Employers today face a dizzying array of employment laws, regulations and ongoing employment issues. Whether it involves employee discipline or termination, wage and hour, disability accommodation, or even the new frontier of social media, failure to comply with the ever-changing legal requirements can have a devastating impact on employee morale and the company’s bottom line. ACE recognizes the unique burdens faced by employers today, and is pleased to announce that it has partnered with the nation’s foremost employment and labor law firm, Littler Mendelson (Littler), to create a cutting edge employment practices risk management tool for ACE insureds, called EPL Assist™. With over 975 attorneys in 56 offices, Littler has both the expertise and the capacity to handle any employment matter, big or small. Through EPL Assist™, insureds have an unlimited ability to seek out expert advice and counsel as a benefit of the program.

What is EPL Assist™?

EPL Assist™ is a cutting edge risk management program providing policyholders with a wide variety of legal content, forms and analysis, combined with the ability to interface directly with Littler lawyers dedicated to assisting ACE insureds in navigating what has become an employment law minefield. Through a secure web portal containing essential employment law resources and tools, as well as a toll free hotline service, ACE insureds with primary EPL coverage policies now have access to the content and advice necessary to compete in today’s challenging legal environment.

Insureds are provided:

- No cost, online and live access to the legal experts at Littler, the largest employment and labor firm in the U.S.
- Employment law updates, newsletters and related publications
- A compendium of online employment law resources through a secure website, including unlimited access to such content as:
  - Employment policies and practices
  - Human Resources forms library
  - Sample employee handbooks, including supplement information for all 50 states
  - State and national employment law summaries and reference materials
  - 50 state surveys on various employment law essentials, including such things as minimum wage and overtime requirements, protected classifications, new hire reporting requirements, meal and rest break requirements, and voting rights requirements
- Free harassment training webinars for up to 10 supervisors or managers
- Complimentary registration to Littler’s nationwide breakfast briefing series
- Complimentary access to Littler’s webinars and podcasts
- Discounted rates for various Littler events

How do I access EPL Assist™?

Policyholders can simply visit www.EPLAssist.com to register or take a tour. Should you have a question on an employment situation please call 1-888-244-3844 or visit www.EPLAssist.com.

Littler Mendelson P.C. is an independent law firm that is not an agent nor an affiliate of the ACE Group of Companies (“ACE Group”), and Littler Mendelson P.C. is solely responsible for the advice and guidance provided directly, or through the EPL Assist website. ACE Group and Littler Mendelson P.C. cannot guarantee that there will be fewer or less serious claims as a result of using the program. Littler Mendelson P.C directly, or through the EPL Assist website may help an insured with risk assessment and improvement but it is not intended to supplant any duty to provide a workplace that is safe and complies with the law. ACE Group does not engage in giving legal advice and therefore encourages policyholders to seek the advice from their own legal counsel when implementing any and all employment practices. Please note that communication with Littler Mendelson P.C., either directly, or through the EPL Assist website is not notice to the ACE Group issuing company of a claim or an act or situation that may give rise to a claim. Nothing herein alters or amends in any way the insurance policy contract between the underwriting company and the policyholder.
This Policy is issued by the stock insurance company listed above.

THIS POLICY IS A CLAIMS MADE AND REPORTED POLICY. EXCEPT AS OTHERWISE PROVIDED HEREIN, THIS POLICY COVERS ONLY CLAIMS FIRST MADE AGAINST THE INSUREDS AND REPORTED TO THE INSURER DURING THE POLICY PERIOD OR EXTENDED REPORTING PERIOD, IF APPLICABLE, AND WHICH ARE THE RESULT OF WRONGFUL ACTS COMMITTED BEFORE THE END OF THE POLICY PERIOD. PLEASE READ THIS POLICY CAREFULLY.

THE LIMITS OF LIABILITY AVAILABLE TO PAY INSURED DAMAGES SHALL BE REDUCED BY AMOUNTS INCURRED FOR CLAIMS EXPENSES. FURTHER NOTE THAT AMOUNTS INCURRED FOR DAMAGES AND CLAIMS EXPENSES SHALL ALSO BE APPLIED AGAINST THE RETENTION AMOUNT.

TERMS THAT APPEAR IN BOLD FACE TYPE HAVE SPECIAL MEANING. PLEASE REFER TO SECTION II, DEFINITIONS.

