



Risk Placement Services, Inc.

Knowledge. Relationships.
Trust and Confidence.

Placement Note

Named Insured: County of Adams, CO

Mailing Address: 4430 South Adams County Parkway
4th Floor; Suite C4000B
Brighton, CO 80601

This is to certify that the undersigned has procured insurance coverage as hereafter specified from certain companies and/or Underwriters.

Effective Date: 04/30/2018 - 04/30/2019

Term: Annual

Property

Limit of Insurance: \$200,000,000 per Occurrence and in the Annual Aggregate as Respects to Earth Movement and Flood

Coverage Form: Carrier Form

Coverage: Real and Personal Property and Business Income and as more fully defined in the policy form

Perils: Risk of Direct Physical Loss or Damage including Earth Movement, Flood and Equipment Breakdown/Boiler & Machinery

TIV: \$441,431,269

This is a scheduled policy



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Premium:	\$175,858.00	
Fees:	\$10,500.00	Carrier Engineering Services
Taxes:	\$5,590.74	
Home State:	Colorado	
Total (including TRIA):	\$191,948.74	

25% Minimum Earned Premium

All fees are 100% earned at policy inception
Premium due to RPS within 20 days of effective date

TRIA: Accepted

RPS to file surplus lines taxes and fees

Commission: 7.5% to RPS

PROPERTY:

COMPANIES PARTICIPATING	POLICY NUMBER	PARTICIPATION
Lexington Insurance Company (Non-Admitted), A.M. Best A XV	013112988	100.0%

ISSUED AT: San Francisco, CA

DATE: April 27, 2018

BY: 
PLACED BY RISK PLACEMENT SERVICES

When requesting a policy change, addition, cancellation, endorsement, etc., you must provide every individual policy number/coverage that the request applies to.

NOTE: The coverage outlined above may not conform to the terms and conditions you requested. Please check carefully. This document is intended for use as evidence that the insurance, as described herein, has been effected and shall be subject to all terms and conditions of policy(ies) which will be issued and that, in the event of any inconsistency herewith, the terms and provisions of such policy(ies) shall prevail.



Covernote of Insurance

Date: April 26, 2018

To: James Rozzi
RPS – San Francisco
100 Montgomery Street, Suite 1050
San Francisco, CA 94104

Insured: County of Adams, CO
4430 South Adams County Parkway
Suite C4000B
Brighton, CO 80601

We are pleased to offer the following Covernote of Insurance:

Effective Date	Expiration Date	Policy Number	Company
April 30, 2018	April 30, 2019	013112988	Lexington Insurance Company

Beginning and ending at 12:01am standard time at the location involved

Limit of Liability: \$ **200,000,000 PER OCCURRENCE AND IN THE PRIMARY**
Specific Policy per Schedule on File with Company

Lexington Participation: 100% being \$200,000,000 part of \$200,000,000 per occurrence and in the primary
Our line is to stand in full as quoted

Sub-Limits: The following sub-limits are part of and not in addition to the policy limit of liability:

- \$ 25,000,000 Per Occurrence and Annual Aggregate for the peril of **Earth Movement** except;
Not Covered Per Occurrence and Annual Aggregate for the peril of **Earth Movement in California, Alaska, Hawaii and/or Puerto Rico**
- Not Covered Per Occurrence and Annual Aggregate for the peril of **Earth Movement in New Madrid Earthquake Zone Counties**
- Not Covered Per Occurrence and Annual Aggregate for the peril of **Earth Movement in Pacific Northwest Earthquake Zone Counties**
- \$ 25,000,000 Per Occurrence and Annual Aggregate for the peril of **Flood** except;
- \$ 10,000,000 Per Occurrence and Annual Aggregate for the peril of **Flood occurring wholly or partially within Special Flood Hazard Areas (SFHA), areas of 100-Year Flooding, as defined by the Federal Emergency Management Agency** (if these locations are not excluded elsewhere in this policy with respect to the peril of flood);\
- \$ 50,000,000 Per Occurrence and Annual Aggregate for the peril of **Windstorm or Hail** except;

