

(2) for all coverages insured against under this section, if **you** do not purchase coverage from the National Flood Insurance Program, or the property is not eligible for coverage from the National Flood Insurance Program, or in the event the National Flood Insurance Program lapses or is discontinued, the deductible shall be \$ 500,000 at each building or each structure for real property, \$ 500,000 for contents at each building or each structure, and \$500,000 each for any other **covered property**.

(3) If the community is participating in the Emergency Program under the National Flood Insurance Program, \$500,000 as noted within this condition: Deductibles, a. (1) above is replaced with \$100,000. If the property is eligible for coverage in the Emergency Program, \$500,000 as noted within this condition: Deductibles a. (2) is replaced with \$100,000.

(4) However, these deductibles shall not apply to **covered property** located outside of an area designated as a **special flood hazard area** nor to ensuing physical loss, or damage or destruction not otherwise excluded herein. Further, the deductibles described under this condition 8., a., paragraphs (1), (2), and (3) above shall apply individually.

b. Flood Type 2: For all other **flood** losses, the deductible shall be as stated on the declarations pages at the beginning of this policy.

c. As respects losses from any other covered peril, the deductible shall be as stated on the declarations pages at the beginning of this policy.

8. **Inadvertently Omitted Property:** We will pay up to the first \$500,000 for **covered property** inadvertently omitted from **your schedule of values**. Additionally, for any inadvertently omitted **covered property** valued in excess of \$500,000, we **will** pay up to 50% of the amount in excess of \$500,000 up to a total of \$1,000,000.

9. **Increased Cost of Construction.** This section covers the reasonable and necessary costs incurred, described below, to satisfy the minimum requirements of the enforcement of any law or ordinance regulating the demolition, construction, repair, replacement or use of buildings or structures, provided:

a. Such law or ordinance is in force on the date of insured physical loss or damage; and

b. Its enforcement is a direct result of such insured physical loss or damage; and

c. This additional coverage does not cover any loss due to any law or ordinance with which **you** should have complied before the loss.

d. The cost to repair or rebuild the physically damaged portion of such property with materials and in a manner to satisfy such law or ordinance; and

- e. The cost:
 - (1) to demolish the physically undamaged portion of such property insured; and
 - (2) to rebuild it with materials and in a manner to satisfy such law or ordinance to the extent that such costs result when the total demolition of the physically damaged insured property is required to satisfy such law or ordinance.
- f. This additional coverage excludes any costs incurred as a direct or indirect result of enforcement of any laws or ordinances regulating any form of contamination including but not limited to the presence of a **pollutant** or hazardous material.
- g. The maximum liability for this additional coverage at each **covered property** in any occurrence will not exceed the actual cost incurred in demolishing the physically undamaged portion of the property insured plus the lesser of:
 - (1) The reasonable and necessary cost incurred, excluding the cost of land, in rebuilding on another site; or
 - (2) The cost of rebuilding on the same site.

10. **Landscaping Items.** We will pay for damage to **your** outdoor trees, shrubs, plants or harvested crops as a result of an **accident**. The most we will pay in any one **occurrence** is \$25,000.

11. **Newly Acquired Property:** All newly acquired property shall be reported to **us** within one hundred twenty (120) days in order for coverage to continue and shall be limited to \$10,000,000 until such time as reported to **us**, but no longer than one hundred twenty (120) days after acquisition.

12. **Operational Disruption Expense.** We agree to pay **you** or on **your** behalf **operational disruption expense** resulting from damage to **covered property** arising out of a covered loss under Insuring Agreement 1 during the **period of restoration**. The maximum amount we will pay for all expenses related to **operational disruption expense** is \$4,000,000 per covered occurrence and includes all sublimits as listed below. The following sublimits apply:

- a. The maximum amount we will pay is \$250,000 for **operational disruption expenses** for any one **occurrence** or in the aggregate for multiple **occurrences** for damages involving actual interruption of the use of **your computer system** when caused by a covered loss, provided that the disruption is directly caused by damage to **your computer system**.
- b. The maximum amount we will pay is \$500,000 for expediting expenses to cover the reasonable and necessary costs **you** incur to pay for the temporary repair of insured damage to **your covered property** and to expedite the permanent repair or replacement of such damaged property. This coverage does not cover costs recoverable elsewhere in this section or of permanent repair or replacement of damaged property.
- c. The maximum amount we will pay is \$1,000,000 for leasehold interest loss and is subject to the following:
 - (1) If the lease agreement requires continuation of rent; and if the property is wholly untenable or unusable, the actual rent payable for the unexpired term of the lease; or if the property is partially untenable or unusable, the proportion of the rent payable for the unexpired term of the lease.
 - (2) If the lease is canceled by the lessor pursuant to the lease agreement or by the operation of law; the lease interest for the first three months following the loss; and the net lease interest for the remaining unexpired term of the lease.
 - (3) The leasehold interest does not insure any increase in loss resulting from the suspension, lapse or cancellation of any license, or from **you** exercising an option to cancel the lease; or from **your** act or omission that constitutes a default under the lease.
 - (4) In addition, there is no coverage for **your** loss of leasehold interest directly resulting from damage to contents or personal property.

- d. The maximum amount **we** will pay is \$1,000,000 for extra expense loss will and is for the reasonable and necessary extra costs incurred by **you** of the following during the **period of restoration** and is outlined below:
- (1) Extra expenses to temporarily continue as nearly as **normal** as practicable the conduct of **your** operation and extra costs of temporarily using property or **your** facilities or others;
 - (2) Less any value remaining at the end of the **period of restoration** for property obtained in connection with the above.
 - (3) Extra expense does not cover:
 - (i) Any loss of income.
 - (ii) Costs that **normally** would have been incurred in conducting the operation during the same period had no physical loss or damage occurred.
 - (iii) Cost of permanent repair or replacement of property that has been damaged or destroyed.
 - (iv) Any expense recoverable elsewhere in this section.
13. **Professional Fees.** This policy is extended to cover reasonable and necessary expenses incurred by **you** for architects, engineers or other necessary design professionals who assist **you** in rebuilding from **your** loss under this section. Professional fees are limited to \$1,000,000 per **occurrence**.
14. **Property of Others.** Employee or volunteer-owned personal property located within **covered property** is covered up to a per **occurrence** limit of \$50,000. Coverage provided shall be secondary to any primary coverage available to employees or volunteers.
15. **Property in the Course of Construction.** New construction of buildings or repairs or renovations of existing buildings that **you** have an insurable interest in at the time of the loss, including equipment, machinery, tools, materials or supplies intended for use in the construction of such **covered property** shall be covered up to \$5,000,000 for each building as listed per the **schedule of values**.
16. **Property in Transit.** This section covers **covered property**, while being transported by **you**, up to a per **occurrence** and/or in the aggregate limit of \$1,000,000 per policy period.
17. **Protection and Preservation of Property.** This section covers reasonable and necessary costs incurred for actions to temporarily protect or preserve **covered property**, provided such actions are necessary due to actual, or to prevent immediately impending, insured physical loss or damage to such **covered property**. For this condition, reasonable and necessary means:
- a. Fire department fire-fighting charges imposed as a result of responding to a fire in, on or exposing the **covered property**;
 - b. Costs incurred of restoring and recharging fire protection systems following an insured loss; and
 - c. Costs incurred for the water used for fighting a fire in, on or exposing the **covered property**.
 - d. This additional coverage is subject to the deductible provisions that would have applied had the physical loss or damage occurred.
18. **Schedule of Values.** Except for **automobiles**, buildings, other outdoor structures, including a summary accounting of all items comprised as contents within a building, other **covered property** need not be identified in the **schedule of values** if the value of the individual item is less than \$100,000. It is **your** responsibility, working with **your** independent insurance agent, to make sure all **covered property** valued over \$100,000 is listed on **your schedule of values**. Further, items **you** list on the **schedule of values**, but excluded by the language within this policy, are not covered.

19. **Unmanned Aircraft System.** We will pay up to \$50,000 per **occurrence** for physical damage to unmanned aircraft (drones) weighing less than 50 pounds and incapable of travelling more than 100 miles per hour.
20. **Valuable Papers and Records, and Electronic Data and Media.** In the event of a covered loss under Insuring Agreement 1, **we** agree to pay **you**, or on **your** behalf, for direct accidental physical loss of or direct accidental physical damage to **valuable papers and records** and **electronic data and media** following damage to **covered property**. The maximum amount **we** will pay for any one **occurrence** or in the aggregate for multiple **occurrences** is \$500,000 to restore data lost by **you** for an actual interruption of the use of **your computer system** when caused by a covered loss. The maximum amount **we** will pay for all other losses to **valuable papers and records** that are not electronic data or media is \$1,000,000 for any one **occurrence**.
21. **Valuation of Loss.** Adjustment of the physical damage loss amount under this section will be computed as of the date of loss at the **covered property**, and for no more than **your** interest in the **covered property**, subject to the following:
- a. On contractors' equipment, **mobile equipment**, watercraft, and **automobiles**:
 - (1) The cost to repair or replace the property with new **mobile equipment** or **automobiles** of like kind and quality at the time of the loss, if less than or equal to two years from December 31 of the model year.
 - (2) The lesser of the **actual cash value** at the time of the loss or the cost to repair if greater than two years from December 31 of the model year.
 - (3) If not repaired or replaced, the **actual cash value**.
 - b. Stock in process: We agree to pay at the value of raw materials and labor expended plus the proper proportion of overhead charges.
 - c. Finished goods manufactured by **you**: We agree to pay at the regular cash-selling price at the **covered property** where the loss happens, less all discounts and charges to which the finished goods would have been subject had no loss happened.
 - d. Raw materials. On raw materials, supplies and other merchandise not manufactured by **you**:
 - (1) If repaired or replaced, the actual expenditure incurred in repairing or replacing the damaged or destroyed property, or
 - (2) If not repaired or replaced, the **actual cash value**.
 - e. Fine arts:
 - (1) **We** agree to pay at the appraised value of the article to a maximum of \$1,000,000 per **occurrence** or in the aggregate for multiple **occurrences** only if the **fine art** cannot be replaced with other of like kind and quality. We agree to pay the lesser of:
 - (i) The reasonable and necessary cost to repair or restore such property to the physical condition that existed on the date of loss;
 - (ii) Cost to replace the article; or
 - (iii) Current market value at time of loss.
 - (2) In the event a **fine arts** article is part of a pair or set, and a physically damaged article cannot be replaced, or repaired or restored to the condition that existed immediately prior to the loss, **we** will be liable for the lesser of the full value of such pair or set or the amount designated on the **schedule of values**, not to exceed our sublimit as stated above or in the declarations pages. **You** agree to surrender the pair or set to **us**.
 - f. **Valuable Papers and Records, and Electronic Data and Media.**

- (1) On data, programs or software stored on electronic, electro-mechanical, or electro-magnetic data processing or production equipment:
 - (i) The cost to repair, replace or restore data, programs or software including the costs to recreate research and engineer;
 - (ii) If not repaired, replaced or restored within two years from the date of loss, the blank value of the media.
- (2) On all other **Valuable Papers and Records**, and **Electronic Data and Media**, the lesser of the following:
 - (i) The cost to repair or restore, including the cost to recreate, research and engineer the item to the condition that existed immediately prior to the loss;
 - (ii) The cost to replace the item.

g. **Vacant Property:**

- (1) if the building or leased premises has been **vacant or unoccupied** for a period of more than ninety (90) consecutive days before the loss or damage occurs, **we** will not pay for any loss or damage caused by any of the following:
 - (i) Vandalism
 - (ii) Sprinkler leakage
 - (iii) Building glass breakage
 - (iv) Water damage
 - (v) Theft, or attempted theft
- (2) With respect to direct physical loss or damage, other than from caused listed above, and not otherwise excluded by this policy, **we** will reduce the amount **we** would otherwise pay for the loss or damage by 15%.

h. On all other **covered property**, the loss amount will not exceed the lesser of the following:

- (1) The **replacement cost** as per the value listed in **your schedule of values**, which **you** have submitted to **us**;
- (2) The cost to repair;
- (3) The cost to rebuild or replace on the same site with new materials that are like size, kind and quality;
- (4) The cost in rebuilding, repairing or replacing on the same or another site, but not to exceed the size and operating capacity that existed on the date of loss;
- (5) The selling price of real property or machinery and equipment, other than stock, offered for sale on the date of loss;
- (6) The cost to replace unrepairable electrical or mechanical equipment, including computer equipment, with equipment that is the most functionally equivalent to that damaged or destroyed, even if such equipment has technological advantages and/or represents an improvement in function and/or forms part of a program of system enhancement.
- (7) The increased cost of demolition, if any, resulting from loss covered by this section, if such property is scheduled for demolition;
- (8) The unamortized value of improvements and betterments, if such property is not repaired or replaced at **your** expense; or

(9) The **actual cash value** if such property is:

(i) Useless to **you**; or

(ii) Not repaired, replaced or rebuilt on the same or another site within two years from the date of loss.

(10) **You** may elect not to repair or replace **covered property** lost, damaged or destroyed. Loss settlement may be elected on the lesser of repair or **replacement cost** basis if the proceeds of such loss settlement are expended on other capital expenditures related to **your** operations within two years from the date of loss. As a condition of collecting on this item, such expenditure must be unplanned as of the date of loss and be made at a **covered property** under this section. This item does not extend to Demolition and Increased Cost of Construction.

22. **Water Backup through Sewer or Drain.** We provide coverage for direct physical loss to **your** buildings and its related contents when damage is caused by water which backs up through sewers or drains, not related to a **flood**, up to a maximum of \$1,000,000 per **occurrence**.

D. Exclusions Applicable to Property Insuring Agreements

The following exclusions are applicable to this Section only. They may amend exclusions located in Section IV General Exclusions of this policy.

1. **With Regard to all property, we do not cover losses under the Property Insuring Agreements of this section resulting directly or indirectly from:**
 - a. Loss or damage more specifically covered under any other section of this policy.
 - b. Moths, vermin, termites, crickets or other insects.
 - c. Inherent vice, latent defect, wear, tear or deterioration, whether sudden or gradual.
 - d. Contamination, rust, wet or dry rot, mold, dampness of atmosphere or variations of temperature.
 - e. Accumulated effects of smog, smoke, vapor, liquid and dust.
 - f. Loss of use, delay or loss of markets or opportunity.
 - g. Breakdown or derangement of any machinery, unless an insured peril ensues, and then only for the actual loss or damage caused by such ensuing peril.
 - h. Electrical appliances, devices, fixtures or wiring caused by artificially generated electrical current, unless fire or explosion ensues, and then only for the actual loss or damage caused by such ensuing fire or explosion.
 - i. Mysterious disappearance, loss or shortage disclosed on taking inventory for which the loss can be proven solely on the inventory records, or any unexplained loss.
 - j. Any fraudulent, dishonest or criminal act, including theft of cash, securities, or other negotiable instruments, however described, by any employee or authorized representative of an **insured** while acting alone or in collusion with others. This includes acts of direct insured physical damage intentionally caused by **your** employees, elected or appointed officials or volunteers and done without **your** knowledge.
 - k. Indirect or remote loss or damage.
 - l. Loss or damage or deterioration arising from any delay.
 - m. Interruption of business; except to the extent provided by this section.

- n. Lack of the following services when caused by an occurrence off the **covered property** and only if the lack of such a service directly causes physical damage insured by this section on the **covered property**, then only that resulting damage is insured:

- (1) Incoming or outgoing electricity, fuel, water, gas, steam, refrigerant;
- (2) incoming or outgoing sewerage;
- (3) incoming or outgoing telecommunications;

2. **With Regard to Buildings and Structures, we do not cover losses under the Property Insuring Agreements of this section resulting directly or indirectly from:**

- a. Settling, cracking, bulging, shrinking or expansion of any paved surfaces, foundations (including any pedestal, pad, platform or other property supporting machinery), walls, floors, ceilings or roofs, except if damage is caused by a covered **accident**, or if damage to **covered property** is caused by **earth movement** or **flood**.
- b. Extremes or changes of temperature (except to water piping or space heating equipment due to freezing) or changes in relative humidity, regardless of whether or not atmospheric, except if damage to **covered property** is caused by **earth movement** or **flood**.
- c. Any increase of loss due to interference with rebuilding, repairing or replacing a building, or with the resumption or continuation of business.
- d. Any increase of loss due to the suspension, lapse or cancellation of any lease, license, contract or order.
- e. Loss or damage to **covered property** caused by or resulting from errors in design or testing of that **covered property**, except resultant physical loss or damage to other **covered property** insured by this section.
- f. Faulty workmanship, material or construction, or design from any cause, except resultant physical loss or damage to other **covered property** insured by this section.
- g. Loss from enforcement of any law or ordinance:
 - (1) Regulating the construction, repair, replacement, use or removal, including debris removal, of any property; or
 - (2) Requiring the demolition of any property, including the cost in removing its debris; or
 - (3) except as provided by the conditions of Debris Removal and Increased Cost of Construction as listed in these conditions.

3. **With Regard to Property in Course of Construction, we do not cover losses under the Property Insuring Agreements of this Section resulting directly or indirectly from:**

- a. Penalties for non-completion of, or delay in, completion of contract or non-compliance with contract conditions, nor for loss of use of occupancy, however caused.

4. **With Regard to specific types of property, we do not cover physical loss or physical damage to the following property:**

- a. All animals and birds, except **your** service animals. For **your** service animals, **our** liability for such loss shall not exceed \$25,000 per **occurrence**, for injury, sickness or death.
- b. Land, water or any other substance in or on land.
- c. **Aircraft**, spacecraft or satellites.

- d. Retaining walls not constituting part of a building when loss is caused by ice or water pressure.
- e. Underground mines, mineshafts or caverns or any property within such mine, shaft or cavern or mining property located below the surface of the ground.
- f. Any property undergoing insulation breakdown tests.
- g. Currency, money, precious metal in bullion form, notes, or securities.
- h. Jewelry, furs, precious metals or precious stones.
- i. Dams, including earthen dams, canals, reservoirs, ditches, retaining ponds and all liners or other membranes designed to separate, retain or hold water, sewage, trash, dirt, debris or any other material.
- j. Roadways, highways, streets, bridges, tunnels, guardrails, pavements, parking lots, curbs, culverts, sidewalks, pathways, pedestrian walkways or other transportation conveyance infrastructure, however characterized.
- k. Underground pipes.
- l. Any **mobile equipment, automobile**, watercraft or other property while participating in any prearranged or organized racing, speed or demolition contest or in any stunting activity, including practice or preparation for any such contest or activity.
- m. Overhead transmission and distribution lines located more than 1 mile from **your** structures listed on the **schedule of values**.
- n. Data or fiber optic transmission lines and conduit not contained within walls of **covered property**.