<table>
<thead>
<tr>
<th>Policy No. EON G2712415A 003</th>
<th>Renewal Of: G2712415A 002</th>
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<tbody>
<tr>
<td>Item 1. Public Entity:</td>
<td></td>
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<tr>
<td>Principal Address:</td>
<td></td>
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<tr>
<td>30 S. Nevada Ave</td>
<td></td>
</tr>
<tr>
<td>Colorado Springs Urban Renewal Authority</td>
<td></td>
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<tr>
<td>Suite 604</td>
<td></td>
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<tr>
<td>Colorado Springs CO 80903</td>
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<td>Item 2. Policy Period:</td>
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<tr>
<td>From 12:01 a.m. 09/25/2015 To</td>
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<tr>
<td>12:01 a.m. 09/25/2016</td>
<td></td>
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<tr>
<td>(Local time at the address shown in Item 1)</td>
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<tr>
<td>Item 3. Limits of Liability Each Claim and in the Aggregate for all Claims including Claims Expenses:</td>
<td></td>
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<tr>
<td>$2,000,000 / $2,000,000</td>
<td></td>
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<tr>
<td>Item 4. Retention</td>
<td></td>
</tr>
<tr>
<td>A. For Damages and Claims Expenses under Insuring Agreement IA.1:</td>
<td></td>
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<tr>
<td>$0 each Claim</td>
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<tr>
<td>B. For Damages and Claims Expenses under Insuring Agreement IA.2 and IB:</td>
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<tr>
<td>$10,000 each Claim</td>
<td></td>
</tr>
<tr>
<td>C. For Damages and Claims Expenses under Insuring Agreement IC:</td>
<td></td>
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<tr>
<td>$10,000 each Claim</td>
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</tbody>
</table>
**Item 5. Notice to Insurer:**

A. Notice of **Claim** or **Wrongful Act**:

   PO Box 5119  
   Scranton, PA 18505-0549  
   First Notices Fax:  
   215.640.5040 or 1.877.746.4671  
   General Correspondence Fax:  
   1.866.635.5688  
   First Notices Email:  
   ACEClaimsFirstNotice@acegroup.com

B. All other notices:

   Professional Risk Division  
   ACE Commercial Risk Services  
   Royal Center Two, 11575 Great Oaks Way, Suite 200  
   Alpharetta, GA 30022

**Item 6. Policy Premium:** $3,434  
Total Amount Due: $3,434.00

**Item 7. Extended Reporting Period:**

A. Additional Premium: 100% of Annual Premium
B. Additional Period: 12 months

**Item 8. Crisis Management Fund:**

$25,000

IN WITNESS WHEREOF, the **Insurer** has caused this **Policy** to be countersigned by a duly authorized representative of the **Insurer**.

DATE: 9/30/2015  

JOHN J. LUPICA, President  

Authorized Representative
In consideration of the payment of the premium, in reliance upon the Application, and subject to the Declarations and the terms and conditions, limit of liability and other provisions of this Policy, the Insureds and the Insurer agree as follows:

I. INSURING AGREEMENTS

A. Public Entity Management Liability

1. Public Officials’ Liability

The Insurer will pay on behalf of the Insured Persons all Damages and Claims Expenses for which the Insured Persons are not indemnified by the Public Entity and which the Insured Persons become legally obligated to pay by reason of a Claim first made against the Insured Persons and reported to the Insurer during the Policy Period or, if elected, the Extended Reporting Period, for any Wrongful Act taking place prior to the end of the Policy Period.

2. Public Entity Reimbursement

The Insurer will pay on behalf of the Public Entity all Damages and Claims Expenses for which the Public Entity has indemnified the Insured Persons and which the Insured Persons become legally obligated to pay by reason of a Claim first made against the Insured Persons and reported to the Insurer during the Policy Period or, if elected, the Extended Reporting Period, for any Wrongful Act taking place prior to the end of the Policy Period.

B. Public Entity Liability

The Insurer will pay on behalf of the Public Entity all Damages and Claims Expenses for which the Public Entity becomes legally obligated to pay by reason of a Claim first made against the Public Entity and reported to the Insurer during the Policy Period or, if elected, the Extended Reporting Period, for any Wrongful Act taking place prior to the end of the Policy Period.

C. Employment Practices Liability

The Insurer will pay on behalf of the Insureds all Damages and Claims Expenses for which the Insureds becomes legally obligated to pay by reason of a Claim first made against them and reported to the Insurer during the Policy Period or, if elected, the Extended Reporting Period, for any Wrongful Act taking place prior to the end of the Policy Period.

D. Public Entity Crisis Management Coverage

The Insurer will pay on behalf of the Public Entity the Crisis Management Expense for which the Public Entity becomes legally obligated to pay by reason of a Crisis Event first occurring during the Policy Period, but only up to the limit of liability for the Crisis Management Fund.