Not Covered	Per Occurrence for the peril of Named Storm (a storm that has been declared by the National Weather Service to be a Hurricane, Typhoon, Tropical Cyclone, Tropical Storm or Tropical Depression) except in Florida , regardless of the number of Coverages, Locations or Perils involved (including but not limited to, all Flood, (however caused) wind, wind gusts, storm surges, tornados, cyclones, hail or rain). In the event covered Loss or Damage by Flood arises out of a Named Storm, the maximum amount the Company will pay per Occurrence for all such Loss or Damage by Flood shall be the Sublimits of Liability for Flood. However, if Flood is not covered, the maximum amount the Company will pay per Occurrence for all such Loss or Damage by Named Storm shall exclude Loss or Damage by Flood.
Not Covered	Per Occurrence for the peril of Named Storm (a storm that has been declared by the National Weather Service to be a Hurricane, Typhoon, Tropical Cyclone, Tropical Storm or Tropical Depression) in Florida , regardless of the number of Coverages, Locations or Perils involved (including but not limited to, all Flood, (however caused) wind, wind gusts, storm surges, tornados, cyclones, hail or rain). In the event covered Loss or Damage by Flood arises out of a Named Storm, the maximum amount the Company will pay per Occurrence for all such Loss or Damage by Flood shall be the Sublimits of Liability for Flood. However, if Flood is not covered, the maximum amount the Company will pay per Occurrence for all such Loss or Damage by Named Storm shall exclude Loss or Damage by Flood.
\$ 5,000,000 or 25% of loss, whichever is less	Per Occurrence for Debris Removal
\$ 2,500,000 Included 30 Days	Per Occurrence for Accounts Receivable Per Occurrence for Business Interruption Per Occurrence for Civil or Military Authority, but in no event will the Company pay more than \$2,500,000
Not Covered	Per Occurrence and Annual Aggregate for Biological and Chemical Terrorism
\$ 2,500,000 Included	Per Occurrence for Contingent Time Element Per Occurrence for Demolition and Increased Cost of Construction: Demolition Coverage A (For the loss in value of the undamaged portion of the building as a consequence of enforcement of an ordinance or law that requires demolition of undamaged parts of the same building)
\$ 25,000,000	Per Occurrence for Demolition and Increased Cost of Construction: Demolition Coverage B (For the cost to demolish and clear the site of undamaged parts of the same building, as a consequence of enforcement of an ordinance or law that requires demolition of such undamaged property)
\$ 25,000,000	Per Occurrence for Demolition and Increased Cost of Construction: Demolition Coverage C (For the increased cost of repair or reconstruction of the damaged and undamaged property on the same or another site, limited to the cost that would have been incurred in order to comply with the minimum requirements of such law or ordinance regulating the repair or reconstruction of the damaged property of the same site. However, this Company shall not be liable for any increased cost of construction loss unless the damaged property is actually rebuilt or replaced)
\$ 25,000,000	Per Occurrence for Electronic Data and Media
\$ 1,000,000	Per Occurrence for Spoilage
\$ 1,000,000 365 Days	Per Occurrence for Errors and Omissions Extended Period of Indemnity
Included with BI	Per Occurrence for Extra Expense
\$ 250,000	Per Occurrence for Fine Arts
\$ 100,000 30 Days	Per Occurrence for Fire Brigade Charges Per Occurrence for Ingress / Egress – but in no Event will the Company pay more than \$2,500,000
\$ 250,000	Per Occurrence for Leasehold Interest
\$ 500,000	Per Occurrence and Annual Aggregate for Limited Pollution Coverage
\$ 10,000,000	Per Occurrence for Miscellaneous Unnamed Locations
\$ 1,000,000	Per Occurrence and Annual Aggregate for Mold / Fungus Resultant Damage (coverage for ensuing mold / fungus as a result of a covered peril)
\$ 25,000,000	Per Occurrence for Newly Acquired Property for a period of 90 days, if not reported to the Company in that 90 day period then coverage ceases.
\$ 500,000 90 Days	Per Occurrence for Offsite Storage Locations Per Occurrence for Ordinary Payroll

\$	250,000	Per Occurrence for Professional Fees
\$	2,000,000	Per Occurrence for Outdoor; limited to no more than \$1,000 any one plant, tree, shrub
\$	5,000,000	Per Occurrence for Service Interruption . A qualifying period of 24 hours applies to this coverage.
\$	1,000,000	Per Occurrence for Transit
\$	1,000,000	Per Occurrence for Valuable Papers and Records
\$	2,500,000	Per Occurrence for Property in the Course of Construction
	EXCLUDED	Per Occurrence for Soft Costs
\$	8,519,557	Per Occurrence for Vehicle Physical Damage
\$	100,000,000	Per Occurrence for the peril of Equipment Breakdown
\$	1,000,000	Equipment Breakdown: Per Occurrence for Expediting Expenses
\$	1,000,000	Equipment Breakdown: Per Occurrence for Hazardous Substances
\$	1,000,000	Equipment Breakdown: Per Occurrence for Perishable Goods / Spoilage