SECTION VI - CRIME INSURANCE

A. Insuring Agreements Applicable to Crime Insurance

The following insuring agreements are applicable to this Section only and may amend insuring agreements located in Section I General Insuring Agreement of this policy. Also, the below listed insuring agreements are subject to Section II General Definitions, Section III General Conditions and Section IV General Exclusions of this policy, unless amended as stated within this Section.

1. **Employee Dishonesty or Fraud.** We agree to pay the *named insured*, or on its behalf, for loss of money, securities and other financial instruments or theft of *your* property by an *employee* sustained by the *named insured* resulting directly from one or more *dishonest or fraudulent acts* committed by an *employee* of the *named insured*, acting alone or in collusion with others.
2. **Loss Inside the Premises.** We agree to pay the *named insured*, or on its behalf, for loss of money and securities of the *named insured* by the actual destruction, disappearance or *wrongful taking* within the *premises*.
3. **Loss Outside the Premises.** We agree to pay the *named insured*, or on its behalf, for loss of money and securities of the *named insured* by the actual destruction, disappearance or *wrongful taking* thereof, outside the *premises* while being conveyed by a *messenger* or any armored motor vehicle company.

B. Definitions Applicable to Crime Insuring Agreements

The following definitions are applicable to this Section only. They may amend definitions located in Section II General Definitions of this policy.

1. **"Dishonest or Fraudulent Acts"** means acts committed by an *employee* of the *named insured* which
 - a. Cause the *named insured* to sustain such loss; or
 - b. Results in financial benefit to the *employee*, or another person or organization intended by the *employee* to receive such benefit, not otherwise entitled to.
2. **"Employee"** shall be as defined by the Idaho Tort Claims Act (Idaho Code, chapter 9, title 6).
3. **"Social Engineering Financial Fraud"** means the transfer of *money* or *securities* to an account outside *your* control pursuant to instructions made by a person purporting to be an authorized employee, outsourced provider or customer of *yours*, when such instructions prove to have been fraudulent and issued by a person who is not an authorized employee, outsourced provider, or customer of the *yours*.
4. **"Social Engineering Financial Fraud Loss"** means loss of money or securities in a *social engineering financial fraud*.
5. **"Messenger"** means any *employee* who is duly authorized by the *named insured* to have the care and custody of an *insured* property outside the *premises*.
6. **"Premises"** means the interior of that portion of any building which is occupied by the *named insured* in conducting its business.
7. **"Wrongful Taking"** means an unauthorized conversion or theft of money, securities, money orders, counterfeit currency, depositor's forgery or other financial instruments, whether or not proven in a court of law.

C. Specific Conditions Applicable to Crime Insuring Agreements

The following conditions are applicable to this Section only. They may amend conditions located in Section III General Conditions of this policy.

1. **All Incidents - One Loss.** All losses incidental to an actual or attempted fraudulent, dishonest or criminal act, or series of related acts, whether committed by one or more persons, shall be deemed one loss. The applicable limits of indemnification stated in the declarations pages are the total limit of **our** liability with respect to all losses arising out of any one occurrence.
2. **Policy in Lieu of Public Officials Surety Bond.** Insurance under this section shall be deemed to provide insurance compliant with the provisions of Idaho Code §59-804 for the terms and responsibilities of public officials or **employees** to the extent required by the Idaho Code bonding requirements for public officials.
3. **Limits of Indemnification for Multiple Policy Periods.** **Our** total liability is limited to the total amount specified in the declarations pages of this policy for all losses caused by any **employee** or in which such **employee** is concerned or implicated. Regardless of the number of years this policy shall continue in force and the number of member contributions which shall be payable or paid, the limits of indemnification specified in the declarations pages shall not be cumulative from year to year or period to period. The maximum total loss paid to any **named insured** shall not exceed the limits of indemnification stated in the policy year during which a claim is made.
4. **Loss Caused by Unidentified Employees.** If a loss is alleged to have been caused by the fraud or dishonesty of any one or more **employees**, and the **named insured** shall be unable to designate the specific **employee** or **employees** causing such loss, the **named insured** shall nevertheless have the benefit of Insuring Agreement 1, provided that the evidence submitted reasonably proves that the loss was in fact due to the fraud or dishonesty of one or more **employees** of the **named insured**.
5. **Ownership Interest.** Money, securities and other financial instruments may be covered by this policy whether owned by the **named insured** or held by the **named insured** in its care, custody or control.
6. **Recoveries.** To the extent that a loss of the **named insured** exceeds the limits of indemnification applicable to this section, the **named insured** shall be entitled to recoveries from third parties until the **named insured** is fully reimbursed. Any remaining recovery shall be paid to **us**. Audit fees incurred by **us** toward establishing **your** loss values will be deducted from the ultimate net loss.

D. Exclusions Applicable to Crime Insuring Agreements

The following exclusions are applicable to this Section only. They may amend exclusions located in Section IV General Exclusions of this policy.

1. **All Crime Insuring Agreements of this Section do not provide coverage for:**
 - a. Any claim or loss more specifically covered under any other section of this policy.
 - b. Any claim for the potential income or increase including, but not limited to, interest and dividends, not realized by the **named insured** because of a loss covered under this section.
 - c. Any claim for costs, fees or other expenses incurred by the **named insured** in establishing the existence or amount of loss, covered under this section.
 - d. Any claim for the funds collected or retained for any state or Federal agency pursuant to requirements established by law or pursuant to a mutual agreement.
 - e. Any loss claimed involving conduct that occurred more than two (2) years prior to the date of the claim.
 - f. Any loss claimed involving **social engineering financial fraud** from a **social engineering financial fraud loss** or event.

2. **Crime Insuring Agreement 1 does not cover:**

- a. Any loss, the proof of which, either as to its factual existence or as to its amount, is dependent upon an inventory computation or a profit and loss computation.
- b. Any claim of loss concerning any fiscal year wherein financial records of the political subdivision have not been timely audited by a certified public accountant in accordance with the requirements of Idaho Code §67-450B or §67-450C, as appropriate.

3. **Crime Insuring Agreement 2 does not provide coverage for:**

- a. Any claim or loss due to any fraudulent, dishonest or criminal act by any **employee**, director, trustee or authorized representative of the **named insured**, while working or otherwise, and whether acting alone or in collusion with others.
- b. Any claim or loss due to:
 - (1) The giving or surrendering of money or securities in any exchange or purchase;
 - (2) Accounting or arithmetical errors or omissions;
 - (3) Manuscripts, books of account, or records; or
 - (4) Presentation or acceptance of any check returned for insufficient funds.
- c. Any claim or loss of money contained in coin operated amusement devices or vending machines, unless the amount of money deposited within the device or machine is recorded by a continuous recording instrument therein.

4. **Crime Insuring Agreement 3 does not provide coverage for:**

- a. Any claim or loss due to any fraudulent, dishonest or criminal act by any **employee**, director, trustee or authorized representative of the **named insured**, while working or otherwise, and whether acting alone or in collusion with others.
- b. Any claim or loss due to:
 - (1) The giving or surrendering of money or securities in any exchange or purchase;
 - (2) Accounting or arithmetical errors or omissions; or
 - (3) Manuscripts, books of account or records.
- c. Any insured claim or loss of money, securities and other financial instruments of the **named insured** while in the custody of any armored motor vehicle company, except as excess policy over amounts recovered or received by the **named insured** under:
 - (1) The contract of the **named insured** with said armored motor vehicle company;
 - (2) Insurance carried by said armored motor vehicle company for the benefit of users of its services; and
 - (3) All other insurance and indemnity in force in whatsoever form carried by or for the benefit of users of said armored motor vehicle company's service.

SECTION VII – AUTOMOBILE LIABILITY INSURANCE

A. Automobile Liability Insuring Agreements

The following insuring agreements are applicable to this Section only and may amend insuring agreements located in Section I General Insuring Agreement of this policy. Also, the below listed insuring agreements are subject to Section II General Definitions, Section III General Conditions and Section IV General Exclusions of this policy, unless amended as stated within this Section.

1. **Automobile Liability.** We agree to pay on **your** behalf those sums which an **insured** becomes legally obligated to pay as **damages** because of **bodily injury** or **property damage** caused by an **occurrence** and arising out of the ownership, maintenance, use, loading or unloading of an **insured automobile**.
2. **Automobile Medical Payments.** We agree to pay **medical expenses** incurred within the policy period and within ten (10) days of an **automobile accident** as shall be necessary because of **bodily injury** caused by an **occurrence** in a vehicle owned or rented to an **insured**. Any such **medical expenses** must be reported within one hundred eighty (180) days of the **occurrence**.
3. **Uninsured or Underinsured Motorists.**
 - a. We agree to pay **damages** for **bodily injury** which an **insured** is legally entitled to recover from the owner or operator of an **uninsured automobile** or **underinsured automobile**. The **bodily injury** must be caused by **occurrence** and arise out of the ownership, maintenance or use of an **uninsured automobile** or **underinsured automobile**. This policy will pay under this Insuring Agreement only after the limits of liability under any applicable bodily injury liability policies or bonds have been exhausted in payments, settlements or judgments and after all worker's compensation benefits an employee may be entitled to have been paid.
 - b. The limits of indemnification shall be reduced by:
 - (1) All sums paid because of **bodily injury** by or on behalf of persons or organizations who may be legally responsible for causing the **bodily injury**; and
 - (2) All sums paid by worker's compensation benefits or similar disability law.

B. Definitions Applicable to Automobile Liability Insurance Agreements

The following definitions are applicable to this Section only. They may amend definitions located in Section II General Definitions of this policy.

1. "Insured" means:
 - a. With respect to Insuring Agreement 1, an **insured** or anyone else while using an **insured automobile** with the permission of the **insured**.
 - b. With respect to Insuring Agreement 2, anyone **occupying** an **insured automobile** with the permission of the **insured**.
 - c. With respect to Insuring Agreement 3, an **insured** or anyone else while using or **occupying** an **insured automobile** with permission of the **insured**.
2. "Insured Automobile" means an **automobile** owned by the **named insured** or a non-owned **automobile** while operated by an **insured** in the course and scope of their duties or such use that is otherwise authorized by the **named insured**.
3. "Medical Expenses" means expenses for necessary medical, surgical, x-ray and dental services, ambulance, hospital, professional nursing and funeral services.

4. "Occupying" with regard to Insuring Agreement 2 and 3 of this section means an individual who, at the time of the **accident**, is in physical contact with an **insured automobile**.
5. "Underinsured Automobile" means an **automobile** for which the sum of liability limits of all applicable liability bonds or policies at the time of an **accident** is less than the limits of indemnification applicable to Insuring Agreement 3 of this section.
6. "Uninsured Automobile" means an **automobile**:
 - a. To which a **bodily injury** liability bond or policy does not apply at the time of the **accident**.
 - b. For which an insuring or bonding company denies coverage or has become insolvent.
 - c. Which is a hit-and-run **automobile** and neither the driver nor the owner can be identified. The hit-and-run **automobile** must come in contact with an insured automobile.

C. Specific Conditions Applicable to Automobile Liability Insurance Agreements

The following conditions are applicable to this Section only. They may amend conditions located in Section III General Conditions of this policy.

1. **With respect to Insuring Agreements 1, 2 and 3, Auto Liability Insurance of this Section is subject to the following conditions:**
 - a. **Automobiles Owned by Employees or Authorized Volunteers.** An **automobile** owned by an employee or authorized volunteer of the **named insured** is provided auto liability coverage by this section while the **automobile** is being used by an employee or authorized volunteer on official business of the **named insured**. This policy shall be deemed secondary to the policy of the employee's or authorized volunteer's personal insurance, which is deemed to be primary insurance. The intent of this special condition shall not be interpreted to extend this policy to an **automobile** owned by other public or private entities which are made available to the **named insured** or its employees. For these non-owned **automobiles**, the terms and conditions already contained in this policy shall apply. This specific condition does not apply to volunteers engaged in search and rescue activities as coverage is intended to be primary insurance for search and rescue volunteers only when actively participating in search and rescue mobilizations initiated by the county Sheriff.
 - b. **Non-Duplication of Benefits.** There shall be no duplication of payments under this section for Insuring Agreements 1, 2 and 3, respectively, of this policy. Any amounts payable under these respective insuring agreements will be reduced by the amount of any advance payments.
2. **With Respect to Insuring Agreement 2, Automobile Medical Payments Insurance of this Section has the following conditions:**
 - a. **Examinations/Medical Reports.** The injured person may be required to take physical examinations by physicians **we** choose, as often as **we** reasonably require. **We** must be given authorization to obtain medical reports and other records pertinent to any such claim.
 - b. **Notice of Loss.** As soon as possible, any person making a claim under this Insuring Agreement must give **us** written notice. It must include all details **we** may need to determine the amounts payable.
3. **With Respect to Insuring Agreement 3, Uninsured/Underinsured Motorists Insurance of this Section has the following conditions:**
 - a. **Arbitration.** If **we** and any person entitled to recover under Insuring Agreement 3 fail to agree on the amount of **damages** thereof, the amount shall be settled by arbitration. In that event, each party will select an arbitrator. The two arbitrators will then select a third arbitrator. If they cannot agree upon a third arbitrator within thirty (30) days, both parties can ask a district judge in the State of Idaho to select the third arbitrator. Each party will pay the expenses it incurs and bear the expenses of the third arbitrator equally. Written decisions of any two arbitrators will determine the issues and will be binding. The arbitration will take place pursuant to the Uniform Arbitration Act, Idaho Code Title 7, Chapter 9, unless both parties agree otherwise.

Attorney's fees and fees paid to medical and other expert witnesses as part of the arbitration proceeding will not be considered arbitration expenses. These costs and expenses will be paid by the party incurring them.

- b. **Hit-and-Run Accident.** At *our* request, *you* shall make available for inspection any *automobile* which any *insured* was *occupying* at the time of a hit-and-run *accident*. *You* must also notify a law enforcement agency within twenty-four (24) hours of any hit-and-run *accident*. *You* must also notify *us* of any such hit-and-run *accident* within seven (7) days of any such *accident*. Failure to provide such notice shall be deemed a material and prejudicial breach of this Insuring Agreement 3, and render any insurance provided null and void.
- c. **Medical Examinations.** The injured person may be required to take, at *our* expense, physical examinations by physicians *we* choose, as often as *we* reasonably require.
- d. **Non-Binding Judgment.** No judgment resulting from a *suit* brought without *our* written consent, or which *we* are not a party to, is binding on *us*, either for determining the liability of the *uninsured or underinsured automobile* or owner, or the amount of *damages* sustained.
- e. **Prejudgment or Pre-Arbitration Award Interest.** Prejudgment or pre-arbitration award interest shall not begin to accrue until the date that the proof of loss is received by *us*.
- f. **Proof of Loss.** A proof of loss must be served upon *us* as soon as practicable following any such *accident* causing the injury in order to determine the amounts payable. Failure to provide such notice shall be deemed a material and prejudicial breach of this Insuring Agreement, and renders any insurance provided null and void. Each proof of loss presented shall accurately describe the conduct and circumstances which brought about the injury, state the time and place the injury occurred, state the names of all persons involved, and shall contain the amount of *damages* claimed, together with any and all records that exist pertaining to said injury. Said records shall consist of 1) all police reports pertaining to the *accident*, and 2) complete medical and billing records from all institutions (hospitals, rehabilitation facilities, and nursing homes) and physician offices. A signed medical records release form must be provided with the proof of loss giving *us* authorization to obtain additional medical reports and other records pertinent to any such loss.

D. Exclusions Applicable to Automobile Liability Insurance Agreements

The following exclusions are applicable to this Section only. They may amend exclusions located in Section IV General Exclusions of this policy.

1. With respect to Insuring Agreements 1, 2 and 3, Auto Liability Insurance of this Section does not apply:

- a. To any claim, *occurrence, accident, wrongful act* or *wrongful employment practice act* or other covered loss more specifically covered under any other section of this policy.
- b. To any claim of *bodily injury* sustained by any person, including an *insured*, engaged in the maintenance or repair of an insured automobile.
- c. To any claim that directly or indirectly benefits any worker's compensation or disability benefits insurer.
- d. For *bodily injury* to anyone eligible to receive benefits which are either provided, or are required to be provided, under any worker's compensation, occupational disease or similar disability law.
- e. To any claim arising out of the operation of *mobile equipment*.
- f. For any *automobiles* or *mobile equipment* owned or leased by a *named insured* when the *automobile* or *mobile equipment* is being rented or leased to a third party for compensation.
- g. To any person or organization, or to any agent or employee thereof, operating an automobile sales agency, repair shop, service station, storage garage or public parking place, with respect to any *accident* arising out of the operation thereof.

- h. To any employee with respect to injury to, sickness, disease or death of another employee of the same employer injured in the course of such employment in an **accident** arising out of the maintenance or use of the **automobile** in the business of such employer.
 - i. With respect to any hired **automobile**, to the owner or a lessee thereof, other than the **named insured**, nor to any agent or employee or such owner or lessee.
 - j. To any **bodily injury** resulting from or arising out of the use of an **automobile** owned by **you** and not insured by **us**.
 - k. To any claim for **bodily injury** arising out of:
 - (1.) Any sexual molestation occurrence that results in a claim or any sexual abuse occurrence that results in a claim; or
 - (2.) A series of related sexual molestation occurrences or a series of related sexual abuse occurrences that have as a common nexus with, or involve, a series of causally or logically related acts as a result of, caused by, contributed by, or in connection with any act or acts committed by anyone against any person or persons.
 - l. To any **claim** for **personal injury** or **property damage** arising out of:
 - (1.) Physical contact by any **unmanned aircraft system** with any other aircraft, including airships, blimps or other gas or hot air-filled balloons, whether manned or unmanned; or
 - (2.) Knowingly not complying with Federal Aviation Administration (FAA) regulations, certifications, rules, procedures, policies and standards with respects to **unmanned aircraft system** including any amendment or addition to such regulations, certifications, rules, procedures, policies and standards; or
 - (3.) Knowingly not complying with any other federal, state or local laws and regulations with respect to **unmanned aircraft system**, including any amendment or addition to such laws and regulations.
2. **With Respect to Insuring Agreement 1, Auto Liability Insurance of this Section does not apply:**
- a. To **property damage** to property rented to, used by or in the care, custody or control of any **insured**.
 - b. To **bodily injury** to any **insured** arising out of or in the course of employment.
 - c. To any liability for indemnity or contribution brought by any party for **bodily injury** or **property damage** sustained by any **insured**.
3. **With Respect to Insuring Agreement 2, Automobile Medical Payments of this Section does not apply:**
- a. To any **bodily injury** arising out of or resulting from the operation of an insured automobile while being used for hire or for a fee with authorization for such use.
 - b. To prisoners, inmates, or any other category of persons being detained by an **insured** while being transported by **you**.
 - c. For **bodily injury** to any employee, elected official or volunteer eligible to receive any worker's compensation, occupational disease or similar disability law benefits.
4. **With Respect to Insuring Agreement 3, Uninsured/Underinsured Motorists Insurance of this Section does not apply:**
- a. To any **insured** who enters into a settlement with a third party without **our** written consent.