II. DEFENSE

A. The Insurer shall have the right and duty to defend any covered Claim made against the Insured and reported to the Insurer during the Policy Period or, if elected, the Extended Reporting Period, for any Wrongful Act taking place prior to the end of the Policy Period, even if such Claim is groundless, false or fraudulent. The Insured shall not admit or assume liability or settle or negotiate to settle any Claim or incur any Claims Expenses without the prior written consent of the Insurer, and the Insurer shall have
the right to appoint counsel and to make such investigation and defense of a covered Claim as it deems necessary.

B. Solely with respect to Insuring Agreements I.A.2, Public Entity Reimbursement, and I.B. Public Entity Liability, the Insurer shall not settle any Claim without the written consent of the Public Entity. The Insurer shall have the right to settle any Claim at its sole discretion with respect to all other Insuring Agreements. If the Public Entity refuses to consent to a settlement or a compromise recommended by the Insurer and acceptable to the claimant, then the Insurer’s Limit of Liability under this Policy with respect to such Claim shall be reduced to (1) the amount of Damages for which the Claim could have been settled plus all Claims Expenses incurred until the date of such refusal, and (2) 50% of all subsequent covered Claims Expenses in excess of such amount, which sum shall not exceed the unexhausted Limits of Liability specified in Item 3 of the Declarations. The remaining 50% of Claims Expenses and all subsequent Damages shall be borne uninsured by the Insureds and at their own risk. In such event, the Insurer shall tender a check to the Insured for the recommended settlement amount, and shall be relieved of any further duty or obligation, except as otherwise stated in this subsection B.

C. The Insurer shall not be obligated to investigate, defend, pay or settle, or continue to investigate, defend, pay or settle, any Claim after any applicable Limit of Liability specified in Item 3 of the Declarations has been exhausted by payment of Damages and Claims Expenses, or by any combination thereof, or after the Insurer has deposited the remainder of any unexhausted applicable Limit of Liability into a court of competent jurisdiction. In such case, the Insurer shall withdraw from the investigation, defense, payment or settlement of such Claim and shall tender the investigation, defense and control of such Claim to the Insured.

D. The Insureds shall cooperate with the Insurer, and provide to the Insurer all information and assistance which the Insurer reasonably requests including but not limited to attending hearings, depositions and trials and assistance in effecting settlements, securing and giving evidence, obtaining the attendance of witnesses and conducting the defense of any Claim covered by this Policy. The Insureds shall do nothing that may prejudice the Insurer’s position. The Insureds shall immediately forward to the Insurer, at the address indicated in Item 5A of the Declarations, every demand, notice, summons, or other process or pleadings received by the Insured or its representatives.

III. DEFINITIONS

When used in this Policy:

A. **Adverse Publicity** means the publication of unfavorable information regarding the Public Entity which can reasonably be considered to materially reduce public confidence in the competence, integrity or viability of the Public Entity to conduct business. Such publication must occur in a report about an Insured appearing in:

1. a daily newspaper of general circulation; or
2. a radio or television news program.

B. **Application** means all applications, including any attachments thereto, and all other information and materials submitted by or on behalf of the Insureds to the Insurer in connection with the Insurer underwriting this Policy or any Policy of which this Policy is a direct or indirect renewal or replacement or which it succeeds in time. All such applications, attachments, information and materials are deemed attached to and incorporated in this Policy.

C. **Bodily Injury** means physical injury to the body, physical pain, sickness, disease, and death. Bodily Injury also means mental distress, mental injury, mental anguish, mental tension, pain and suffering, shock and humiliation (collectively “Mental Distress”), but only if such Mental Distress arises from and is accompanied by injury to the claimant’s body, sickness, disease or death.
D. **Claim** means:

1. a written demand against any **Insured** for monetary **Damages** or non-monetary or injunctive relief;

2. a civil proceeding against any **Insured** seeking monetary **Damages** or non-monetary or injunctive relief, commenced by the service of a complaint or similar pleading;

3. a binding arbitration proceeding, only if the **Insurer** has provided its prior written consent to such proceeding, against any **Insured** seeking monetary **Damages** or non-monetary or injunctive relief;

4. a civil, administrative or regulatory proceeding against any **Insured** commenced by the issuance of a notice of charge or formal investigative order, including without limitation any such proceeding by or in association with the Equal Employment Opportunity Commission or any other similar federal, state or local governmental authority located anywhere in the world;