Deductibles:

Each claim for loss or damage under this policy shall be subject to a per occurrence deductible amount of **\$50,000**, unless a specific deductible shown below applies:

Vehicles and Mobile Equipment:

- (1) **\$100,000** Per Occurrence, except as follows:

Earth Movement:

- (2) **\$100,000** Per Occurrence

Flood:

- (1) **\$100,000** Per Occurrence
(2) **\$1,000,000** any one occurrence, as respects locations **wholly or partially within Special Flood Hazard Areas (SFHA), areas of 100-year flooding, as defined by the Federal Emergency Management Agency (FEMA);**

Windstorm or Hail:

- (1) **\$50,000** Per Occurrence, except as follows:
(2) **3%** of Total Insurable Values at the time of the loss at each Location involved in the loss or damage, subject to a minimum of **\$100,000** any one Occurrence for all loss or damage arising out of hail as respects Locations in Hail Zone 1.
(3) **1%** of Total Insurable Values at the time of the loss at each Location involved in the loss or damage, subject to a minimum of **\$100,000** any one Occurrence for all loss or damage arising out of hail as respects Locations in Hail Zone 2.

Hail means precipitation consisting of concentric layers of clear ice or compact snow.

Equipment Breakdown:

- (1) **\$10,000** Per Occurrence

If two or more deductible amounts provided in this policy apply to a single occurrence, the total to be deducted shall not exceed the largest deductible applicable unless otherwise stated in the policy. However, if:

1. The Time Element deductible and another deductible apply to a single Occurrence, then the Company shall apply both deductibles to the Occurrence; and
2. Covered Loss or Damage by Flood arises out of a Named Storm, then the Company shall apply the Flood deductible or the Named Storm deductible, whichever is greater.

Description of Property:

Real and Personal Property; Machinery and Equipment; Furniture & Fixtures; Improvements and Betterment's; Inventory; Stock; EDP Hardware, Media and Data; Business Income – Gross Earning / Extra Expense and as further described in the policy form

Policy Form:

Lexington Insurance Company Manuscript Domestic Property Policy Form (PR 8371)

Territory:

Coverage under this Policy applies to Occurrences within the United States, its territories and possessions, Puerto Rico, and Canada, including their respective coastal waters.

To Indemnify Against Loss By:

All Risks of Direct Physical Loss or Damage including Flood, Earth Movement and Equipment Breakdown/Boiler & Machinery and as further described in the approved policy form

Total Insured Values: \$ 441,431,269 Per Schedule on File with Company

Layer Premium: Subject to 25% Minimum Earned Premium
Excluding Domestic Terrorism:
\$ 175,858 Plus Surplus Lines Taxes & Fees

The Policy Premium of \$175,858 shown above INCLUDES a charge of \$5,276 applicable to coverage as respects the Terrorism Risk Insurance Program Reauthorization Act.

Commission: 7.50 % or If fee arrangement, then commission shall be NIL

AIG Engineering Services: \$ 10,500 This price does not include any applicable taxes or fees. No commission shall apply to this amount.

All Engineering Services are outlined on the last page. These services are available for an additional charge.

Terms and Conditions:

Subject To: All Exclusions, Limitations, Terms and Conditions of the Agreed Forms and Endorsements and:

1. Receipt of Surplus Lines License Numbers
2. We require that you send us a completed and signed "Broker Responsible for Surplus Lines Filings Agreement"
3. 25% Minimum Earned Premium
4. No deterioration of loss record until policy effective date

Note:

1. Any new locations in AK, CA, FL, HI and TX will be underwritten and rated in accordance with our guidelines at the time we are requested to add them.
2. Any new locations **wholly or partially within Special Flood Hazard Areas (SFHA), areas of 100-year flooding, as defined by the Federal Emergency Management Agency (FEMA)** will be underwritten and rated in accordance with our guidelines at the time we are requested to add them
3. Any new locations that are vacant or are materially different from what is currently reported on the Schedule of values will be underwritten and rated in accordance with our guidelines at the time we are requested to add them
4. General Change Endorsement will List and Define any sub-limits listed in this Quote/Binder which are not a standard part of The Lexington Manuscript Form
5. Real and Personal Property at Replacement Costs
6. Business Interruption at Actual Loss Sustained
7. Vehicle/Equipment at Actual Cash Value

Special Conditions:

1. Policyholder Disclosure Notice of Terrorism Insurance Coverage (Applicable to Certified and Non-Certified Acts) LX4275 (01/15)
2. Terrorism Premium Charge Endorsement with BioChem Exclusion PR8543 (06/15)
3. War and Terrorism Exclusion Endorsement (applies to locations outside the United States of America, its territories and possessions) NMA2918 (08/01)
4. Anti-Stacking Endorsement PR4259 (07/14)
5. Economic Sanctions Endorsement PR4225 (07/13)
6. Service of Suit Endorsement to PR8371 PR4418 (09/15)
7. Maximum Amount Payable without F.2. PR4414 (09/15)
8. Mold Fungus with Resultant Cover PR8530 (08/09)
9. Federal Share of Compensation Under TRIA Endorsement 125595
10. Electronic Data Endorsement A NMA2914 (01/01)
11. Vehicle Physical Damage Policy
12. High Hazard Hail Zones Endorsement PR6258 (11/17)
13. Lexington General Change Endorsement
14. 90 Days Notice of Cancellation / 10 Days Non-Payment of Premium

You are the surplus lines broker of record and are responsible for the collection, reporting and payment of applicable surplus lines taxes and fees.

We require that you send us a completed and signed "Broker Responsible for Surplus Lines Filings Agreement". If the signed agreement is not received within 10 business days, we reserve the right to cancel this binder and any policy in connection with this binder.

The premium must be remitted within 30 days of effective date or 15 days from billing, whichever is later. It is your responsibility to follow applicable state surplus lines laws and, in particular, to see that the appropriate surplus lines tax (and stamping fee, if applicable) is collected and paid.

This binder includes certain information regarding the terms and conditions of the policy. If there is any conflict between the terms and conditions stated in this binder and the terms and conditions of the policy when issued, the terms and conditions of the policy shall govern.

Important: This Insurance cannot be cancelled flat. Earned Premium must be paid for the time insurance has been in force. This Confirmation of Binding is a statement concerning the above insurance as of the date of the issuance of this Confirmation of Binding. This Confirmation of Binding is subject to policy conditions of any policy (ies) which may be issued by Lexington Insurance Company and shall be automatically cancelled and superseded by such policy (ies) upon issuance.

Cancellation: This Confirmation of Binding may be cancelled either of the insured or the insurer by written notice to the other. In the event of cancellation, the earned premium will be computed short rate if cancelled by the insured unless subject to minimum earned premium stated herein and pro rata if cancelled by the insurer.

Please notify us if the information contained herein is incorrect.

Please feel free to contact our office with any questions you may have or if you need any further clarification on any portion of this Covernote of Insurance.

POLICYHOLDER DISCLOSURE
NOTICE OF TERRORISM INSURANCE COVERAGE
(APPLICABLE TO CERTIFIED AND NON-CERTIFIED ACTS)

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, that you have a right to purchase insurance coverage for losses resulting from acts of terrorism. *As defined in Section 102(1) of the Act:* The term “act of terrorism” means any act or acts that are certified by the Secretary of the Treasury—in consultation with the Secretary of Homeland Security, and the Attorney General of the United States—to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 85% THROUGH 2015; 84% BEGINNING ON JANUARY 1, 2016; 83% BEGINNING ON JANUARY 1, 2017; 82% BEGINNING JANUARY 1, 2018; 81% BEGINNING JANUARY 1, 2019 AND 80% BEGINNING ON JANUARY 1, 2020, OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS’ LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

Acceptance or Rejection of Terrorism Insurance Coverage

	I hereby elect to purchase terrorism coverage for a prospective premium of <u>\$5,276</u> .
	I hereby decline to purchase terrorism coverage for certified acts of terrorism. I understand that I will have no coverage for losses resulting from certified acts of terrorism. I further understand that the Insurer does not offer stand-alone terrorism coverage for non-certified acts of terrorism and that by declining to purchase coverage for certified acts of terrorism, I am also declining to purchase coverage for non-certified acts of terrorism. This will be reflected in the policy by a Terrorism Exclusion.

Policyholder/Applicant’s Signature

Policyholder/Applicant’s Printed Name

Date

DEFINITIONS

HOME STATE –

- (A) In general. – Except as provided in subparagraph (B), the term “home state” means, with respect to an insured –
- (i) the state in which an insured maintains its principal place of business or, in the case of an individual, the individual’s principal residence; or
 - (ii) if 100 percent of the insured risk is located out of the state referred to in clause (i), the state to which the greatest percentage of the insured’s taxable premium for that insurance contract is allocated.
- (B) Affiliated Groups. – If more than 1 insured from an affiliated group are named insureds on a single non-admitted insurance contract, the term “home State” means the home State, as determined pursuant to subparagraph (A), of the member of the affiliated group that has the largest percentage of premium attributed to it under such insurance contract.