SECTION VIII – GENERAL LIABILITY INSURANCE

A. Insuring Agreement Applicable to General Liability Insurance

The following insuring agreements are applicable to this Section only and may amend insuring agreements located in Section I General Insuring Agreement of this policy. Also, the following insuring agreements are subject to Section II General Definitions, Section III General Conditions and Section IV General Exclusions of this policy, unless amended as stated within this Section.

1. **General Liability.** We agree to pay on *your* behalf those sums which an *insured* becomes legally obligated to pay as *damages* for *personal injury* or *property damage* which arise out of an *occurrence* during the policy period. Included within this insuring agreement are the following:
 - a. **Garagekeeper's Liability.** Insuring Agreement 1 provides liability coverage for *damages* associated with the ownership and operation of storage garages and parking lots of the *named insured* as bailee with respect to an *automobile* left in its custody and control. This coverage is sublimited to \$500,000 per *occurrence*.
 - b. **Fire Suppression Liability.** Insuring Agreement 1 provides liability coverage for *damages* arising out of *fire suppression activities* by authorized firefighting personnel. This coverage is sublimited to \$500,000 per *occurrence*. This coverage grant does not apply to fire suppression activities on public land.
 - c. **Hostile Fire Liability.** Insuring Agreement 1 provides liability coverage for *damages* arising out of heat, smoke or fumes resulting from a *hostile fire*. This coverage is sublimited to \$500,000 per *occurrence*.
 - d. **Host/Liquor Liability.** Insuring Agreement 1 provides liability coverage for *damages* resulting from the provision, sale or distribution of alcoholic beverages, or by reason of any local, state or federal liquor control laws. This coverage is sublimited to \$500,000 per *occurrence*.
 - e. **Sewer Back-up Claims.** Insuring Agreement 1 provides liability coverage for *damages* arising out of sewer line and facilities back-up and related events, for which the *named insured* is responsible by virtue of its negligence. Notwithstanding the general exclusions stated elsewhere within this policy, this Insuring Agreement extends to mold and other fungus abatement and remediation demonstrated to be a direct result of a sewer back-up related *occurrence* for which *you* are responsible. This coverage is sublimited to \$500,000 per *occurrence*.
 - f. **Incidental Medical Liability.** Insuring Agreement 1 provides liability coverage for *damages* related to professional medical services rendered in the course and scope of delivering such services or during medically supervised training related thereto or which should have been rendered to any person or persons (other than employees of the *named insured* injured during the course of their employment) only by any of the following persons acting on behalf of the *named insured*:
 - (1) Employed or volunteer emergency medical technicians (EMTs), paramedics or first responders.
 - (2) Employed or volunteer, nurse practitioners, registered nurses, licensed practical nurses, or nurses otherwise licensed and regulated under the statutes of the State of Idaho, while employed by *you* and while acting within the scope of their duties and responsibilities serving inmates of a jail operated by *you*.
 - (3) Volunteer registered nurses, licensed practical nurses, or nurses otherwise licensed and regulated under the statutes of the State of Idaho, while volunteering for *you* and while acting within the scope of their duties and responsibilities, serving as an EMT, paramedic, first responder or ambulance personnel.
 - (4) Any other *insured* providing *first aid*.

B. Definitions Applicable to General Liability Insuring Agreement

The following definition is applicable to this Section only. It may amend definitions located in Section II General Definitions of this policy.

1. **"Fire Suppression Activities"** means the application of water or **fire suppression chemicals** in the attempt to suppress fires or dislocation of materials or destruction of property deemed necessary to suppress fires.
2. **"Fire Suppression Chemicals"** means chemicals prescribed for extinguishing or preventing fires.
3. **"Hostile Fire"** means one which becomes uncontrollable or breaks out from where it was intended to be within **your covered property** and started by **you**.
4. **"Insured"** means:
 - a. The **Named Insured**; or
 - b. Any current or former elected or appointed official serving as a volunteer or employee of the **named insured**, as well as any volunteer or employee of the **named insured** while acting within the scope of their duties as such. This does not include any appointed or elected official or employee who is serving the **named insured** as an independent contractor; or
 - c. City or county prosecutors, or appointed city attorneys while serving as independent contractors, in the course and scope of their statutory roles.

C. Exclusions Applicable to General Liability Insuring Agreement

The following exclusion are applicable to this Section only. They may amend exclusions located in Section IV General Exclusions of this policy.

1. **With Respect to Insuring Agreement 1, General Liability Insurance of this Section does not apply:**
 - a. To any claim, **occurrence, accident, wrongful act or wrongful employment practice act** or other covered loss more specifically covered under any other section of this policy.
 - b. To any claim from fire suppression liability, government-imposed penalties or fines, however characterized, assessed to pay the costs of suppressing a fire started by **your fire suppression activities** or for the improper discharge of **fire suppression chemicals** will not be covered under this section.
 - c. To **personal injury or property damage** resulting from or arising out of the ownership, maintenance, use or entrustment to others of any **automobile**.
 - d. To any **claim for damages** arising out of law enforcement activities or the performance of law enforcement duties.
 - e. To **property damage** to property **you** own, rent or occupy; **premises you** sell, give away or have abandoned; property loaned to **you**; and personal property in **your** care, custody and control. This exclusion shall not apply to garagekeeper's liability, as provided in the specific conditions of this section.
 - f. To any **damages** claimed for any loss, cost or expense incurred by **you** or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal, To any **claim** relating to **wrongful employment acts** of the employment of any person, including threatened, actual or alleged discrimination or harassment.
 - g. To any **claim or suit for personal injury** arising out of the **administration** of an **employee benefit program**.
 - h. To any **claim** arising out of the failure to supply water, electrical power, fuel, internet or any other utilities.
 - i. To any claim for **bodily injury** arising out of:

- (1.) Any sexual molestation occurrence that results in a claim or any sexual abuse occurrence that results in a claim; or
 - (2.) A series of related sexual molestation occurrences or a series of related sexual abuse occurrences that have as a common nexus with, or involve, a series of causally or logically related acts as a result of, caused by, contributed by, or in connection with any act or acts committed by anyone against any person or persons.
- j. To any *claim* for *personal injury* or *property damage* arising out of:
- (1) Physical contact by any *drone* with any other aircraft, including airships, blimps or other gas or hot air-filled balloons, whether manned or unmanned; or
 - (2) Knowingly not complying with Federal Aviation Administration (FAA) regulations, certifications, rules, procedures, policies and standards with respects to *drones*, including any amendment or addition to such regulations, certifications, rules, procedures, policies and standards; or
 - (3) Knowingly not complying with any other federal, state or local laws and regulations with respect to *drones*, including any amendment or addition to such laws and regulations.

SECTION IX – LAW ENFORCEMENT LIABILITY INSURANCE

A. Insuring Agreement Applicable to Law Enforcement Liability Insurance

The following insuring agreements are applicable to this Section only and may amend insuring agreements located in Section I General Insuring Agreement of this policy. Also, the following insuring agreements are subject to Section II General Definitions, Section III General Conditions and Section IV General Exclusions of this policy, unless amended as stated within this Section.

1. **Law Enforcement Liability.** We agree, subject to the conditions and exclusions of this Insuring Agreement, to pay on **your** behalf those sums which an **insured** becomes legally obligated to pay as **damages** because of a **wrongful act** or related **wrongful acts** which have as a common nexus any fact, circumstance, situation, event, transaction or series of facts, circumstances, situations, events or transactions resulting from the performance of **your** duties while providing law enforcement services or **jail operations** services or the administration of **first aid** resulting in **personal injury** or **property damage** during the policy period.

B. Definitions Applicable to Law Enforcement Liability Insuring Agreement

The following definitions are applicable to this Section only. They may amend definitions located in Section II General Definitions of this policy.

1. **"Jail Operations"** means activities relating to the detention of prisoners, arrestees or detainees at a detention facility, jail, work program, or other facility however described used to hold prisoners, arrestees, or detainees in the charge of an **insured**.
2. **"Personal Injury"** means **bodily injury**, mental anguish, shock, sickness, disease, disability, wrongful eviction, malicious prosecution, humiliation, invasion of rights of privacy, libel, slander or defamation of character, piracy and any infringement of copyright of property, erroneous service of civil papers, assault and battery and disparagement of property. **Personal injury** shall also mean false arrest, false imprisonment, detention, unlawful discrimination and violation of civil rights arising out of law enforcement activities.
3. **"Wrongful Act"** means the actual or alleged negligent performance of a legal duty or responsibility or failure to perform a legal duty or responsibility, respectively, in a tortious manner pursuant to the Idaho Tort Claims Act or unlawful violations of civil rights pursuant to Federal law arising out of public office or position. **Wrongful act** is not a **wrongful employment practice**, as defined elsewhere.

C. Specific Conditions Applicable to Law Enforcement Liability Insuring Agreement

The following conditions are applicable to this Section only. They may amend conditions located in Section III General Conditions of this policy.

1. **Incidental Medical Liability.** Insuring Agreement 1 of this section provides liability coverage for professional medical services rendered in the course and scope of delivering such services or during medically supervised training related thereto, or which should have been rendered to any person or persons (other than employees of the **named insured** injured during the course of their employment) only by any of the following persons acting on behalf of the **named insured** by:
 - (a) Employed or volunteer emergency medical technicians (EMTs), paramedics or first responders.
 - (b) Employed or volunteer, nurse practitioners, registered nurses, licensed practical nurses or nurses otherwise licensed and regulated under the statutes of the State of Idaho, while employed by **you** and while acting within the scope of their duties and responsibilities serving inmates in the function of a jail operated by **you**.
 - (c) Volunteer registered nurses, licensed practical nurses, or nurses otherwise licensed and regulated under the statutes of the State of Idaho, while volunteering for **you** and while acting within the scope of their duties and responsibilities serving an EMT, paramedic, first responder or ambulance personnel.

D. Exclusions Applicable to Law Enforcement Liability Insuring Agreement

The following exclusions are applicable to this Section only. They may amend exclusions located in Section IV General Exclusions of this policy.

1. **With Respect to Insuring Agreement 1, Law Enforcement Liability Insurance of this Section does not apply:**
 - a. To any claim, **occurrence, accident, wrongful act** or **wrongful employment practice act** or other covered loss more specifically covered under any other section of this policy.
 - b. To **personal injury** or **property damage** resulting from or arising out of the ownership, maintenance, use or entrustment to others of any **automobile**.
 - c. To **property damage** to property **you** own, rent or occupy; **premises you** sell, give away or have abandoned; property loaned to **you**; and personal property in **your** care, custody and control. This exclusion shall not apply to garagekeeper's liability, as provided in the specific conditions of this section.
 - d. To any claim or **suit** for which the only monetary **damages** sought are costs of **suit** and/or attorney's fees.
 - e. To any **claim** relating to **wrongful employment acts** of the employment of any person, including threatened, actual or alleged discrimination or harassment.
 - f. To any **claim** for **personal injury** arising out of:
 - (1) Any sexual molestation **occurrence** that results in a claim or any sexual abuse **occurrence** that results in a claim; or
 - (2) A series of related sexual molestation **occurrences** or a series of related sexual abuse **occurrences** that have as a common nexus with, or involve, a series of causally or logically related acts as a result of, caused by, contributed by, or in connection with any act or acts committed by anyone against any person or persons.
 - g. To any **claim** for **personal injury** or **property damage** arising out of:
 - (1) Physical contact by any **unmanned aircraft system** with any other aircraft, including airships, blimps or other gas or hot air-filled balloons, whether manned or unmanned; or
 - (2) Knowingly not complying with Federal Aviation Administration (FAA) regulations, certifications, rules, procedures, policies and standards with respects to **unmanned aircraft system** including any amendment or addition to such regulations, certifications, rules, procedures, policies and standards; or
 - (3) Knowingly not complying with any other federal, state or local laws and regulations with respect to **unmanned aircraft system**, including any amendment or addition to such laws and regulations.

SECTION X - ERRORS AND OMISSIONS INSURANCE

CLAIMS MADE ONLY

A. Errors and Omissions Insuring Agreements

The following insuring agreements are applicable to this Section only and may amend insuring agreements located in Section I General Insuring Agreement of this policy. Also, the following insuring agreements are subject to Section II General Definitions, Section III General Conditions and Section IV General Exclusions of this policy, unless amended as stated within this Section.

1. **Errors and Omissions Liability.** We agree to pay on **your** behalf those sums which **you** become legally obligated to pay as **damages** because of a **claim** against an **insured** which is **first made** in writing to **us** by **you** during this policy period, or any extended reporting period **we** provide, arising out of any **wrongful act** or series of related **wrongful acts** by an **insured** which have as a common nexus any fact, circumstance, situation, event, transaction or series of facts, circumstances, situations, events or transactions. For this insuring agreement, two or more **claims** arising out of a single **wrongful act** or series of related **wrongful acts** shall be treated as a single **claim**.

B. Definitions Applicable to Errors and Omissions Insuring Agreement

The following definition is applicable to this Section only. It may amend a definition located in Section II General Definitions of this policy.

1. "**Claim**" means a demand received by **you** for money **damages** alleging a **wrongful act** of a tortious nature by any **insured**. No **claim** exists where the only monetary **damages** sought or demanded are costs of **suit** and/or attorney's fees.
2. "**Insured**" means:
 - a. The **Named Insured**; or
 - b. Current or former elected or appointed official serving as a volunteer or employee of the **named insured**, as well as any volunteer or employee of the **named insured** while acting within the scope of their duties as such. This does not include any appointed or elected official or employee who is serving the **named insured** as an independent contractor; or
 - c. City or county prosecutors, or appointed city attorneys while serving as independent contractors, in the course and scope of their statutory roles.

C. Specific Conditions Applicable to Errors and Omissions Insuring Agreement

The following condition is applicable to this Section only. It may amend conditions located in Section III General Conditions of this policy.

1. **Retroactive Date.** All **wrongful acts** must first take place after the applicable retroactive date shown in the declaration pages of this policy and on or before the expiration of this policy period.

D. Exclusions Applicable to Errors and Omissions Insuring Agreement

The following exclusions are applicable to this Section only. They may amend exclusions located in Section IV General Exclusions of this policy.

1. **The Errors and Omissions Insuring Agreement 1 of this Section does not cover any claim:**
 - a. Or **occurrence, accident, wrongful act** or **wrongful employment practice act** or other covered loss more specifically covered under any other section of this policy.
 - b. Arising out of any dishonest, fraudulent, or criminal **wrongful acts** committed by any **insured** or at the direction of any **insured**.

- c. Arising out of the failure to supply water, electrical power, fuel, Internet or any other utilities.
- d. For which **you** are entitled to indemnity and/or payment by reason of having given notice of any circumstances which might give rise to a **claim** under any policy or policies, the term of which has commenced prior to the inception date of this policy, or from a **wrongful act** which occurred prior to the applicable retroactive date set forth in the declarations pages of this policy.
- e. Resulting from a continuing **wrongful act** which first commences prior to the applicable retroactive date set forth in the declarations pages of this policy.
- f. Arising out of law enforcement activities or the performance of law enforcement duties.
- g. For **personal injury** or **property damage**.
- h. To any **claim** for **personal injury** or **property damage** arising out of:
 - (1) Physical contact by any **unmanned aircraft system** with any other aircraft, including airships, blimps or other gas or hot air-filled balloons, whether manned or unmanned; or
 - (2) Knowingly not complying with Federal Aviation Administration (FAA) regulations, certifications, rules, procedures, policies and standards with respects to **unmanned aircraft system** including any amendment or addition to such regulations, certifications, rules, procedures, policies and standards; or
 - (3) Knowingly not complying with any other federal, state or local laws and regulations with respect to **unmanned aircraft system**, including any amendment or addition to such laws and regulations.
- i. To any **claim** for **damages** arising out of:
 - (1) Any sexual molestation **wrongful act** that results in a claim or any sexual abuse **wrongful act** that results in a claim; or
 - (2) A series of related sexual molestation **wrongful acts** or a series of related sexual abuse **wrongful acts** that have as a common nexus with, or involve, a series of causally or logically related acts as a result of, caused by, contributed by, or in connection with any act or acts committed by anyone against any person or persons.

SECTION XI – EMPLOYEE BENEFIT PROGRAM LIABILITY INSURANCE CLAIMS MADE ONLY

A. Employee Benefit Program Liability Insuring Agreement

The following insuring agreements are applicable to this Section only and may amend insuring agreements located in Section I General Insuring Agreement of this policy. Also, the following insuring agreements are subject to Section II General Definitions, Section III General Conditions and Section IV General Exclusions of this policy, unless amended as stated within this Section.

1. **Employee Benefit Program Liability.** *We* agree to pay on *your* behalf those sums which *you* become legally obligated to pay as **damages** because of a **claim** arising against an **insured** which is **first made** in writing to **us** by *you* during this policy period, or any extended reporting period *we* provide, resulting from **wrongful acts** or a series of related **wrongful acts** in the **administration** of **your employee benefit program** which have as a common nexus any fact, circumstance, situation, event, transaction or series of facts, circumstances, situations, events or transactions.. For this insuring agreement, two or more **claims** arising out of a single **wrongful act** or series of related **wrongful acts**, or a **personal injury** offense or a series of related offenses, in the **administration** of **your employee benefit program**, shall be treated as a single **claim**.