5. a civil, administrative or regulatory investigation against any **Insured**, commenced by the service upon or other receipt by any **Insured** of a written notice or subpoena from the investigating authority identifying any **Insured** as an individual against whom a civil, administrative or regulatory investigation or proceeding is to be commenced; or

6. solely with respect to coverage provided under Insuring Agreement I.C, a written request of the **Insured** to toll or waive a statute of limitations applicable to a **Claim** described in paragraphs 1 through 5 above.

including any appeal therefrom. However, **Claim** shall not include a labor or grievance arbitration or proceeding which is subject or pursuant to a collective bargaining agreement

E. **Claims Expenses** means:

1. reasonable and necessary attorneys' fees, expert witness fees and other fees and costs incurred by the **Insurer**, or by the **Insured** with the **Insurer's** prior written consent, in the investigation and defense of covered **Claims**;

2. reasonable and necessary premiums for any appeal bond, attachment bond or similar bond, provided the **Insurer** shall have no obligation to apply for or furnish such bond; and

3. prejudgment and post-judgment interest awarded in any **Claim**.

**Claims Expenses** shall not include wages, salaries, fees or costs of directors, officers or **Employees** of the **Insurer** or the **Insured** or **Crisis Management Expenses**.

F. **Crisis Event** means one of the following, except where coverage is otherwise excluded under Exclusions H and R of the **Policy**.

1. Management Event: The incapacity, death or state or federal criminal indictment of an **Insured Person** for whom the **Public Entity** has purchased and continues to maintain key individual life insurance;

2. Funding Cancellation: The cancellation, withdrawal or revocation of $500,000 or more in funding, donation(s), grant(s) or bequest(s) by a non-government entity or person to the **Public Entity**;

3. Bankruptcy: The disclosure by the **Public Entity** of (a) its intention to file or its actual filing for protection under federal bankruptcy laws, or (b) a third-party’s intention to file or its actual filing of an involuntary bankruptcy petition under federal bankruptcy laws with respect to the **Public Entity**;

4. Employment Event: The disclosure by the **Public Entity** of the threatened or actual commencement by a third-party of an action, audit or investigation alleging a **Wrongful Employment Practice** by the **Public Entity** which has caused or is reasonably likely to cause **Adverse Publicity**; and
5. Material Event: Any other material event which, in the good faith opinion of the Public Entity, has caused or is reasonably likely to result in Adverse Publicity, but only if such material event is scheduled for coverage by written endorsement to this Policy.

G. Crisis Management Expense means the following expenses incurred by the Public Entity during a period beginning ninety (90) days prior to and in reasonable anticipation of a Crisis Event and ending ninety (90) days after an actual or reasonably anticipated Crisis Event, irrespective of whether a Claim is actually made with respect to the subject Crisis Event; provided, however, that the Insurer must have been notified of the Crisis Management Expense within thirty (30) days of the date the Public Entity first incurs the subject Crisis Management Expense:

1. The reasonable and necessary expenses directly resulting from a Crisis Event which the Public Entity incurs for Crisis Management Services provided to the Public Entity by a Crisis Management Firm, and

2. The reasonable and necessary expenses directly resulting from a Crisis Event which the Public Entity incurs for (a) advertising, printing, or the mailing of matter relevant to the Crisis Event, and (b) out of pocket travel expenses incurred by or on behalf of the Public Entity or the Crisis Management Firm; provided, however, Crisis Management Expense does not include those amounts which otherwise would constitute compensation, benefits, fees, overhead, charges or expenses of an Insured or any of the Insured's Employees.

H. Crisis Management Firm means a marketing firm, public relations firm, law firm, or other professional services entity retained by the Insurer, or by the Public Entity with the Insurer's prior written consent, to perform Crisis Management Services arising from a Crisis Event.

I. Crisis Management Fund means the amount specified in Item 8 of the Declarations.

J. Crisis Management Services means the professional services provided by a Crisis Management Firm in counseling or assisting the Public Entity in reducing or minimizing the potential harm to the Public Entity caused by the public disclosure of a Crisis Event.

K. Damages means compensatory damages, judgments, any award of prejudgment and post-judgment interest, and settlements which the Insured becomes legally obligated to pay on account of any Claim first made against any Insured during the Policy Period or, if elected, the Extended Reporting Period, for Wrongful Acts to which this Policy applies. Such damages include punitive and exemplary damages and the multiple portion of any multiplied damage award, if and to the extent such damages are insurable under the law of the applicable jurisdiction most favorable to the insurability of such damages.