AFFILIATE – The term “affiliate” means, with respect to an Insured, any entity that controls, is controlled by, or is under common control with the Insured.

AFFILIATED GROUP – The term “affiliated group” means any group of entities that are all affiliated.

CONTROL – An entity has “control” over another entity if –

- (A) the entity directly or indirectly or acting through 1 or more other persons owns, controls or has the power to vote 25 percent or more of any class of voting securities of the other entity; or
- (B) the entity controls in any manner the election of a majority of the directors or trustees of the other entity.

PRINCIPAL PLACE OF BUSINESS – The term “principal place of business” means, with respect to determining the home state of the Insured:

- (A) the state in which an Insured maintains its headquarters and the Insured’s high level officers direct, control and coordinate the business activities; or
- (B) if the Insured is a company which maintains outside any state its headquarters where the Insured’s high level officers direct, control and coordinate the business activities, (for example a foreign company headquartered in a foreign country), then the state where the largest percentage of the risk resides, i.e. the state to which the greatest percentage of the Insured’s taxable premium for the insurance contract is allocated.

PRINCIPAL RESIDENCE – “Principal residence” means, with respect to determining the Home State of the insured, (a) the state where the insured resides for the greatest number of days during a calendar year; or (b) if the insured’s principal residence is located outside any state, the state to which the greatest percentage of the insured’s taxable premium for that insurance contract is allocated.

STATE – The term “state” includes any state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Northern Mariana Islands, the U.S. Virgin Islands, and American Samoa.

PROPERTY LOSS CONTROL SERVICES

Summary

Lexington Insurance Company provides insurance products to our clients. AIG Commercial Property Engineering provides Loss Prevention Services to Lexington Insurance Co. policyholders.

This document provides an outline of the Commercial Property Engineering Services that are available to our clients. These Engineering Services are designed to help Lexington and our clients better understand and manage risks.

The level of service and associated fee will be based upon the services selected and agreed upon by the client.

AIG Commercial Property Engineering Services

Our preferred method of servicing is to form a loss prevention partnership with both the client and their broker. We know from experience that this leads to a better understanding of the account, reduced exposure levels and improved loss experience. In such a partnership, Lexington and AIG Engineering will work with our client and their broker to define the engineering servicing program and develop the account servicing plan.

Key in the development and execution of such a partnership is your AIG Commercial Property Account Engineer, who will be risk management's central point of contact in creating and fulfilling the account service plan. Your Account Engineer will be the agent to a wide range of engineering services supported by our own field engineers and strategic service partners. Together this group provides our clients access to a network of over 800 property and specialty risk engineers strategically located around the world. As part of the property engineering services, full detailed Loss Prevention Reports containing COPE information and Risk Improvement will be provided along with impairment monitoring, recommendation tracking and annual stewardship meetings as applicable.

Below is a list of the services that we will provide to assist you with your risk management activities. The costs for these services will be invoiced separately from insurance premium. The final Engineering Servicing Program will be defined prior to binding and can only be modified with written approval from all parties.

PROPERTY LOSS CONTROL SERVICES

AIG offers the following wide range of Engineering Services and is supported by our own field engineers and by strategic service partners. Combined this provides a network of over 800 property engineers strategically located around the world.

- Property Loss Control Inspections and Full Loss Control Reports
- Account Engineer Coordination of Services
- Stewardship reports and meetings
- Fire Protection Impairment Monitoring
- Risk Tool Risk Management Website Access
- Resource Material
- Property Loss Control Training Seminars
- Project Management, Plan Review and Special Visits
- Loss Control Report Database
- CAD Insurance Diagrams
- Thermographic Surveys
- Appraisal Services
- Business Impact Analysis Study
- Boiler & Machinery Training Seminars
- Transformer Oil Gas Analysis (TOGA)
- Lubricating Oil Analysis
- International Codes & Standards Compliance
- TEGG Alliance Partner Services
- Boiler and Machinery Centric - High Hazard Occupancy & Equipment Inspections

If you would like additional details regarding any of our loss control services please reach out to your Lexington Underwriter and/or AIG Account Engineer.

Underwriting Inspections

No matter the level of servicing agreed upon, Lexington reserves the right to inspect your locations to develop information necessary to adequately underwrite your business. When conducting these surveys Lexington may issue risk improvement recommendations. In addition, if the policy includes Boiler & Machinery coverage, Jurisdictional Inspections will be performed where required. The costs associated with these inspection services are borne by Lexington.