B. Definitions Applicable to Employee Benefit Program Liability Insuring Agreement

The following definitions are applicable to this Section only. They may amend definitions located in Section II General Definitions of this policy.

1. **"Administration"** means:
 - a. Providing information to employees, including their dependents and beneficiaries, with respect to eligibility for any **employee benefit program**;
 - b. Handling of records in connection with the **employee benefit program**; or
 - c. Affecting, continuing or terminating any employee participation in any **employee benefit program**.
 - d. **Administration** does not mean *your* decision to not offer a particular benefit, plan or program unless that particular benefit is required by law.
2. **"Claim"** means a demand received by *you* for money **damages** alleging a **wrongful act** or **personal injury** of a tortious nature by any **insured** in the **administration** of **your employee benefit program**. No **claim** exists where the only monetary **damages** sought or demanded are costs of **suit** and/or attorney's fees.
3. **"Insured"** means:
 - a. The **Named Insured**; or
 - b. Any current or former elected or appointed official serving as a volunteer or employee of the **named insured**, as well as any volunteer or employee of the **named insured** while acting within the scope of their duties as such. This does not include any appointed or elected official or employee who is serving the **named insured** as an independent contractor; or
 - c. City or county prosecutors, or appointed city attorneys while serving as independent contractors, in the course and scope of their statutory roles.

C. Specific Conditions Applicable to Employee Benefit Program Liability Insuring Agreement

The following condition is applicable to this Section only. It may amend conditions located in Section III General Conditions of this policy.

1. **Retroactive Date.** All **wrongful acts** or all **personal injury** must first take place on or after the applicable retroactive date shown in the declaration pages of this policy and before the expiration of this policy period.

D. Exclusions Applicable to Employee Benefit Program Liability Insuring Agreement

The following exclusions are applicable to this Section only. They may amend exclusions located in Section IV General Exclusions of this policy.

1. **The Employee Benefit Liability Insuring Agreement 1 of this Section does not cover any claim:**

- a. Or **occurrence, accident, wrongful act or wrongful employment practice act** or other covered loss more specifically covered under any other section of this policy.
- b. For which **you** are entitled to indemnity and/or payment by reason of having given notice of any circumstances which might give rise to a **claim** under any policy or policies, the term of which has commenced prior to the inception date of this policy, or from a **wrongful act** or **personal injury** which occurred prior to the applicable retroactive date set forth in the declarations pages of this policy.
- c. Resulting from a continuing **wrongful act** or **personal injury** which first commences prior to the applicable retroactive date set forth in the declarations pages of this policy.
- d. To any **claim** for **damages** arising out of law enforcement activities or the performance of law enforcement duties.
- e. To any **claim** for **damages** arising out of:
 - (1) Any sexual molestation **wrongful act** that results in a claim or any sexual abuse **wrongful act** that results in a claim; or
 - (2) A series of related sexual molestation **wrongful acts** or a series of related sexual abuse **wrongful acts** that have as a common nexus with, or involve, a series of causally or logically related acts as a result of, caused by, contributed by, or in connection with any act or acts committed by anyone against any person or persons.
- f. For **property damage**.

SECTION XII – EMPLOYMENT PRACTICES LIABILITY INSURANCE

CLAIMS MADE ONLY

A. Employment Practices Liability Insuring Agreement:

The following insuring agreements are applicable to this Section only and may amend insuring agreements located in Section I General Insuring Agreement of this policy. Also, the following insuring agreements are subject to Section II General Definitions, Section III General Conditions and Section IV General Exclusions of this policy, unless amended as stated within this Section.

1. **Employment Practices Liability.** We agree to pay on **your** behalf those sums which **you** become legally obligated to pay as **damages** because of a **claim** by or on behalf of a volunteer, employee, former employee or applicant for employment which is **first made** in writing to **us** by **you** during this policy period or any extended reporting period **we** provide, arising out of any **wrongful employment practice act** or series of related **wrongful employment practices act** by an **insured** which have as a common nexus any fact, circumstance, situation, event, transaction or series of facts, circumstances, situations, events or transactions.. For this insuring agreement, two or more **claims** arising out of a single **wrongful employment practice act** or series of related **wrongful employment practice acts** shall be treated as a single **claim**.

B. Definitions Applicable to Employment Practices Liability Insuring Agreement

The following definition is applicable to this Section only. It may amend a definition located in Section II General Definitions of this policy.

1. "**Claim**" means a demand received by **you** for money **damages** alleging a **wrongful employment practice act** of a tortious nature by any **insured**. No **claim** exists where the only monetary **damages** sought or demanded are costs of **suit** and/or attorney's fees. A **claim** shall include complaints filed with the Idaho Human Rights Commission (IHRC) and the Equal Employment Opportunity Commission (EEOC). A **claim** also includes employment contract claims premised upon implied employment contracts.
2. "**Insured**" means:
 - a. The **Named Insured**;
 - b. Any current or former elected or appointed official serving as a volunteer or employee of the **named insured**, as well as any volunteer or employee of the **named insured** while acting within the scope of their duties as such. This does not include any appointed or elected official or employee who is serving the **named insured** as an independent contractor; or
 - c. City or county prosecutors, or appointed city attorneys while serving as independent contractors, in the course and scope of their statutory roles.

C. Specific Conditions Applicable to Employment Practices Liability Insuring Agreement

The following condition is applicable to this Section only. It may amend conditions located in Section III General Conditions of this policy.

1. **Retroactive Date.** All **wrongful employment practice acts** must take place on or after the applicable retroactive date shown in the declaration pages of this policy and before the expiration of this policy period.

D. Exclusions Applicable to Employment Practices Liability Insuring Agreement

The following exclusions are applicable to this Section only. They may amend exclusions located in Section IV General Exclusions of this policy.

1. **The Employment Practices Liability Insuring Agreement 1 of this Section does not cover any claim:**
 - a. Or **occurrence, accident** or other covered loss more specifically covered under any other section of this policy.

- b. For which **you** are entitled to indemnity and/or payment by reason of having given notice of any circumstances which might give rise to a **claim** under any policy or policies, the term of which has commenced prior to the inception date of this policy, or from a **wrongful employment practice act** which occurred prior to the applicable retroactive date set forth in the declarations pages of this policy.
- c. Resulting from a continuing **wrongful employment practice act** which commences prior to the applicable retroactive date set forth in the declarations pages of this policy.
- d. Arising out of law enforcement activities or the performance of law enforcement duties.
- e. To any **claim** for **damages** arising out of:
 - (1) Any sexual molestation **wrongful act** that results in a claim or any sexual abuse **wrongful act** that results in a claim; or
 - (2) A series of related sexual molestation **wrongful acts** or a series of related sexual abuse **wrongful acts** that have as a common nexus with, or involve, a series of causally or logically related acts as a result of, caused by, contributed by, or in connection with any act or acts committed by anyone against any person or persons.
 - (3) The above exclusions do not apply to a claim for **damages** arising out of **employment sexual harassment**.
- f. For **personal injury** or **property damage**.

SECTION XIII –SEXUAL MOLESTATION OR SEXUAL ABUSE LIABILITY INSURANCE CLAIMS MADE ONLY

A. Insuring Agreement Applicable to Sexual Molestation or Sexual Abuse Liability Insurance

The following insuring agreements are applicable to this Section only. Also, the following insuring agreements are subject to Section II General Definitions, Section III General Conditions and Section IV General Exclusions of this policy, unless amended as stated within this Section.

1. **Sexual Molestation or Sexual Abuse Liability.** We agree to pay on **your** behalf those sums **you** become legally obligated to pay as **damages** arising out of a **sexual molestation or sexual abuse bodily injury claim** or a series of **related sexual molestation or sexual abuse bodily injury claims** which are **first made** in writing to **us** by **you** against an **insured** during this policy period, or any extended reporting period **we** provide, arising out of any **sexual molestation or sexual abuse incident** or a series of **related sexual molestation or sexual abuse** incidents. This insurance applies to **bodily injury** only if:
 - a. The **bodily injury** is caused by a **sexual molestation or sexual abuse** incident or a series of **related sexual molestation or sexual abuse bodily injury** incidents that take place in the coverage territory; and
 - b. The **bodily injury** caused by a **sexual molestation or sexual abuse** or a series of **related sexual molestation or sexual abuse bodily injury** incidents did not first occur before the retroactive date shown in the declarations pages; and
 - c. The first incident of **sexual molestation or sexual abuse bodily injury** to the injured person(s) takes place on or after the retroactive date and before the end of this policy period.

Subject to the above, all **claims** for **damages** because of **bodily injury** arising out of a **sexual molestation or sexual abuse** incident or a series of **related sexual molestation or sexual abuse** incidents whether committed by the same perpetrator or two or more perpetrators acting in concert and without regard to the number of:

- (1) Incidents of **sexual molestation or sexual abuse** taking place thereafter;
- (2) Victims of **sexual molestation or sexual abuse**;
- (3) Locations where the **sexual molestation or sexual abuse** took place;
- (4) ICRMP policy periods over which the acts of **sexual molestation or sexual abuse** took place; or
- (5) Breach of any legal obligation arising out of any **sexual molestation or sexual abuse**, or suspected or threatened **sexual molestation or sexual abuse**, or breach of duty to any person who was **sexually molested or sexually abused**,

will be treated as a single **sexual molestation or sexual abuse bodily injury claim** considered **first made** against an **insured** and reported in writing to **us** during the policy period or any extended reporting period when the first of such **claims** is made and only that policy period coverage section limits of indemnification as stated in the declarations page apply to such single **claim**.

B. Definitions Applicable to Sexual Molestation or Sexual Abuse Liability Insuring Agreement

The following definitions are applicable to this Section only. They may amend definitions located in Section II General Definitions of this policy.

1. **"Bodily Injury"** means bodily injury, sickness, disease, shock, fright, mental injury or anguish, emotional distress or disability sustained by a natural person, including death resulting from any of these at any time resulting from **sexual molestation or sexual abuse**.
2. **"Claim"** means a **suit** or demand made by or for the injured person for monetary **damages** because of alleged or actual **bodily injury** caused by **sexual molestation or sexual abuse**.

3. **"Insured"** means:
 - a. The ***Named Insured***;
 - b. Any current or former elected or appointed official serving as a volunteer or employee of the ***named insured***, as well as any volunteer or employee of the ***named insured*** while acting within the scope of their duties as such. This does not include any appointed or elected official or employee who is serving the ***named insured*** as an independent contractor; or
 - c. City or county prosecutors, or appointed city attorneys while serving as independent contractors, in the course and scope of their statutory roles.
4. **"Related Sexual Molestation or Sexual Abuse Bodily Injury"** means ***sexual molestation or sexual abuse bodily injury*** that has as a common nexus with, or involving, a series of casually or logically related acts.
5. **"Sexual Molestation or Sexual Abuse"** means:
 - a. The alleged, actual, threatened, unwelcome or offensive:
 - (1) Physical conduct, including sexual abuse or molestation by anyone of any person while in the care, custody or control of any ***insured***; or
 - (2) Verbal or written conduct or conduct using visual images, including conduct by electronic means;
 - b. Including:
 - (1) The negligent:
 - (a) Employment;
 - (b) Investigation;
 - (c) Supervision;
 - (d) Reporting to proper authorities, or failure to so report; or
 - (e) Retention;

of a person for whom any ***insured*** is or ever was legally responsible and whose conduct is defined herein.
 - c. Breach of any legal obligation arising out of any ***sexual molestation or sexual abuse*** occurrence, or suspected or threatened ***sexual molestation or sexual abuse***, or breach of any duty to any person who was abused or molested.

C. Specific Conditions Applicable to Sexual Molestation or Sexual Abuse Liability Insuring Agreement

The following conditions are applicable to this Section only. They may amend conditions located in Section III General Conditions of this policy.

1. **Retroactive Date.** All ***sexual molestation or sexual abuse claims*** must take place on or after the applicable retroactive date as shown in the declaration pages of this policy and before the expiration of this policy period.

D. Exclusions Applicable to Sexual Molestation or Sexual Abuse Liability Insuring Agreement

The following exclusions are applicable to this Section only. They may amend exclusions located in Section IV General Exclusions of this policy.

1. **With Respect to Insuring Agreement 1 Sexual Molestation or Sexual Abuse Liability Insurance of this Section does not apply:**

- a. To any **claim, occurrence, accident, wrongful act** or **wrongful employment practice act** or other covered loss more specifically covered under any other section of this policy.
- b. To any **claim** relating to **wrongful employment practice acts** of the employment of any person, including threatened, actual or alleged discrimination or harassment.
- c. To any **claim** or **suit** for which the only monetary **damages** sought are costs of **suit** and/or attorney's fees.
- d. Any **sexual molestation or sexual abuse bodily injury claim**:
 - (1) Based upon, or arising out of, **sexual molestation or sexual abuse bodily injury** which is the subject of any notice given under any policy or policies the term of which has or have expired prior to the inception date of this policy.
 - (2) Arising out of any **sexual molestation or sexual abuse bodily injury** that first takes place prior to the retro date of this policy.
 - (3) Caused by any **insured** who is found by a court of law to have committed a criminal act involving sexual molestation or sexual abuse. However, **we** will pay covered **damages** the **named insured** becomes legally obligated to pay as a result of an employee's actions if such obligation is created pursuant to the Idaho Tort Claims Act, another state's similar law or federal law.

SECTION XIV –CHEMICAL SPRAYING ACTIVITIES LIABILITY INSURANCE

CLAIMS MADE COVERAGE ONLY

A. Insuring Agreement Applicable to Chemical Spraying Activities Liability Insurance

The following insuring agreements are applicable to this Section only and may amend insuring agreements located in Section I General Insuring Agreement of this policy. Also, the following insuring agreements are subject to Section II General Definitions, Section III General Conditions and Section IV General Exclusions of this policy, unless amended as stated within this Section.

1. **Chemical Spraying Activities Liability.** We agree to pay on *your* behalf those sums which *you* become legally obligated to pay as *damages* because of a *claim* arising out of an *occurrence* for *chemical spraying activities* against an *insured* which is *first made* in writing to *us* by *you* during this policy period, or any extended reporting period *we* provide. For this insuring agreement, two or more *claims* arising out of a single *occurrence* or series of related *occurrences* shall be treated as a single *claim*. All *bodily injury* to one or more persons and/or *property damage* arising out of an *accident* or a continuous or repeated exposure to conditions shall be deemed one *occurrence*. This insuring agreement only applies if the incident did not first occur before the retroactive date as stated in the declarations pages or after the end of this policy period, or any extended reporting period *we* provide.

B. Definitions Applicable to Chemical Spraying Activities Liability Insuring Agreement

The following definitions are applicable to this Section only. They may amend definitions located in Section II General Definitions of this policy.

1. **"Chemical Spraying Activities"** means the intended dispersal of herbicides, defoliants, insecticides, pesticides or other toxic materials approved by the federal government for the eradication of undesirable plant growth, insects or rodents and the mixing, loading, storage, transportation and disposal of such materials.
2. **"Claim"** means a demand received by *you* for money *damages* alleging a *wrongful act* of a tortious nature by an *insured*.
3. **"Occurrence"** means an *accident* or a continuous or repeated exposure to *chemical spraying activities* which results in *bodily injury or property damage* during the policy period. The *occurrence* must first commence and be sustained on or after the retroactive date set forth in the declarations pages and prior to the effective date of this policy's cancellation or termination.

C. Specific Conditions to Chemical Spraying Activities Liability Insuring Agreement

The following conditions are applicable to this Section only. They may amend conditions located in Section III General Conditions of this policy.

1. **Exception to Absolute Pollution Exclusion.** The insurance afforded by this section constitutes an express exception to the Absolute Pollution Exclusion set forth in the General Exclusions section IV of this policy. As an exception to such exclusion, this coverage stands only to pay legally required *damages* for *bodily injury or property damage* not to exceed the Limits of Indemnification stated in the policy declarations, and not in any circumstances for natural resource damage claims made or penalties or fines imposed pursuant to state or federal law.
2. **Retroactive Date.** All *claims* must take place on or after the applicable retroactive date as shown in the declaration pages of this policy and before the expiration date of this policy period.

D. Exclusions to Chemical Spraying Liability Activities Liability Insuring Agreement

The following exclusion are applicable to this Section only. They may amend exclusions located in Section IV General Exclusions of this policy.

1. To any **claim, occurrence, accident, failure to educate, wrongful act** or **wrongful employment practice act** or other covered loss more specifically covered under any other section of this policy.
2. To any claim or **suit** for which the only monetary **damages** sought are costs of **suit** and/or attorney's fees.
3. To any claim for which **you** are entitled to indemnity and/or payment by reason of having given notice of any circumstances which might give rise to a claim under any other policy or policies of insurance.
4. To any **occurrences** for **bodily injury** arising out of:
 - (1) Any sexual molestation **occurrence** that results in a claim or any sexual abuse **occurrence** that results in a claim; or
 - (2) A series of related sexual molestation **occurrences** that results in a claim or a series of related sexual abuse **occurrences** that results in a claim that have as a common nexus with, or involve, a series of causally or logically related acts as a result of, caused by, contributed by, or in connection with any act or acts committed by anyone against any person or persons.

SECTION XV -ENDORSEMENTS

THESE ENDORSEMENTS MODIFY THE POLICY.

PLEASE READ THEM CAREFULLY.

Nothing herein contained in any of the listed endorsements shall be held to vary, alter, waive or extend any of the terms, conditions, or limitations of the policy to which these endorsements are attached other than as stated. All definitions listed in the General Definitions of this Policy apply when not amended within each Endorsement.

#1 ACCIDENTAL DISCHARGE OF POLLUTANTS AMENDATORY ENDORSEMENT

Section V – Property is amended by the following:

A. Insuring Agreement to Accidental Discharge of Pollutants Endorsement

The following insuring agreement is applicable to this Endorsement only and may amend insuring agreements located in Section I General Insuring Agreement of this policy. Also, the following insuring agreement is subject to Section II General Definitions, Section III General Conditions and Section IV General Exclusions of this policy, unless amended as stated within this Endorsement.

1. Notwithstanding anything to the contrary contained in the policy to which this endorsement attaches, it is hereby understood and agreed that Section V, Property Insurance, is extended to cover “**pollution cost or expense**” related to an otherwise covered **accident** as covered by section V, Property. This endorsement is limited to \$100,000 per occurrence and in the policy limits aggregate per policy period.

B. Definitions Applicable to Accidental Discharge of Pollutants Endorsement

The following definition is applicable to this Endorsement only. It may amend a definition located in Section II General Definitions of this policy or Section V Property definitions.

