

IMPORTANT NOTICE

Your Liability Memorandum of Coverage has been amended. Please see the changes below.

Page 2 of 17, the fourth paragraph has been amended to read:

This Memorandum of Coverage does not constitute an insurance policy or insurance contract within the meaning of Chapter 32-12.1 of the North Dakota Century Code. The limit of liability afforded to the Named Member under this Memorandum is that specified by Chapter 32-12.1-03(2) of the North Dakota Century Code, two hundred fifty thousand dollars per person and one million dollars for any number of claims arising from any single occurrence regardless of the number of political subdivisions, or employees of such political subdivisions, which are involved in that occurrence. A political subdivision may not be held liable, or be ordered to indemnify an employee held liable, for punitive or exemplary damages. The limit of liability shown in the declarations applies in the event of a judicial determination that the statutory limit of liability is not applicable to a specific "occurrence". The NDIRF is a self-insurance pool within the meaning of Chapter 26.1-23.1-02 of the North Dakota Century Code. Membership in the NDIRF does not constitute any form of waiver, modification or limitation of your right to any immunity or limitation of liability that is available with respect to a particular claim or "suit".

Page 2 of 17, I. COVERAGE, has been amended to read:

Subject to the terms and conditions contained in this Liability Memorandum of Coverage, we will pay those sums that a "covered party" becomes legally obligated to pay as damages, except punitive or exemplary damages, because of:

COVERAGE A – "PERSONAL INJURY" AND "PROPERTY DAMAGE" LIABILITY;

COVERAGE B – "MEDICAL PAYMENTS"; or

COVERAGE C – "GOVERNANCE LIABILITY"

caused by an "occurrence."

Page 3 of 17, the following has been added after II. DEFENSE AND SETTLEMENT, C.:

"Defense costs" are payable in addition to the applicable limit of liability. Our responsibility to pay "defense costs" arises only from and after the time we are notified by you of any "occurrence", claim, or suit. SEE SECTION VII., B. OF THIS LIABILITY MEMORANDUM OF COVERAGE FOR YOUR DUTY TO PROMPTLY NOTIFY US OF AN "OCCURRENCE", CLAIM, OR SUIT. We have no obligation or responsibility to pay "defense costs" which have been paid or incurred by you prior to the time you notify us of an "occurrence", claim, or suit. At our sole discretion, we may reimburse you for "defense costs" paid or incurred by you prior to the time you have notified us of an "occurrence", claim, or suit, if we, in our sole discretion, find good cause for your delay in promptly notifying us of the "occurrence", claim, or suit.

Page 3 of 17, III. WHO IS A COVERED PARTY, B. and C. have been amended to read:

- B. Your past or present "employee", individual elected or appointed official or individual serving as a "volunteer", while acting for you or on your behalf;*
- C. Your present "employee", individual official or individual serving as a "volunteer", while rendering aid or assistance necessary or helpful to other persons who have been injured or are ill as the result of an accident, illness or trauma; and*

(continued on back)

Page 4 of 17, IV. LIMIT OF LIABILITY, E. has been amended to read:

E. The limit of liability for any claim or "suit":

- 1. Seeking non-pecuniary or injunctive relief is \$100,000; or*
- 2. Commenced as a formal proceeding by the filing of a petition with the Disciplinary Board of The North Dakota Supreme Court including any appeal from a decision by such board against your "employee" or elected official is \$50,000 for all petitions and appeals filed during the Memorandum Period.*

The limitations set forth in this section include, but are not limited to, "defense costs" and court awarded plaintiff's attorney's fees, and costs which you become legally obligated to pay.

Page 13 of 17, VIII. DEFINITIONS, C. has been amended to read:

C. "Defense costs" means all fees and expense incurred by us caused by and relating to the adjustment, investigation, defense or litigation of a claim or "suit" including attorney's fees, court costs and interest on judgments accruing after entry of judgment.

Page 16 of 17, VIII. DEFINITIONS, P., 1. AND 2. have been amended to read:

P. "Suit" means:

- 1. A civil proceeding initiated by a summons and complaint or statutory notice of direct appeal brought in a court of competent jurisdiction in which damages because of "personal injury" liability, "property damage" liability or "governance liability" to which this coverage applies are alleged;*
- 2. A civil proceeding initiated by a summons and complaint, writ, or other similar initiating document in a court of competent jurisdiction in which "governance liability" is alleged and no damages are requested;*