



THIS ENDORSEMENT CHANGES THE COVERAGE AGREEMENT. PLEASE READ IT CAREFULLY.

ARIZONA MUNICIPAL RISK RETENTION POOL EXCESS LAND USE LIABILITY ENDORSEMENT

This endorsement modifies coverage provided under the following:

MUNICIPAL EXCESS LIABILITY COVERAGE FORM

SCHEDULE

<u>Description</u>	<u>Limit Of Coverage</u>
Excess Land Use Liability Aggregate	\$ X,XXX,XXX
Excess Land Use Liability Each Wrongful Act	\$ X,XXX,XXX
Excess Land Use Liability Retroactive Date	XX/XX/XXXX

Schedule Of Underlying Coverage

Underlying Land Use Liability Coverage provided by:

Underlying Carrier	Arizona Municipal Risk Retention Pool
Coverage Agreement Number	AM XXXX
Rating Period	From: XX/XX/XXXX To: XX/XX/XXXX
Land Use Liability Aggregate Limit	\$ X,XXX,XXX
Land Use Liability Each Wrongful Act Limit	\$ X,XXX,XXX

Exclusion **(2)** – Municipal Liability Coverages is amended to delete reference to any land use liability coverage, but this coverage applies only in excess of the “underlying coverage” for Land Use Liability shown in the Schedule above.

The Pool will pay:

- (1)** Those sums in excess of the “underlying limit” that a Covered Entity becomes legally obligated to pay as “damages” because of a covered “wrongful act” that results in a “land use liability claim”; and
- (2)** Expenses the Pool incurs to investigate any “land use liability claim” or defend any “suit” related to a “land use liability claim”; but,

the amount the Pool will pay under this Additional Coverage is limited as follows:

- (1)** The Excess Land Use Liability Aggregate Limit is the most the Pool will pay under this Additional Coverage for the sum of “damages” and “loss adjustment expense” arising out of “land use liability claims” made during the “rating period”.

- (2)** Subject to **(1)** above, the Excess Land Use Liability Each Wrongful Act Limit is the most the Pool will pay under this Additional Coverage for the sum of “damages” and “loss adjustment expense” arising out of any one “wrongful act”.

- (3)** The Pool shall have the right to reimbursement from the Member for 20% of the “damages” and “loss adjustment expense” paid under **(2)** above.

b. This coverage applies to “damages” only if:

- (1)** The “damages” are the result of a “wrongful act” that occurs in the “coverage territory”;
- (2)** The “wrongful act” did not occur before the Excess Land Use Liability Retroactive Date, if any, shown in the Schedule or after the end of the “rating period”; and
- (3)** A “claim” for “damages” because of the “wrongful act” is first made against any Covered Entity before the end of the “rating period”.



c. With respect to this Endorsement, “land use liability claim” means any “claim” directly relating to:

- (1) The enforcement or interpretation of a land use, zoning or subdivision ordinance or regulation; or
- (2) The Covered Entity’s regulatory approval or disapproval of any development or redevelopment project.

Any “claim” qualifying as a “land use liability claim” under (1) or (2) above will be considered to be a “land use liability claim” in its entirety, regardless of whether the “claim” may assert other “claims” or “damages”.

But “land use liability claim” does not include a “claim” that seeks only:

- (1) Compensation or other relief for an actual or alleged physical occupation, invasion, or use of property by the Member;
- (2) Reduction or invalidation of special assessment;

(3) Compensation for “damages” based on the Covered Entity’s actual or alleged negligent inspection or enforcement of any building, plumbing, electrical, fire or similar codes; or

(4) Damages arising out of any actual or alleged taking, annexation, condemnation, inverse condemnation, adverse possession, or dedication by adverse use of property without just compensation, whether or not as a result of the denial of substantive due process, procedural due process, or both, including but not limited to any constitutional or statutory violations related to the taking, annexation, condemnation, inverse condemnation, adverse possession, or dedication by adverse use.

“Land use liability claim” also does not include any “claim” arising out of any actual or alleged breach of an express or implied contract or warranty, including but not limited to any “claim” for amounts due under the terms of any contractual obligation.