1. “**Pollution Cost or Expense**” means any cost or expense arising out of costs incurred by **you** to monitor, clean up, remove, contain, treat, detoxify, neutralize or in any way respond to or assess the effects of **pollutants** related to any otherwise covered claim as defined in section V Property Insurance. This coverage will apply whether this cost is incurred due to a request, order, or **suit** by any governmental agency or at the discretion of the **named insured**.

C. Exclusions Applicable to Accidental Discharge of Pollutants Endorsement

The following exclusion is applicable to this Endorsement only. It may amend exclusions located in Section IV General Exclusions of this policy and Section V Property exclusions.

1. This endorsement does not extend to any landfill, transfer station, trash or recycling collection facility or any other facility designed primarily for the collection or transfer of refuse or recycling content, or the **automobiles** and **mobile equipment** associated with any such described location.

Nothing herein contained shall be held to vary, alter, waive or extend any of the Section I General Insuring Agreements, Section II General Definitions, Section III General Conditions, Section IV General Exclusions or any specific Section insuring agreements, definitions, conditions, or exclusions to which this endorsement is attached other than as above stated.

#2 CYBER AND TECHNOLOGY LIABILITY ENDORSEMENT

THIS ENDORSEMENT IS LIMITED TO LIABILITY FOR CLAIMS THAT ARE FIRST MADE AGAINST YOU AND REPORTED IN WRITING TO US DURING THE POLICY PERIOD. CLAIM EXPENSES ARE WITHIN AND REDUCE THE LIMIT OF LIABILITY.

CLAIMS MADE COVERAGE

I. Insuring Agreements

The following insuring agreements are applicable to this Endorsement only. They may amend insuring agreements located in Section I General Insuring Agreement of this policy. Also, the below listed insuring agreements are subject to Section II General Definitions, Section III General Conditions and Section IV General Exclusions of this policy. It may also amend Section IX General Liability Insuring Agreements. It may also amend Section V Property Insuring Agreements.

- A. **Third Party Liability Coverages.** We will pay on behalf of an *insured claim expenses* and *damages* in excess of the applicable retention that *you* are legally obligated to pay as the result of a *claim* first made against *you* during the *policy period* or extended reporting period (if applicable) alleging a:

1. **Media – media wrongful act;**
2. **Privacy and Cyber Security – privacy and security wrongful act;**

Committed by *you*, a *rogue employee*, an *outsourced provider*, or by a third party for whose *third-party wrongful act* you are legally responsible.

3. **Privacy Regulatory Defense, Awards and Fines -** We will pay on behalf of an *insured claim expenses* and *regulatory damages* in excess of any deductible that *you* are legally obligated to pay as the result of a *privacy regulatory action* first made against *you* during the *policy period* or any extended reporting period (if applicable) alleging a *privacy and security wrongful act you*, a *rogue employee*, an *outsourced provider*, or by a third party for whose *privacy and security wrongful act you* are legally responsible.
4. **PCI DSS Coverage.** We will reimburse *you* for *PCI DSS fines and costs* in excess of *your* deductible that *you* are legally obligated to pay as the result of a *claim* first made against *you* during the *policy period* or extended reporting period (if applicable) alleging a *PCI DSS wrongful act* committed by *you*, a *rogue employee*, an *outsourced provider*, or by a third party for whose *PCI DSS wrongful act you* are legally responsible.

B. First Party Coverages.

1. **Business Interruption and Extra Expenses.** We will pay or reimburse *you* for:

- a. *loss of business income* after the waiting period; and
- b. *extra expenses* in excess of *your* deductible,

during the *period of restoration* that *you* incur resulting from a *cyber security breach* directly causing a total or partial interruption of deterioration of *your* business operations.

2. **Data Recovery.** We will pay or reimburse *you* for *data recovery expenses* in excess of *your* deductible that *you* incur directly resulting from a *cyber-security breach*.

3. **Cyber-Extortion and Ransomware.** *We* will pay or reimburse **you** for **cyber-extortion expenses** in excess of **your** deductible that **you** incur directly resulting from and in response to a **cyber-extortion threat**.
4. **Dependent Business Interruption – System Failure.** *We* will pay or reimburse **you** for **system failure dependent business interruption loss**.
5. **System Failure.** *We* will pay or reimburse **you** for:
 - a. **loss of business income** after a ten (10) hour **waiting period**;
 - b. **extra expenses** in excess of the applicable retention,during the **period of restoration** that **you** incur resulting from any unintentional and unplanned outage or failure of the **network** directly causing a total or partial interruption or deterioration of **your** business operations.
6. **Social Engineering Financial Fraud.** *We* will pay or reimburse **you** for **social engineering financial fraud losses** in excess of **your** deductible resulting from a **social engineering financial fraud event**.

C. **Data Breach Response and Crisis Management Coverage.**

1. *We* will pay or reimburse you **data breach response and crisis management costs** in excess of **your** deductible that **you** incur for a continuous eighteen (18) month period resulting from a **data breach** or **cyber security breach**. The payment period begins when the **data breach** or **cyber security** is reported to **us** in accordance with **our** Notice provision listed herein.

D. **Application of Coverage.**

1. The coverage provided under Third Party Liability Coverages above shall apply only if:
 - a. the first **third party wrongful act** or **related matter** occurs on or after the **retroactive date** as stated in declarations pages and prior to the Policy expiration date, as stated in the Declarations page;
 - b. prior to the Policy's effective date on the declarations page, or that of the first endorsement issued and continuously renewed by **us**, of which this endorsement is a renewal, no **executive officer** knew or could have reasonably foreseen that such **third party wrongful act** or **related matter** did or likely would result in a **claim**;
 - c. the **claim** is reported to **us** during the policy period or extended reporting period (if applicable) and is reported in accordance with the endorsement Notice provisions; and
 - d. notice of such **third party wrongful act** or **related matter** alleged or contained in any **claim** or in any circumstance has not been provided by **you** and accepted by **us** under any prior endorsement of which this endorsement is a renewal or replacement, or any subsequent endorsement, irrespective of whether such prior or subsequent endorsement was issued by **us** or any other entity.
2. The coverage provided under First Party Coverages and Data Breach Response and Crisis Management Coverage stated above shall apply if and only if:

- a. an **executive officer** first discovers and/or becomes aware of such **first party incident** or **related matter** during the policy period;
- b. the **first party incident** is reported to **us** during the policy period or automatic extended reporting period (if applicable) and is reported in accordance with the Notice provisions within this endorsement; and
- c. notice of such **first party incident** or **related matter** has not been provided by **you** and accepted by **us** under any prior policy of which this endorsement is a renewal or replacement, or any subsequent endorsement, irrespective of whether such prior or subsequent endorsement was issued by **us** or other entity.
- d. the coverage provided under insuring agreement Social Engineering Financial Fraud shall apply only if **you** verify the instruction to transfer **money** or **securities** by following a pre-arranged callback or other established procedural method to authenticate the validity of the request prior to acting upon any transfer instruction.

II. Defense and Settlement

- A. **Defense.** **We** have the right and duty to defend any **claim** under Third Party Liability Coverages made against **you** even if the allegations in the **claim** are groundless, false or fraudulent. **We** will select and appoint defense counsel.
- B. **Settlement.** **We** have the right to settle a **claim**. All such payments by **us** are subject to Liability and Retention limits as stated in the declarations pages.

III. Limit of Liability and Retention

- A. **Limit of Liability Option.** **We** shall elect the endorsement limits to apply on a Combined Limits or Separate Limits basis as stated on the declarations pages.
 1. Combined Limits
 - a. If **we** elect Combined Limits then the endorsements Combined Policy Aggregate Limit is **our** maximum liability for **loss** under all Insuring Agreements combined, regardless of the number of **claims**, or individuals or entities making **claims**. Insuring Agreements triggered or individuals or entities making **claims**. Upon exhaustion of such limit of liability, **we** will not be liable to pay any further **loss** with respect to this endorsement.
 - b. If a **sublimit** with respect to an Insuring Agreement is stated, then such **sublimit** will be **our** maximum liability for **loss** with respect to such Insuring Agreement. Upon exhaustion of such **sublimit**, **we** will not be liable to pay any further **loss** with respect to the coverage provided by the subject Insuring Agreement. Each **sublimit** will be part of, and not in addition to, this endorsement's Combined Policy Aggregate Limit of Liability and will in no way serve to increase or supplement such limit of liability. All payments made under a **sublimit** will reduce such limit of liability.
 2. Separate Limits. If **we** elect Separate Limits then the Endorsement's:
 - a. Third and First Party Aggregate Limit, on the Declarations page is **our** maximum liability for all **damages, claim expenses, regulatory damages, loss of business income, extra expense, data recovery expenses, and cyber-extortion expenses** for all Third Party Liability Coverages and First Party Coverages, regardless of the number of **insureds, claims, first party incidents**, or individuals or entities making **claims**. If a **sublimit** with respect to an Insuring Agreement is stated, then such **sublimit** will be

our maximum liability for **loss** with respect to such Insuring Agreement. Upon exhaustion of such **sublimit**, **we** will not be liable to pay any further **loss** with respect to the coverage provided by the subject Insuring Agreement. Each **sublimit** will be part of, and not in addition to, the endorsements Third-Party Liability and First Party Aggregate Limit of Liability and will in no way serve to increase or supplement such limit of liability. All payments made under a **sublimit** will reduce such limit of liability.

- b. Data Breach Response and Crisis Management Aggregate Limit is **our** maximum liability for all **data breach response and crisis management costs** for Data Breach Response and Crisis Management Coverage regardless of the number of **data breaches**.

3. Exhaustion of Limit

- a. Upon exhaustion of the:
 - (1) Combined Endorsement Aggregate Limit of Liability under the Combined Limits option; or
 - (2) Third Party and First Party Aggregate Limit of Liability under the Separate Limits option; and
 - (3) Data Breach Response and Crisis Management Aggregate Limit of Liability under the Separate Limits option; or
- b. after **we** have deposited or escrowed any amounts remaining in the Endorsement's applicable aggregate limit of liability with a court of competent jurisdiction, **we** will not be liable to pay any further **loss** under the endorsement.

B. Deductibles.

1. Combined Limits.

- a. **We** are liable only for that portion of covered **damages, claim expenses, regulatory damages, and first party costs** (not including loss of business income) in excess of the applicable Insuring Agreement's deductible amount. If more than a single deductible applies to a **claim** and/or **first party incident**, then **you** are responsible for paying the highest applicable deductible. The deductible will be borne entirely by **you** alone and not by **us**.
- b. Solely with respect to Business Interruption and Extra Expenses Insuring Agreement, **we** are liable only for **loss of business income** in excess of the **waiting period**.

2. Separate Limits.

- a. **We** are liable only for that portion of covered **damages, claim expenses, regulatory damages, extra expenses, data recovery expense, and cyber-extortion expenses**, that is in excess of the applicable Insuring Agreement's deductible amount. If more than a single deductible applies to a **claim** and/or **first party incident**, then **you** are responsible for paying the highest applicable deductible. The deductible will be borne entirely by **you** alone and not by **us**.
- b. With respect to Data Breach Response and Crisis Management Coverage Insuring Agreement's a separate deductible will apply and **we** are liable only for that portion of any **data breach response and crisis management costs** directly resulting from a **data breach** or **cyber security breach**.

- c. Solely with respect to Business Interruption and Extra Expenses Insuring Agreement, **we** are liable only for **loss of business income** in excess of the **waiting period**.

C. Related Matters and Related Losses.

1. Related Third Party Wrongful Acts

- a. A **claim** resulting from a **related matter** will be treated as a single **claim** first made against **you** at the time the first such **related matter** occurred, irrespective of whether such **related matter** occurred prior to or during the **policy period** and irrespective of the number of **related matters**, and the identity or number of **insureds** involved.

2. Related First Party Incidents

- a. A **related matter** involving a **first party incident** (other than a **cyber-extortion threat**) will be considered a single **first party incident** which shall be deemed to have been discovered on the date on which the earliest such **first party incident** was discovered by **you**.
- b. All **related matters** involving **cyber-extortion threats** will be considered a single **cyber-extortion threat** first occurring on the date the first such **cyber-extortion threat** occurred.

3. Related Loss

- a. All **loss** will be considered a single **loss** occurring on the date the first **related matter** giving rise to such **loss** first occurred or was first discovered, irrespective of the number of **related losses**, and the identity or number of **insureds** involved.

IV. Definitions

The following definitions are applicable to this Endorsement only. They may amend definitions located in Section II General Definitions of this policy.

- A. **Authorized Employee** means **your** employee who is authorized by **you** to transfer, or to instruct others to transfer, **money** or **securities**.
- B. **Breach Response Providers** means **our** pre-approved panel of breach vendors.
- C. **Claim** means
 - 1. A written demand for monetary damages, services, or injunctive or other non-monetary relief;
 - 2. A civil proceeding for monetary damages, services, or injunctive or other non-monetary relief that is commenced by service of a complaint or similar pleading, including any appeal thereof;
 - 3. A mandatory arbitration or other mandatory alternative dispute resolution proceeding for monetary damages, services, or injunctive or other non-monetary relief commenced by a written demand, including any appeal thereof, or a non-mandatory arbitration or other alternative dispute resolution proceeding to which **we** have consented in writing;
 - 4. Solely with respect to Privacy Regulatory Defense, Awards and Fines Insuring Agreement, a **privacy regulatory action**; or
 - 5. A request to toll or waive any applicable statute of limitations.

D. **Claim Expenses** means

1. Reasonable and necessary fees for the defense of a **claim** defended by an attorney in accordance with Defense and Settlement above, as well as other reasonable and necessary fees, costs and expenses that result from the investigation, adjustment, negotiation, arbitration, defense or appeal of a **claim**; and
2. Premiums on appeal bonds, attachment bonds or similar bonds. Provided, however, **we** are not obligated to apply for or furnish any such bond.
3. Confidential Business Information means third party information, whether printed or digital, encrypted or unencrypted, in the care, custody or control of an **insured** or **outsourced provider**, including a trade secret, formula, pattern, compilation, program, device, method, technique, or process, that derives independent economic value, actual or potential, from not being generally known or readily ascertainable through appropriate means by other person and is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

E. **Consumer Redress Amount** means that sum of money that **you** are legally obligated to deposit in a fund for the payment of consumer claims as the result of a **privacy regulatory action**.

F. **Cyber-Extortion Expenses** means

1. Reasonable and necessary money, digital currency, property or other consideration surrendered as payment by or on behalf of **you** to which **we** have consented, such consent not to be unreasonably withheld, in order to prevent, limit or respond to a **cyber-extortion threat**, and
2. Reasonable and necessary costs charged by:
 - a. **breach response providers**; or
 - b. qualified third parties with **our** prior consent,to conduct an investigation to advise **you** how to respond to and resolve a **cyber-extortion threat**.

G. **Cyber-Extortion Threat** means

1. A threat made by a third party or **rogue employee** demanding payment in consideration for the elimination, mitigation or removal of the threat intended to:
 - a. disrupt the **network** to impair **your** business operations;
 - b. alter, damage, or destroy data stored on the **network**;
 - c. use the **network** to generate and transmit malware to third parties;
 - d. deface **your** website; and
 - e. access or release data, including **personally identifiable information, protected health information; confidential business information** stored or previously stored on the **network**;
 - f. Refuse to return data stolen from the **network**; or

- g. Prevent access to the **network** or data by using encryption and withholding the decryption key.
- H. **Cyber Security Breach** means any unauthorized: access to, use or misuse of, modification to the **network**, and/or denial of **network** resources by cyber-attacks perpetrated by a third party or **rogue employee** through any electronic means, including malware, viruses, worms, and Trojan horses, spyware and adware, zero-day attacks, hacker attacks and denial of service attacks.
- I. **Damages** means compensatory damages resulting from a judgment, award or settlement agreement, including pre-judgment and post-judgment interest, which **you** become legally obligated to pay as a result of a **claim**, and punitive and exemplary damages, and multiple damages, if the insuring of such damages is permitted under the laws and public policy of the jurisdiction under which the endorsement is construed, which **you** become legally obligated to pay as a result of a **claim**. Enforceability of punitive, exemplary damages and multiple damages will be governed by the applicable law that most favors affirmative coverage for such damages.

Damages do not include:

1. the return of any fees paid to **you** or the offset of any future fees to be charged by or owed to **you**;
 2. lost investment income;
 3. costs incurred by **you** to withdraw or recall **technology products**, including products that incorporate **your technology products, technology services or professional services**;
 4. costs incurred by **you** to correct, re-perform or complete any **technology services or professional services**;
 5. costs incurred by **you** or by a third party at **your** direction to remediate, repair, replace, restore, modify, update, upgrade, supplement, correct, or otherwise improve a **network** to a level of functionality beyond that which existed prior to a **cyber-security breach**;
 6. civil or criminal fines or penalties or compliance violation remedies imposed on **you**; provided, however, civil fines or penalties shall constitute damages under the Privacy Regulatory Defense, Awards and Fines Insuring Agreement;
 7. liquidated damages in excess of **your** liability that otherwise results from a **third party wrongful act**;
 8. except for **social engineering financial fraud loss**, the monetary value of an electronic fund transfer or transaction that is lost or diminished during transfer;
 9. any amounts incurred prior to **you** providing notice of a **claim** pursuant to the terms of this endorsement;
 10. the value of non-monetary relief, including any amount attributable to or arising therefrom; and
 11. royalty or licensing fees or payments.
- J. **Dependent Business** means any entity **you** rely on to conduct operations pursuant to a written contract.

- K. **Data Breach** means any actual or reasonably suspected theft, loss, or unauthorized acquisition, access to, or disclosure of data or hardware containing data that has or may compromise the security, confidentiality and/or integrity of **personally Identifiable Information**, **protected health information** or **confidential business information**.
- L. **Data Breach Reporting Requirement** means any provision in a law, statute or regulation, domestic or foreign, that requires **you** to provide notification to affected persons of a suspected breach of such person's **personally identifiable information** or **protected health information**.
- M. **Data Breach Response and Crisis Management Costs** means
1. Reasonable and necessary costs charged by **breach response providers** to:
 - a. determine the legal applicability of and actions necessary to respond to a **data breach reporting requirement**;
 - b. perform computer forensics to determine the existence, cause and scope of a **data breach** or **cyber security breach**;
 - c. notify individuals of a **data breach** either those who are required to be notified pursuant to a **data breach reporting requirement**, or on a voluntary basis;
 - d. operate a call center to manage **data breach** inquiries;
 - e. provide credit or identity monitoring and identity protection and restoration services or any similar service for those individuals whose **personally identifiable information** was or may have been breached;
 - f. provide medical identity restoration for those individuals whose **protected health information** was or may have been breached; or
 - g. minimize **your** reputational harm by hiring a public relations or crisis communications firm;
 2. Reasonable and necessary costs charged by any qualified provider that is not a **breach response providers** so long as the qualified provider;
 - a. Is pre-approved in writing by **us**; or
 - b. provides comparable services to those enumerated in 1.(a) through 1.(g) above and whose rate shall not exceed the rate **we** have pre-negotiated with the **breach response providers**; and
 3. Costs charged by a PCI Forensics Investigator to perform forensics to determine the existence, cause and scope of a breach or suspected breach of cardholder data.
- N. **Data Recovery Expenses** means reasonable and necessary costs incurred by **you** with prior written consent, such consent not to be unreasonably withheld, to:
- a. determine whether damaged or destroyed computer programs, software or electronic data can be replaced, recreated, restored or repaired; and
 - b. replace, recreate, restore or repair such damaged or destroyed computer programs, software or electronic data residing on the **network** to substantially the form in which it existed immediately prior to a **cyber-security breach**.

- O. **Domestic Partner** means any spouse or any person qualifying as a domestic partner under federal, state, foreign, or other law (including common law), statute, or regulation, or under **your** employee benefit plan.
- P. **Executive Officer** means any duly elected or appointed Chief Executive Officer, Chief Financial Officer, Chief Information Officer, Chief Privacy Officer, Chief Security Officer, Chief Information Security Officer, Chief Technology Officer, Risk Manager, General Counsel and in-house attorney designated to be in charge of litigation, or the functional equivalent of any of the foregoing of **your** agency.
- Q. **Extra Expenses** means reasonable and necessary expenses, including payroll, in excess of **your** normal operating expenses that **you** incur to reduce or avoid **loss of business income** and/or restore business operations.
- R. **First Party Costs** means any **loss of business income, extra expenses, data recovery expenses, cyber-extortion expenses, data breach response and crisis management costs, system failure losses** and **social engineering financial fraud loss**. Except with respect to **social engineering financial fraud loss, first party costs** do not include any amounts incurred prior to **you** providing notice of the **first party incident**.
- S. **First Party Incident** means a **cyber-security breach, cyber-extortion threat, data breach, system failure** or **social engineering financial fraud event**.
- T. **Loss** means all **damages, claim expenses, regulatory damages, first party costs** and **PCI DSS fines and costs**.
- U. **Loss of Business Income** means
1. Net income (net profit or net loss before income taxes) that could have reasonably been earned or net loss that could have reasonably been avoided, including the costs of retaining a forensic accountant to determine such amount. Such forensic accountant will be selected by **us**.
 2. A loss of business income calculation is based upon the amount of actual loss of business income **you** sustain per hour during the **period of restoration**.
- V. **Matter** means the content of any communication, including language, data, facts, fiction, music, photographs, images, artistic expression, or visual or graphical materials. Provided, however, matter does not include **technology products** or products or services described, illustrated or displayed in matter.
- W. **Media Wrongful Act** means
1. Any of the following resulting from **you** acquiring, blogging, broadcasting, collecting, disseminating, distributing, editing, exhibiting, gathering, obtaining, posting, producing, publishing, releasing, researching, recording, tweeting or uttering, matter through traditional and/or digital methods, including, cable television, radio, movie and music studios, public speaking, newspapers, magazines, books and print publications, website, apps, CD-ROMs and DVDs:
 - a. libel, slander, or any other form of defamation or harm to the character or reputation of any person or entity, including product disparagement or trade libel;
 - b. copyright infringement or misappropriation of property rights, information or ideas or dilution or infringement of title, slogan, trademark, trade name, logo, service mark or service name;

- c. common law unfair competition or unfair trade practices alleged as a direct result of Media Wrongful Act Insuring Agreement and Media Wrongful Act definition;
 - d. invasion or infringement of the right of privacy or publicity, including the torts of intrusion upon seclusion, publication of private facts, false light, and misappropriation of name or likeness;
 - e. infliction of emotional distress or mental anguish;
 - f. false arrest, detention or imprisonment, harassment, trespass, wrongful entry or eviction, eavesdropping, or other invasion of the right of private occupancy; or
 - g. plagiarism, piracy, or misappropriation of ideas under implied contract.
- X. **Merchant Services Agreement** means an agreement between **you** and a financial institution, credit/debit card company, credit/debit card processor or Independent service operator enabling **you** to accept credit card, debit card, prepaid card, or other payment cards for payments or donations.
- Y. **Money** means **your** currency, coins and bank notes in current use and having a face value; and travelers checks and money orders held for sale to the public.
- Z. **Network** means a connected system of computing hardware, software, firmware and associated electronic components and mobile devices, including industrial control systems and SCADA systems (Supervisory control and data acquisition systems) or other industrial IT, under the ownership, operation or control of, or leased by **you**.
- AA. **Outsourced Provider** means any third party, including a cloud service provider, to which **you** have contracted to provide a business process on **your** behalf and **your** benefit.
- BB. **Period of Restoration** means
- a. Solely with respect to **loss of business income**, that period of time that begins at the end of the waiting period and continues until **your** operations are restored to the condition that existed immediately prior to the **cyber security breach** or **system failure**; and
 - b. Solely with respect to **extra expenses**, that period of time that begins after a **cyber security breach** or **system failure** has directly caused a total or partial interruption or deterioration in **your** business operations and continues until **your** operations are restored to the condition that existed immediately prior to the **cyber security breach** or **system failure**.
- CC. **Personally Identifiable Information** means:
- 1. information, whether printed or digital, encrypted or unencrypted, in **your** or an **outsourced provider's** care, custody or control, that alone or in conjunction with can be used to uniquely identify an individual; or
 - 2. information concerning an individual that would be considered "personal data" or "sensitive personal data" within the meaning of the General Data Protection Regulation (Regulation (EU) 2016/678) (GDPR) and any amendments thereto.
- DD. **PCI DSS Fines and Costs** means fines, penalties, assessments, fraud recovery an operational expense recovery that **you** are contractually obligated to pay under its **merchant services**

agreement(s) as the result of a **PCI DSS wrongful act**. Provided, however, **PCI DSS fines and costs** does not mean interchange fees, discount fees or prospective service fees.

- EE. **PCI DSS Wrongful Act** means any actual or alleged **cyber security breach** or **privacy and security wrongful act** resulting in the unauthorized acquisition of cardholder data as defined under PCI-DSS.
- FF. **Policy Period** means the period stated in the declarations pages, beginning on the effective date and expiring on the date of termination, expiration or cancellation of this policy, whichever is earliest.
- GG. **Privacy and Security Wrongful Act** means any:
1. Loss, theft or failure to protect, or unauthorized acquisition of **personally identifiable information, protected health information** or **confidential business information**;
 2. violation of any law, statute or regulation governing the authenticity, availability, confidentiality, storage, control, disclosure, integrity, or use of **personally identifiable information** or **protected health information**;
 3. violation of a **data breach reporting requirement**;
 4. failure to reasonably implement privacy or security practices required by law or regulations;
 5. failure to prevent a **cyber-security breach** that results in:
 - a) the inability of an authorized user to gain access to the **network**;
 - b) the malicious addition, alteration, copy, destruction, deletion, disclosure, damage, removal or theft of data residing on the **network**; or
 - c) the transmission of malware from the **network** to third parties; or
 6. Failure to comply with **your** privacy policy and/or privacy notice.
- HH. **Privacy Regulatory Action** means a written request for information, civil investigative demand or civil proceeding brought by or on behalf of a governmental, regulatory authority, or authorized data protection authority.
- II. **Privacy Regulatory Fine** means a civil monetary fine or penalty imposed on **you** by a governmental or regulatory authority.
- JJ. **Professional Service** means the technology services **you** provide to others.
- KK. **Protected Health Information** means all protected and individually identifiable health information, whether printed or digital, encrypted or unencrypted, held or transmitted by **you** or **your** business associate, as those terms are defined by HITECH, the Health Insurance Portability and Accountability Act of 1996 Privacy Rule or any amendment thereto, including the Health Information Technology for Economic and Clinical Health Act and final Omnibus Rule issued on January 17, 2013 or any equivalent foreign regulation.
- LL. **Regulatory Damages** means any **consumer redress amount** and **privacy regulatory fine**.
- MM. **Related Loss** means a loss that results or arises from the same, similar or continuous **claim** or **first party incident**.

NN. **Related Matter** means

1. A **third party wrongful act** that is the same, similar or arises from a continuous nexus of facts, circumstances, acts, errors or omissions, whether or not such **third party wrongful act** is logically or causally related or connected; or
2. A **first party incident** that is the same, similar or arises from a continuous nexus of facts or circumstances, whether or not such **first party incident** is logically or causally related or connected.

OO. **Retroactive Date** means the applicable date stated, if any, in on the Declarations page for each Insuring Agreement in Third Party Liability Coverages.

PP. **Rogue Employee** means **your** employee who deliberately acts outside the course and scope of employment and whose intentional conduct results in a **claim** or **first party incident**, provided, however, **rogue employee** does not include an **executive officer**.

QQ. **Securities** means **your** negotiable and nonnegotiable instruments or contracts representing either **money** or property, and includes tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use, and evidences of debt issued in connection with credit or charge cards, which cards are not issued by **you**.

RR. **Social Engineering Financial Fraud** means the transfer of **money** or **securities** to an account outside **your** control pursuant to instructions made by a person purporting to be an authorized employee, outsourced provider or customer of **yours**, when such instructions prove to have been fraudulent and issued by a person who is not an authorized employee, outsourced provider, or customer of the **yours**.

SS. **Social Engineering Financial Fraud Loss** means loss of **money** or **securities** in a **social engineering financial fraud**.

TT. **Sublimit** means the applicable amount, if any, stated on the Declarations page for each Insuring Agreement within each Coverage Section.

UU. **System Failure** means any unintentional and unplanned outage or failure of a connected system of computing hardware, software, firmware and associated electronic components and mobile devices, including industrial control systems and SCADA systems (Supervisory control and data acquisition systems) or other industrial IT, under the ownership, operation or control of, or leased by, a **dependent business**.

VV. **System Failure Dependent Business Interruption Loss** means:

1. **loss of business income** after the **waiting period**;
2. **extra expenses** in excess of your **deductible**,
3. during the **period of restoration** that **you** incur resulting from a **system failure** to a **dependent business** directly causing a total or partial interruption or deterioration in **your** business operations.

System Failure Dependent Business Interruption Loss does not mean:

1. loss of market share or other consequential loss;
2. loss arising out of liability to any third party;

3. legal expenses;
4. loss incurred as a result of unfavorable business conditions.

WW. **System Failure Losses** means *loss of business income* and *extra expense* does not include losses arising out of a loss of market share or any other consequential loss and any losses incurred by **you** to upgrade, enhance, or replace the **network** to a condition beyond that which existed immediately prior to sustaining a **system failure**.

XX. **Technology Products** means computer or telecommunications hardware or software products, components or peripherals or electronic products or components, including software updates, service packs and other maintenance releases provided for such products:

1. created, designed, distributed, manufactured, or sold by or on behalf and for **your** benefit of a;
or
2. leased or licensed by **you** to third parties.

YY. **Technology Services** means any computer, cloud computing, information technology, telecommunication, electronic services and any related consulting and staffing services, including data processing, data and application hosting, the provision of managed services, software as a service (SaaS), platform as a service (PaaS), infrastructure as a service (IaaS), network as a service (NaaS), computer systems analysis, computer consulting and training, programming, computer systems installation, management, repair, and maintenance, network design and Internet service.

ZZ. **Third Party Wrongful Act** means a *technology wrongful act, professional services wrongful act, media wrongful act, privacy and security wrongful act* and *PCI DSS wrongful act*.

AAA. **Waiting Period** means the number of hours ten (10) hours must elapse prior to commencement of the *period of restoration*.

II. Exclusions

The following exclusions are applicable to this Endorsement only. It may amend exclusions located in Section IV General Exclusions of this policy.

The endorsement does not apply to any **claim** or **first party incident** alleging, arising out of, based upon or attributable to:

A. Deliberate Acts/Personal Profit.

1. dishonest, intentional or knowing wrongful, fraudulent, criminal or malicious acts, errors or omissions or willful violations of law, including privacy laws or regulations, by an **insured**, other than a **rogue employee**;
2. the gaining of any profit, remuneration, or financial or non-financial advantage to which **you** are not entitled, provided, however, **we** will provide **you** with a defense of any otherwise covered **claim** and pay any otherwise covered **claim expenses** until there is a final, non-appealable judgement or adjudication in the underlying action or proceeding or a related declaratory judgment, as to such conduct, at which time **you** shall reimburse **us** for all **claim expenses**. Notwithstanding the foregoing, criminal proceedings are not covered under this policy and/or endorsement regardless of the allegations made against an **insured**. For the purposes of determining the applicability of this exclusion, the knowledge of conduct of: (1) a natural person **insured** will not be imputed to any other natural person **insured**; and (2) an **executive officer** will be imputed to **you**.

- B. **Bodily Injury and Property Damage.** Bodily injury, sickness, disease, emotional distress, mental injury, mental tension, mental anguish, pain and suffering, humiliation or shock sustained by any person, including death that results from any of these, or damage to or destruction of any tangible property, including *loss* of use thereof whether or not it is damaged or destroyed; provided, however, this exclusion will not apply to any otherwise covered *claim* for emotional distress, mental injury, mental tension or mental anguish, pain and suffering, humiliation or shock that directly results from a *third party wrongful act*. For the purposes of this exclusion, “tangible property” shall not include electronic data.
- C. **Owned Entity. Claims** made against *you* if, at the time the *third party wrongful act* giving rise to such *claim* was committed:
1. *you* controlled, owned, operated or managed the claimant; or
 2. *you* were an owner, partner, director, officer or employee of the claimant.
- D. **Insured Versus Insured. Claims** made against an *insured* and brought by, or on behalf of *you* or *your* successor or assignee of an *Insured*; provided, however, this exclusion shall not apply to an otherwise covered *claim* made by any past or present officer, director, member, principal, partner, trustee, employee or leased worker or temporary employee of *yours*, when the claim is made outside of their capacity and pursuant to their authority as such or against *you* alleging a *privacy and security wrongful act*.
- E. **Employment Practices.** Employment practices; provided, however, this exclusion shall not apply to an otherwise covered *claim* under insuring agreement Privacy and Cyber Security.
- F. **ERISA.** Breach of fiduciary duty, responsibility, or obligation in connection with any employee benefit or pension plan, including violations of the responsibilities, obligations or duties imposed upon fiduciaries by ERISA (Employee Retirement Income Security Act of 1974) or any analogous federal, state or local statutory or common law; provided, however, this exclusion shall not apply to an otherwise covered *claim* under insuring agreement Privacy and Cyber Security.
- G. **Securities.** The purchase, sale, or offer or solicitation of an offer to purchase, sell or solicit securities or any violation of a securities law, including the Securities Act of 1933, the Securities Exchange Act of 1934, and any regulation promulgated under or pursuant to the foregoing, or any federal, state or local laws analogous to the foregoing (including “Blue Sky” laws), whether such law is statutory, regulatory or common law.
- H. **RICO.** Violation of the Organized Crime Control Act of 1970 (commonly known as Racketeer Influenced and Corrupt Organizations Act, or “RICO”) and any regulation promulgated under or pursuant to the foregoing or any federal, state or local law analogous to the foregoing, whether such law is statutory, regulatory or common law.
- I. **Antitrust and Unfair Competition.** Antitrust violations, restraint of trade, price fixing, or unfair competition, including, but not limited to violations of The Sherman Act, The Clayton Act, The Robinson-Patman Act as amended, The Federal Trade Commission Act, or any federal, state or local laws analogous to the foregoing; provided, however, this exclusion shall not apply to an otherwise covered *claim* under insuring agreement Privacy and Cyber Security or insuring agreement Privacy Regulatory Defense, Awards and Fines, or a claim *claim* resulting from *Media wrongful act* under Media.
- J. **Consumer Protection and Deceptive Business Practices.**
1. unfair, deceptive or fraudulent business practices, including, but not limited to, violations consumer protection statutes and consumer fraud statutes; provided, however, this exclusion

shall not apply to an otherwise covered **claim** under insuring agreement Privacy and Cyber Security or insuring agreement Privacy Regulatory Defense, Awards and Fines; and

2. any action brought under the Fair Credit Reporting Act or other analogous federal, state or local statute, law, regulation or common law.
- K. **Unsolicited Communications.** Unsolicited communications by or on behalf of **you** to actual or prospective customers of **yours** or any other third party, including actions brought under the Telephone Consumer Protection Act, the CAN-SPAM Act of 2003 or other analogous federal, state or local statute, law, regulation or common law; provided, however, this exclusion shall not apply to an otherwise covered **claim** directly resulting from a **cyber-security breach** under insuring agreement Privacy and Cyber Security or any **loss of business income** otherwise covered under insuring agreement Business Interruption and Extra Expense.
- L. **Patent.** Actual or alleged infringement, misappropriation, dilution, misuse or inducement to infringe, misappropriate, dilute or misuse any patent or patent right.
- M. **Trade Secrets.** Actual or alleged misappropriation of trade secrets; provided, however, this exclusion shall not apply to an otherwise covered **claim** directly resulting from a **cyber-security breach** under insuring agreement Privacy and Cyber Security.
- N. **Pollution.** Actual, alleged or threatened emission, discharge, dispersal, seepage, release or escape of **pollutants** or testing for, monitoring, removal, containment, treatment, detoxification, neutralization or cleanup of any **pollutants**.
- O. **Contractual.** Any obligation **you** have under written contract; provided, however, this exclusion shall not apply to liability **you** would have in the absence of a contract or **your**:
1. breach of an exclusivity or confidentiality provision contained in a written agreement;
 2. violation of an intellectual property right except a violation of a patent right;
 3. negligent performance of **technology services** or **professional services** for a client or customer; or
 4. provision of **technology products** to a client or customer which contain a material defect; or
 5. breach of **your** privacy policy and/or privacy notice.
 6. Obligation to indemnify, reimburse or compensate pursuant to a Merchant Services Agreement.
- P. **Force Majeure.** Fire, smoke, explosion, lightning, wind, water, flood, earthquake, volcanic eruption, tidal wave, landslide, hail, or act of God, however caused.
- Q. **War.** Strikes or similar labor action, war, whether declared or not, invasion, act of foreign enemy, civil war, mutiny, coup d'état, civil commotion assuming the proportions of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, military or usurped power, or any action taken to hinder or defend against these actions; provided, however, this exclusion shall not apply to any actual, alleged or threatened attack against the **network**, with the intention to cause harm to further social, ideological, religious or political objectives or to intimidate any person or entity in furtherance of such objectives.
- R. **Infrastructure Failure.** Electrical, mechanical, Internet, telecommunication, cable or satellite failure, fluctuation or outage not under an **Insured's** operational control, however caused, including any electrical power interruption, short-circuit, surge, brownout or blackout.

- S. **Governmental Orders.** Any court order or demand requiring **you** to provide law enforcement, any administrative, regulatory or judicial body or other governmental authority access to **personally identifiable information, protected health information** or **confidential business information**.
- T. **Over-Redemption.** Price discounts, prizes, awards, coupons or any other valuable consideration given in excess of the contracted or expected amount.
- U. **Unauthorized Collection and Use.** Unauthorized or unlawful collection, acquisition or use of **personally identifiable information** or **protected health information** by **you**; provided, however, this exclusion shall not apply to a **claim** directly resulting from the acts of a **rogue employee**.

III. Notice

- A. **Notice of Circumstance.** Solely with respect to insuring agreement Third Party Liability Coverages, if during the **policy period** or the extended reporting period (if applicable), **you** first become aware of any circumstance that may reasonably be expected to be the basis of a **claim** being made against an **Insured**, and if during the **policy period**, **you** elect to provide **us** written notice of the circumstance along with any **third party wrongful act**, the reasons for anticipating such **claim**, with full particulars as to the dates, persons and entities involved, then any resulting **claim** which is subsequently made against **you** and reported to **us** that arises out of such circumstance or **related matter** will be considered made at the time such notice of circumstance was provided.
- B. **Notice of Claim and First Party Incident.** **You**, as a condition precedent to the obligations of **ours** under the endorsement, must provide **us** written notice as soon as reasonably practicable, but in no event, later than the end of the **policy period** or any applicable extended reporting period of a:
 - 1. **claim** first made against **you** after **you** become aware of such **claim**; and
 - 2. **first party incident** is discovered by **you** and/or becomes aware of such **first party incident**.
- C. **Notice to Whom**
 - 1. Notice of a **claim** and/or **first party incident** must be provided to **us**.
 - 2. The email/certified post mail defined above shall be deemed effective when received by **us**.
- D. **When A Claim Is Deemed Made**
 - 1. A **claim** will be deemed made pursuant to definition of **claim**:
 - a. on the earliest date **you** receive the first written demand;
 - b. on the date of service; and
 - c. on the date **you** receive written notice of such action.
- E. **Insured's Claim and First Party Incident Obligations**
 - 1. In connection with a:

- a. **claim, you** will, as a condition precedent to the obligations of **us** under the endorsement, provide **us** with all information that **we** reasonably require, including full particulars as to the dates, persons and entities involved in the **claim** and the manner in which **you** first became aware of the **claim**;
- b. **first party incident, you** will, as a condition precedent to the obligations of **us** under the endorsement, provide **us** with all information that **we** reasonably require, including full particulars as to the dates, persons and entities involved in the **first party incident** and the manner in which **you** first became aware of the **first party incident**. Additionally, as a condition precedent to the obligations of **us** under this endorsement, **you** will provide **us** with proof of **loss** with full particulars within three (3) months: after the first discovery by **you** of the **first party incident** (other than a **cyber-extortion threat**) or first occurrence of the **cyber-extortion**.

F. Assistance and Cooperation

1. **You** will reasonably cooperate with **us** and upon **our** request:
 - a. assist **us** in the investigation of any **third party wrongful act** and **first party incident**;
 - b. attend hearings, depositions and trials;
 - c. assist **us** in defending and effecting settlements of **claims**;
 - d. secure and provide evidence which includes, but is not limited to, obtaining the attendance of witnesses;
 - e. allow **us** to participate in the handling and management of any **suit** or proceeding;
 - f. assist **us** in enforcing any right, contribution or indemnity against a third party which may be liable to **you**; and
 - g. allow a computer forensics expert access to systems, files and information.
2. **You** will take all reasonable steps to limit and mitigate any **loss** arising from any **third party wrongful act** or **first party incident** for which coverage may be or is sought under the endorsement. **You** will do nothing which in any way increases **our** exposure under the endorsement or in any way prejudices **our** potential or actual rights of recovery. **You** will not, except at **your** own cost, voluntarily make any payment, assume or admit any liability or incur any expense without **our** prior written consent.

Nothing herein contained shall be held to vary, alter, waive or extend any of the Section I General Insuring Agreements, Section II General Definitions, Section III General Conditions, Section IV General Exclusions or any specific Section insuring agreements, definitions, conditions, or exclusions to which this endorsement is attached other than as above stated.

3 TERRORISM LIABILITY AMENDATORY ENDORSEMENT

A. Insuring Agreement Applicable to Terrorism Liability Amendatory Endorsement:

The following insuring agreement is applicable to this Endorsement only and amends Insuring Agreement 1 located Section VIII General Liability.

1. **We** agree to pay on **your** behalf those sums which an **insured** becomes legally obligated to pay as **damages** to others because of **bodily injury** or **property damage** caused by an act of **terrorism**.

B. Definition Applicable to Terrorism Liability Amendatory Endorsement:

1. **Terrorism** means an act or series of acts, including the use of force or violence, of any person or groups of persons, whether acting alone or on behalf of or in connection with any organizations, committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes.

C. Conditions Applicable to Terrorism Liability Amendatory Endorsement:

1. This coverage is sublimited to \$500,000 per occurrence and in the aggregate annually;
2. The limits of indemnification shall be reduced by all sums paid by worker's compensation benefits or similar disability law if the claimant is **your** employee or volunteer;
3. This coverage is extended to pay for legally obligated and statutorily allowable costs imposed by state or federal government agencies specifically related to the suppression of fire only if such costs arise out of a covered **occurrence**.

Nothing herein contained shall be held to vary, alter, waive or extend any of the Section I General Insuring Agreements, Section II General Definitions, Section III General Conditions, Section IV General Exclusions or any specific Section insuring agreements, definitions, conditions, or exclusions to which this endorsement is attached other than as above stated.

#4 PUBLIC LAND FIRE SUPPRESSION AMENDATORY ENDORSEMENT

A. Insuring Agreements Applicable to Public Land Fire Suppression Liability

1. Notwithstanding anything to the contrary contained in the policy to which this endorsement attaches, it is hereby understood and agreed that section VIII, General Liability Insurance, is extended to pay for legally obligated and statutorily allowable costs imposed by state or federal government agencies specifically related to the suppression of fire only if such costs arise out of a covered **occurrence**.

B. Insuring Agreements Applicable to Public Land Fire Suppression Liability

1. This endorsement is limited to \$500,000 per **occurrence** and in the annual aggregate.

C. Exclusions Applicable to Public Land Fire Suppression Liability

1. This endorsement will not pay for penalties or fines imposed pursuant to state or federal law under any circumstance.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, or limitations of the policy to which this endorsement is attached other than as above stated. All other definitions listed in the General Definitions of this Policy apply when not amended within this Endorsement.

5 ASBESTOS REMEDIATION AMENDATORY ENDORSEMENT

The following insuring agreement is applicable to this Endorsement only and amends Insuring Agreement 1 located Section V Property. Also, the below listed insuring agreement is subject to Section I General Insuring Agreement, Section II General Definitions, Section III General Conditions and Section IV General Exclusions of this policy, unless amended as stated within this Endorsement.

A. **Section V does not cover**

1. Asbestos removal from any good, product or structure unless the asbestos is itself damaged by fire, lightning, **aircraft** impact, explosion, riot, civil commotion, smoke, vehicle impact, windstorm or hail, vandalism, malicious mischief, leakage or accidental discharge from automatic fire protective system.
2. Demolition or increased cost of reconstruction, repair, debris removal or loss of use necessitated by the enforcement of any law or ordinance regulating asbestos.
3. Any governmental direction or request declaring that asbestos present in or part of or utilized on any undamaged portion of an **insured's** property can no longer be used for the purpose for which it was intended or installed and must be removed or modified.

Nothing herein contained shall be held to vary, alter, waive or extend any of the Section I General Insuring Agreements, Section II General Definitions, Section III General Conditions, Section IV General Exclusions or any specific Section insuring agreements, definitions, conditions, or exclusions to which this endorsement is attached other than as above stated.

6 – EQUIPMENT BREAKDOWN INSURANCE ENDORSEMENT

Section V – Property is amended by the following:

A. Insuring Agreement to Equipment Breakdown Insurance Endorsement

The following insuring agreements are applicable to this Endorsement only and may amend insuring agreements located in Section I General Insuring Agreement of this policy. Also, the following insuring agreement is subject to Section II General Definitions, Section III General Conditions and Section IV General Exclusions of this policy, unless amended as stated within this Endorsement. Notwithstanding anything to the contrary contained in the policy to which this endorsement attaches, it is hereby understood and agreed that Section V, Property Insurance, is extended to cover Equipment Breakdown insurance as listed below.

1. The most **we** will pay for any and all insuring agreements for loss or damage from any **one breakdown** is the applicable limit of insurance shown in the declarations pages. Unless a higher limit is shown in the declarations pages, the most **we** will pay for direct damage as a direct result of a **breakdown to covered equipment** is \$50,000 for each of the following. The limits for coverage extensions are part of, not in addition to, the limit of indemnification for equipment breakdown shown in the declarations pages.
2. **Spoilage.** We will pay for the spoilage damage to raw materials, property in process or finished products, provided all of the following conditions are met:
 - a. The raw materials, property in process or finished products must be in storage or in the course of being manufactured;
 - b. **You** must own or be legally liable under written contract for the raw materials, property in process or finished products; and
 - c. The spoilage damage must be due to the lack or excess of power, light, heat, steam or refrigeration.

We will also pay any necessary expenses **you** incur to reduce the amount of loss under this coverage. **We** will pay such expenses to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage endorsement.

3. **Service Interruption.** **We** will pay for loss resulting from the interruption of utility services provided all of the following conditions are met:
 - a. The interruption is the direct result of a **breakdown to covered equipment** owned, operated or controlled by the local private or public utility or distributor that directly generates, transmits, distributes or provides utility services which **you** receive;
 - b. The **covered equipment** is used to supply electric power, communication services, air conditioning, heating, gas, sewer, water or steam to **your** premises; and
 - c. The interruption of utility service to **your** premises lasts at least the consecutive period of time of the waiting period, which is twenty-four (24) hours. Once this waiting period is met, coverage will commence at the initial time of the interruption and will be subject to all applicable deductibles.

4. **Business Income:**

- a. **We** will pay **your** actual loss of business income that results directly from the necessary total or partial interruption of **your** business caused by a **breakdown**.
- b. **We** will also pay any necessary expenses **you** incur to reduce the amount of loss under this coverage. **We** will pay for such expenses to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.
- c. **We** will consider the actual experience of **your** business before the accident and the probable experience **you** would have had without the accident in determining the amount of its payment.
- d. This coverage continues until the date the damaged property is repaired or replaced.

5. **Expediting Costs:**

- a. **We** will pay the reasonable and necessary costs incurred to pay for the temporary repair of insured damage to **covered equipment** and to expedite the permanent repair or replacement of such damaged property caused by a **breakdown**.
- b. This coverage extension does not cover costs:
 - (1) Recoverable elsewhere in this policy; or
 - (2) Of permanent repair or replacement of damaged property.

6. **Hazardous Substance:**

- a. **We** will pay any additional expenses incurred by **you** for the clean-up, repair or replacement or disposal of **covered equipment** that is damaged, contaminated or polluted by a **hazardous substance** caused by a **breakdown**.
- b. As used here, additional expenses mean the additional cost incurred over and above the amount that the **we** would have paid had no **hazardous substance** been involved with the loss.

7. **Ammonia Contamination.** **We** will pay the spoilage to **covered equipment** contaminated by ammonia, including any salvage expense caused by a **breakdown**.

8. **Water Damage:** **We** will pay for the damage to **covered equipment** by water including any salvage expenses caused by a **breakdown**, except no coverage applies to such damage resulting from leakage of a sprinkler system or domestic water piping.

9. **Consequential Loss.** **We** will pay the reduction in the value of undamaged **stock** parts of a product which becomes unmarketable. The reduction in value must be caused by a physical loss or damage to another part of the product.

10. **Data and Media.** **We** will pay **your** cost to research, replace or restore damaged **data** or **media** including the cost to reprogram instructions used in any computer equipment if the loss is caused by a **breakdown**.

11. **CFC Refrigerants.** **We** will pay for the additional cost to repair or replace **covered equipment** because of the use or presence of a refrigerant containing CFC (chlorinated fluorocarbon) substances if the loss is caused by a **breakdown**. This means the additional expense to do the least expensive of the following:

- (a) Repair the damaged property and replace any lost CFC refrigerant;
- (b) Repair the damaged property, retrofit the system to accept a non-CFC refrigerant and charge the system with a non-CFC refrigerant; or
- (c) Replace the system with one using a non-CFC refrigerant.

12. **Computer Equipment.** We will pay for direct damage to **computer equipment** that is damaged by a **breakdown** to such equipment.

B. Definitions Applicable to Equipment Breakdown Insurance Endorsement

The following definition is applicable to this Endorsement only. It may amend a definition located in Section II General Definitions of this policy or Section V Property definitions.

1. **"Breakdown"**

- a. Means the direct physical loss resulting from one or more of the following items that causes damage to **covered equipment** and necessitates its repair or replacement, unless such loss or damage is otherwise excluded within this section:
 - (1) Mechanical failure including rupture or bursting caused by centrifugal force;
 - (2) Electrical failure including arcing;
 - (3) Explosion of steam boilers, steam piping, steam engines or steam turbines owned or leased by **you**, or operated under **your** control;
 - (4) Loss or damage to steam boilers, steam pipes, steam engines or steam turbines owned by your ore leased by you, or operated under your control;
 - (5) Loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment;
 - (6) Failure of pressure or vacuum equipment.
- b. Does not mean or include:
 - (1) Malfunction including but not limited to adjustment, alignment, calibration, cleaning or modification;
 - (2) Defects, erasures, errors, limitations or viruses in computer equipment and programs including the inability to recognize and process any date or time or provide instructions to **covered equipment**;
 - (3) Leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
 - (4) Damage to any vacuum tube, gas tube or brush;
 - (5) Damage to any structure or foundation supporting the **covered equipment** or any of its parts;
 - (6) The functioning of any safety or protective device; or
 - (7) The cracking of any part on an internal combustion gas turbine exposed to the products of combustion.

2. **"Computer Equipment"** means property that is electronic computer or other electronic data processing equipment, including media and peripherals used in conjunction with such equipment.

3. **"Covered Equipment"**

- a. Means and includes any:
 - (1) Equipment built to operate under internal pressure or vacuum other than weight of contents;
 - (2) Electrical or mechanical equipment that is used in the generation, transmission or utilization of energy; and

- (3) Communication equipment and computer equipment.
- b. Does not mean or include any:
 - (1) **Media**;
 - (2) Part of pressure or vacuum equipment that is not under internal pressure of its contents or internal vacuum.
 - (3) Insulating or refractory material, but not excluding the glass lining of any **covered equipment**;
 - (4) Nonmetallic pressure or vacuum equipment, unless it is constructed and used in accordance with the American Society of Mechanical Engineers (A.S.M.E.) code or another appropriate and approved code;
 - (5) Catalyst;
 - (6) Vessels, piping and other equipment that is buried below ground and requires the excavation of materials to inspect, remove, repair or replace;
 - (7) Structure, foundation, cabinet or compartment supporting or containing all or part of the **covered equipment** including penstock, draft tube or well casing;
 - (8) **Vehicle, aircraft**, self-propelled equipment or floating vessel, including any **covered equipment** that is mounted upon or solely with any one or more vehicle(s), **aircraft**, self-propelled equipment or floating vessel;
 - (9) Dragline, excavation or construction equipment including any **covered equipment** that is mounted upon or solely used with any one or more dragline(s), excavation, or construction equipment;
 - (10) Felt, wire, screen, die, extrusion plate, swing hammer, grinding disc, cutting blade, nonelectrical cable, chain, belt, rope, clutch plate, brake pad or non-metal part or any part or tool subject to periodic replacement; or
 - (11) Equipment or any part of such equipment manufactured by **you** for sale,
- 4. **"Data"** means
 - a. Programmed and recorded material stored on **media**; and
 - b. Programming records used for electronic data processing or electronically controlled equipment.
- 5. **"Hazardous Substance"** means any substance other than ammonia that has been declared to be hazardous to health by a government agency. Ammonia is not considered to be a **hazardous substance** as respects this limitation.
- 6. **"Media"** means all forms of electronic, magnetic and optical tapes and discs for use in electronic computer or electronic data processing equipment.
- 7. **"One Breakdown"** means if an initial **breakdown** causes other **breakdowns**, all will be considered **one breakdown**. All **breakdowns** at any one **premises** that manifest themselves at the same time and are the direct result of the same cause will be considered **one breakdown**.
- 8. **"Stock"** means merchandise held in storage or for sale, raw materials, property in process or finished products, including supplies used in their packing or shipping.

C. Conditions Applicable to Equipment Breakdown Insurance Endorsement

The following condition is applicable to this Endorsement only. It may amend exclusions located in Section IV General Exclusions of this policy and Section V Property exclusions.

1. **Suspension.** On discovery of a dangerous condition, **we** may immediately suspend machinery breakdown insurance on any machine, vessel or part thereof by giving written notice to **you**. The suspended insurance may be reinstated once the dangerous condition is resolved.

7 ATTORNEY CONSULTATION REIMBURSEMENT AMENDATORY ENDORSEMENT

The following insuring agreement is applicable to this Endorsement only. Also, the below listed insuring agreement is subject to Section I General Insuring Agreement, Section II General Definitions, Section III General Conditions and Section IV General Exclusions of this policy, unless amended as stated within this Endorsement.

A. INSURING AGREEMENT APPLICABLE TO THIS AMENDATORY ENDORSEMENT

The below listed insuring agreement is subject to Section I General Insuring Agreement, Section II General Definitions, Section III General Conditions and Section IV General Exclusions of this policy, unless amended as stated within this Endorsement.

1. **We** will reimburse **you** for attorney fees incurred by **you** to obtain an opinion of legal counsel regarding the appropriateness of a proposed termination of employment of **your** employee(s) provided **you** first notify **us** of the proposed termination during the policy period and at least 30 days prior to such termination; and
2. The amounts payable under this endorsement are in addition to the defense costs limits stated within the declarations pages.

B. LIMITS OF INSURANCE APPLICABLE TO THIS AMENDATORY ENDORSEMENT

1. The limit of insurance for reimbursement is \$1,500 in attorney costs and fees per termination considered not to exceed \$50,000 in the aggregate per policy period.

C. EXCLUSIONS APPLICABLE TO THIS AMENDATORY ENDORSEMENT

The following exclusion are applicable to this endorsement only. They may amend definitions located in Section IV General Exclusions of this policy.

1. Reimbursement of attorney fees does not include the salary, additional wages or costs of any employee of an **insured**.

Nothing herein contained shall be held to vary, alter, waive or extend any of the Section I General Insuring Agreements, Section II General Definitions, Section III General Conditions, Section IV General Exclusions or any specific Section insuring agreements, definitions, conditions, or exclusions to which this endorsement is attached other than as above stated.

ICRMP
Multi-Lines
Insurance Policy

This Policy of Insurance is issued by ICRMP for all public entity Members to be effective 12:01 A.M., October 1, 2019 for one-year thereafter, unless sooner terminated, for all continuing Members pursuant to and consistent with the Joint Powers Subscribers Agreement approved by the ICRMP Board of Trustees to be effective for the policy year beginning at the time above stated.

ICRMP provides access to its program through Idaho independent agents. We pay your agent a fixed percentage of the member contribution you pay us that is included in your member contribution. This compensation is to encourage independent agents to recommend ICRMP to public entities and to compensate agents for their services and expertise. If you have questions regarding your agent's compensation, please contact us.

**VEHICLE INSURANCE IDENTIFICATION CARD
STATE OF IDAHO**

Idaho Counties Risk Management Program, Underwriters
3100 Vista Avenue, Suite 300, P.O. Box 15249
Boise, Idaho 83715

This Certificate may be used in lieu of the original Contract of Liability Insurance to demonstrate the current existence of liability insurance while such contract is in effect.

**THIS POLICY COVERS ALL VEHICLES
OWNED OR LEASED.**

Policy Number: 39A15014100119 contains minimum liability insurance to meet the requirements of Idaho Code, Section 49-245.

EFFECTIVE DATES:	NAME AND ADDRESS OF INSURED:
October 1, 2019	Sun Valley Air Service Board
Continuous	PO Box 416
Until Cancelled	Sun Valley, ID 83353

**KEEP THIS CERTIFICATE IN YOUR VEHICLE AT ALL TIMES
AND MUST BE PRESENTED UPON DEMAND**

CLAIMS AGENT:
Idaho Counties Risk Management Program, Underwriters
P.O. Box 15249
Boise, Idaho 83715
Phone: (208) 336-3100 FAX: (208) 336-2100

**VEHICLE INSURANCE IDENTIFICATION CARD
STATE OF IDAHO**

Idaho Counties Risk Management Program, Underwriters
3100 Vista Avenue, Suite 300, P.O. Box 15249
Boise, Idaho 83715

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CLAIMS AGENT:
Idaho Counties Risk Management Program, Underwriters
P.O. Box 15249
Boise, Idaho 83715
Phone: (208) 336-3100 FAX: (208) 336-2100

Sun Valley Air Service Board Vehicle Report Agent: **Betty Urbany**
Department: **All Departments** Sorted By: **VIN** Total Value: **\$0**

Sun Valley Air Service Board Building Report Agent: **Betty Urbany**
Sorted By: **Description** Total Buildings: **\$0** Total Contents: **\$0**

Sun Valley Air Service Board Property In The Opens Agent: **Betty Urbany**
Department: **All Departments** Sorted By: **Description** Total Value: **\$0**

Sun Valley Air Service Board Mobile Equipment Under \$25,000 Report Agent: **Betty Urbany**

Description: **Summary** Value: **\$0**

Effective: **2/21/2014 12:00:00 AM** Modified: **n/a** Modified By: **n/a**

Sun Valley Air Service Board Mobile Equipment Over \$25,000 Report Agent: **Betty Urbany**
Department: **All Departments** Sorted By: **Description** Total Value: **\$0**

LIABILITY QUESTIONS

ICMRP ID:	851	Total Salaries/Wages from W-3 (Line 5):	\$0.00
# of Full-Time Employees:	0	# of Part-Time Employees:	0
# of Employees allowed to Write Checks:	0	# of EMTS/Paramedics:	0
# of Full-Time Law Enforcement Officers:	0	# of Part-Time Law Enforcement Officers:	0
# of Detention Officers:	0	# of Jail Nurses:	0
# of Jail Beds:	0	Average Detention/Jail Population	0
Average Daily Attendance for Schools:	0	# of Full/Part Time Teachers	0
Water/Sewer/Wastewater Payroll:	\$0.00	Net Operating Budget	\$2,994,350.00
Do You Own or Operate an Airport or Airstrip?	No	Do You Conduct Weed Spraying Operations?	No

SUN VALLEY AIR SERVICES BOARD

INVOICES TO BE PAID

Through September 20, 2019

Fly Sun Valley Alliance	May 2019 LOT Invoice	\$ 77,965.81
Fly Sun Valley Alliance	June 2019 LOT Invoice	131,255.11
Sun Valley Marketing Alliance	May 2019 LOT Invoice	77,965.80
Sun Valley Marketing Alliance	June 2019 LOT Invoice	209,220.91
ICRMP	Invoice for ICRMP insurance contract October 1, 2019 – September 30, 2020	1,443.00
Couloir Consulting	Dave Madaras invoices for 6 months consulting services	9,500.00
TOTAL		\$507,350.63

Fly Sun Valley Alliance Inc.

PO Box 6316
Ketchum, ID 83340

Invoice

Date	Invoice #
5/31/2019	223

Bill To
Sun Valley Air Service Board Attn: Grant G & Kathleen S City of Ketchum

P.O. No.	Terms	Project
	Due on receipt	

Quantity	Description	Rate	Amount
	1% LOT MAY 2019 -FSVA CONTRACT SERVICES JULY 2019	77,965.81	77,965.81
		Total	\$77,965.81



FSVA CONTRACT SERVICES RENDERED

JULY 2019

AIR SERVICE

AIR SERVICE DEVELOPMENT

- Reviewed/monitored/analyzed weekly flight booking reports; monthly reports
- Ongoing research/analysis of seat, enplanements, load factors, fares; for SUN and competitive markets
- Continued strategic planning efforts regarding air service and air service marketing:
 - Reviewed final report from June 12 joint FSVA-VSV planning meeting; distributed to stakeholders
 - Began formulation of action plan/timeline for next steps in five year strategic plan development
 - Created priority matrix for new/expanded service based on target market data from VSV, SVR, ski pax O&D, etc.
 - Developing data model for analysis of seats, passengers, LF, MRG cost, air marketing spend correlations.
- Updated SUN summer 2019 air service flight schedule, provided to key partners
- Worked to finalize winter FY20 flight schedule contracts with airlines, airport
- Ongoing communication/meetings with airlines, M&H consultant, FMAA, customers, stakeholders
- Prepared materials for Air Service Board reports, invoices, etc. Attended meetings as needed.
- Continued to work with Couloir Consulting for SVASB consulting project; met as necessary
- Worked with VSV and other marketing partners on air service marketing efforts

LOCAL AIR MARKETING/COMMUNITY OUTREACH

- Provided information via monthly FSVA Enews and social media channels; updated website as needed
- Announced winter FY20 flight schedule via press release, EDM, ads, etc.
- Created/coordinated/executed FSVA/FMA joint local public outreach campaign via local publications
- Created/executed ongoing FSVA local marketing & PR for air service (*print, digital*)
- Attended various community and stakeholder meetings to continue information outreach efforts
- Provided information regarding air service to inquiries from local and other travelers

RESEARCH/OTHER

- Continued implementation of 2019 Summer Air Passenger Survey.
- Continued work on compiling/tracking relevant news and comparative data and information of air service

Fly Sun Valley Alliance Inc.

PO Box 6316
Ketchum, ID 83340

Invoice

Date	Invoice #
6/30/2019	224

Bill To
Sun Valley Air Service Board Attn: Grant G & Kathleen S City of Ketchum

P.O. No.	Terms	Project
	Due on receipt	

Quantity	Description	Rate	Amount
	1% LOT JUNE 2019 -- FSVA CONTRACT SERVICES AUGUST 2019	131,255.11	131,255.11
Total			\$131,255.11



FSVA CONTRACT SERVICES RENDERED TO SVASB – AUGUST 2019

AIR SERVICE

AIR SERVICE DEVELOPMENT

- Reviewed/monitored/analyzed weekly flight booking reports; monthly reports
- Ongoing research/analysis of seat, enplanements, load factors, fares; for SUN and competitive markets
- Continued strategic planning efforts regarding air service and air service marketing:
 - Formulated Framework of action plan/timeline for next steps in five year strategic plan development
 - Finalized priority matrix for new/expanded service based on key target market data from VSV, SVR, ski passenger O&D, etc.
 - Developing data model for analysis of correlations between seats, passengers, load factors, MRG cost, air marketing spend.
- Finalized winter FY20 flight schedule, created schedule, provided to key partners
- Worked on winter contracts with airlines, finalized renewal of airline contract LOCs
- Began discussions with bus company re: winter FY20 diversion busing program/contract
- Ongoing communication/meetings with airlines, M&H consultant, FMAA, customers, stakeholders
- Prepared materials for Air Service Board reports, invoices, etc. Attended meetings as needed.
- Continued to work with Couloir Consulting for SVASB consulting project; met as necessary
- Worked with VSV and other marketing partners on air service marketing efforts

LOCAL AIR MARKETING/COMMUNITY OUTREACH

- Provided information via monthly FSVA Enews and social media channels; updated website as needed
- Created/coordinated/executed FSVA/FMA joint local public outreach campaign via local publications
- Created/executed ongoing FSVA local marketing & PR for air service (*print, digital*)
- Attended various community and stakeholder meetings to continue information outreach efforts
- Provided information regarding air service to inquiries from local and other travelers

RESEARCH/OTHER

- Continued implementation of 2019 Summer Air Passenger Survey (in process June-October).
- Continued work on compiling/tracking relevant news and comparative data and information on air service

SUN VALLEY MARKETING ALLIANCE, INC.
 PO Box 4934
 Ketchum, ID 83340 US
 208-726-3423
 Scott@VisitSunValley.com
 www.visitsunvalley.com

Invoice



BILL TO
Air Service Board PO Box 3801 Ketchum, ID 83340

INVOICE #	DATE	TOTAL DUE	DUE DATE	TERMS	ENCLOSED
1082	08/26/2019	\$77,965.80	09/25/2019	Net 30	

ACTIVITY	QTY	RATE	AMOUNT
Air Service Board Air Service Board Contract - Add'l 1% LOT for Direct Air Service Marketing May 2019	1	77,965.80	77,965.80

Visit Sun Valley, as always, appreciates the support.

BALANCE DUE

\$77,965.80

SUN VALLEY MARKETING ALLIANCE, INC.
 PO Box 4934
 Ketchum, ID 83340 US
 208-726-3423
 Scott@VisitSunValley.com
 www.visitsunvalley.com

Invoice



BILL TO
Air Service Board
PO Box 3801
Ketchum, ID 83340

INVOICE #	DATE	TOTAL DUE	DUE DATE	TERMS	ENCLOSED
1083	09/26/2019	\$209,220.91	10/26/2019	Net 30	

ACTIVITY	QTY	RATE	AMOUNT
Air Service Board Air Service Board Contract - Add'l 1% LOT for Direct Air Service Marketing June 2019	1	209,220.91	209,220.91

Visit Sun Valley, as always, appreciates the support.

BALANCE DUE

\$209,220.91

VISIT SUN VALLEY

Air Service Board Update For May and June 2019

Metrics Snapshot:

- DestiMetrics:
 - May
 - Occupancy – paid: 21.0% in 2019 (v. 23.1% in 2018)
 - Occupancy – pure (includes unpaid): 26.4% in 2019 (v. 32.0% in 2018)
 - ADR: \$144 in 2019 (v. \$145 in 2018)
 - June
 - Occupancy – paid: 45.9% in 2019 (v. 43.7% in 2018)
 - Occupancy – pure (includes unpaid): 53.6 in 2019 (v. 55.3% in 2018)
 - ADR: \$253 in 2019 (v. \$228 in 2018)
 - 10 properties reporting
- Facebook followers: | May +120, June +155
- Instagram followers: (400 gained between May - June)
- Website Views of the Getting Here page were up +233% from May-June compared to the same months in 2018. Organic web sessions for May - June to visitsunvalley.com were up +28% compared to the same months in 2018. Our session duration or time on site was down -12%.
- TripAdvisor overall page traffic was up +40% in April, +13% in May, +3% in June
Note: TripAdvisor rolled into a new platform in June.

Marketing & Advertising

- Our summer marketing efforts kicked off in late April with a weighted spend in May and June with tapering coming in July & August.
 - Started with awareness of the destination with an emphasis on video
 - Moved to segmented reach through our core attribute channels
 - Followed up with conversion marketing with an emphasis on nonstop flight marketing
- We launched a variety of content partnerships that included:
 - *MindBodyGreen*
 - *Sunset Magazine*
 - *Pinkbike*
- Outerbike brought a new event and audience to the Valley in an otherwise soft visitation period
- We're excited to have launched our new website this June. An increase in flight searching capabilities were integrated throughout the site:
 - <https://www.visitsunvalley.com>
- Blogging continues to be a top priority of ours as we move down the consumer funnel by being a resource for inspirational things to do when trip planning and also when the visitor is in town.

VISIT SUN VALLEY

PR

- Working with Fahlgren-Mortine to continually refine our PR strategy. Summer emphasis included the Chicago nonstop flight, Outerbike, Dark Skies, Wellness and general outdoor recreation and events.
- Sun Valley Mentions & Features
 - Adventure Journal | [We Have a New 2,700-Mile Bikepacking Route Through the Majestic West](#)
 - Refinery29 | [The Best Destinations To Visit In June, According To Travel Influencers](#)
 - Local Freshies | [Summer's The Right Time... To Stargaze In A Dark Sky Preserve](#)
 - Women's Health | You Have Arrived | June 2019 Issue
 - Forbes | [Hunting Down Idaho's Hot Springs In A Tesla](#)
 - SF Gate | [10 Stellar Places for Stargazing](#)
 - The Jet Set | Season 3 | [Episode 34 \(starts at 5:45\)](#)
 - Luxe Getaways | [Celebrate the End of Ski Season in Sun Valley](#)
 - Scotty Lago | [Snowboard Secrets Revealed - Sun Valley | V1](#)
 - Haute Living | Sun Valley, Idaho | [An Emerging Wonderland With a Secret Past](#)
 - Epic Idaho | [Hemingway Haunts, Mountain Bike Magic & Dazzling Dark Skies](#)
 - MindBodyGreen | [The Hidden Gem of Wellness: 7 Reasons You Should Be Sun Valley, Idaho Bound](#)
 - Sunset Magazine | [Sun Valley Just Became Our Favorite Destination for an Arts & Culture Getaway](#)
 - Boise Weekly | [Another Season Under the Sun | Your Go-To Sun Valley Summer Guide](#)
 - Arielle Shipe | [Seek Sun Valley](#)
 - Global Cycling Network | [A Slice of Epic Idaho Gravel Riding with Rebecca Rusch](#)

Social Media

- Continual content building and distribution of Visit Sun Valley Facebook page & Instagram account
- Internally composed and distributed a variety of blog pieces including:
 - [Ballet in Sun Valley, Idaho](#)
 - [Sun Valley's Best Outdoor Patios](#)
 - [Eating Healthy & Sustainably in Sun Valley](#)
 - [Dance in the Mountains: From Classical to Cutting Edge](#)
 - [This is the Sawtooth Botanical Gardens](#)



Idaho Counties Risk Management Program
3100 S Vista Ave., Ste. 300
Boise, ID 83705

Member Billing Contact:

Susan Roberts
Sun Valley Air Service Board
PO Box 416
Sun Valley, ID 83353

Invoice Date: 9/1/2019
Invoice Number: 15014 - 1920 - 1
Policy Period: 10-1-19 to 9-30-20
Policy Number: 39A15014100119

Insurance Billing

DESCRIPTION
<p>10/1/2019 - 9/30/2020 Policy Year Annual Premium: \$1,443.00</p> <p>Minimum Due 10/1/2019: \$721.50 Balance Due 4/1/2020: \$721.50</p> <p>For proper application, please do not combine other payments with your premium remittance.</p>

Please Detach and Submit with Payment



Member:

Sun Valley Air Service Board
PO Box 416
Sun Valley, ID 83353

Make Checks Payable to:

ICRMP
PO Box 15116
Boise, ID 83715

Invoice Date:	9/1/2019
Invoice Number:	15014 - 1920 - 1
Due Date:	10/1/2019
Minimum Due:	\$721.50
Amount Paid:	

Write Amount Paid Here

Address Corrections? Please make changes on the back of this form and enclose with your payment.

Couloir Consulting
P. O. Box 3240
Ketchum, ID 83340 US
(757)8763597
madaras@gmail.com

INVOICE

BILL TO
Sun Valley Air Service Board

INVOICE # 1002
DATE 07/30/2019
DUE DATE 08/31/2019
TERMS End of Month

DESCRIPTION	QTY	RATE	AMOUNT
Consulting Aug 2018	5.50	125.00	687.50
Consulting Sep 2018	7	125.00	875.00
Consulting Oct 2018	6	125.00	750.00
Consulting Nov 2018	25.50	125.00	3,187.50
Consulting Dec 2018	11	125.00	1,375.00
Consulting Jan 2019	12	125.00	1,500.00
Consulting Feb 2019	9	125.00	1,125.00

BALANCE DUE **\$9,500.00**