With respect to any Claim arising out of a Wrongful Employment Practice, Damages shall also mean:

1. front-pay and back-pay, except as otherwise stated below; and

2. liquidated damages awarded pursuant to the Age Discrimination in Employment Act or the Equal Pay Act.

Damages shall not include:

1. any amount for which the Insured is not financially liable or legally obligated to pay;

2. taxes, fines or penalties;

3. matters uninsurable under the laws pursuant to which this Policy is construed;

4. employment-related benefits, retirement benefits, perquisites, vacation and sick days, medical and insurance benefits, deferred cash incentive compensation or any other type of compensation other than salary, wages, bonuses, commissions and non-deferred cash incentive compensation;

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5. the cost to comply with any injunctive or other non-monetary or declaratory relief, including specific performance, or any agreement to provide such relief;

6. any liability or costs incurred to modify any building or property to make it more accessible or accommodating to any person, or any liability or costs in connection with any educational, sensitivity or other corporate program, policy or seminar;

7. **Crisis Management Expenses**; or

8. liquidated damages, except to the extent specifically included as **Damages** above.

L. **Employee** means any natural person whose labor or services are engaged and directed by the **Public Entity** (including any part-time, seasonal and temporary employee or volunteer), but only while acting in his or her capacity as such, and any natural person who is leased to the **Public Entity**, but only if the **Public Entity** provides indemnification to such leased person in the same manner as is provided to the **Public Entity**'s employees.

M. **Extended Reporting Period** means the period for the extension of coverage, if elected, described in Section VII, **Extended Reporting Periods**.

N. **Incidental Medical Malpractice** means injury arising out of emergency medical services rendered or which reasonably should have been rendered to any person or persons during the **Policy Period** by any duly certified emergency medical technician, paramedic or nurse who is an **Employee** of the **Public Entity** or acting on its behalf to provide such services, but is not employed, either full-time or part-time, at a hospital, clinic or nursing home facility. **Incidental Medical Malpractice** also includes injury arising out of the dispensation of prescribed medicine.

O. **Insured** means the **Public Entity** and any **Insured Persons**;

P. **Insured Persons** means the following, but only to the extent such persons are acting solely in their capacities as legally authorized representatives of the **Public Entity**:

1. all persons who were, now are or shall be lawfully elected or duly appointed officials or **Employees**;

2. commissions, boards, or other units, and members and **Employees** thereof, operated by and under the jurisdiction of such **Public Entity** and within an apportionment of the total operating budget indicated in the application for this **Policy**;

3. volunteers acting for or on behalf of, and at the written request and under the direction of, the **Public Entity**;

4. elected or duly appointed officials and **Employees** of the **Public Entity** duly appointed at the written request of the **Public Entity** to serve with an outside tax exempt entity;

5. any person providing services for the **Public Entity** under a mutual aid or similar written agreement; and

6. elected or duly appointed officials and **Employees** of the **Public Entity** as a director or officer of a non-profit organization created and operated under Section 501c(3) of the Internal Revenue code of 1988, amended, for any **Wrongful Acts** they have committed in their respective capacities as a director or officer of such non-profit organization, provided that: (1) the appointment of the elected or duly appointed official or **Employee** to such non-profit organization is based solely upon the person’s being an elected or duly appointed official or **Employee** of the **Public Entity**; and (2) such elected or duly appointed official or **Employee** is directed in writing by the **Public Entity** to serve as a director or officer of such non-profit organization prior to beginning such service.

Q. **Insurer** means the insurance company providing this insurance.
R. **Interrelated Wrongful Acts** means all **Wrongful Acts** that have as a common nexus any fact, circumstance, situation, event, transaction, cause or series of related facts, circumstances, situations, events, transactions or causes.

S. **Personal Injury** means injury arising out of one or more of the following offenses:

1. false arrest, detention or imprisonment;
2. malicious prosecution;
3. libel, slander or other defamatory or disparaging material;
4. publication or an utterance in violation of an individual’s right to privacy; and
5. wrongful entry or eviction, or other invasion of the right to private occupancy.

T. **Policy** means, collectively, the Declarations, the Application, this Policy, including any endorsements.

U. **Policy Period** means the period of time specified in Item 2 of the Declarations, subject to prior termination pursuant to Section XIV, Termination of the Policy.

V. **Pollutants** means any substance exhibiting any hazardous characteristics as defined by, or identified on a list of hazardous substances issued by the United States Environmental Protection Agency or any federal, state, county, municipal or local counterpart thereof or any foreign equivalent. Such substances shall include, without limitation, solids, liquids, gaseous or thermal irritants, contaminants or smoke, vapor, soot, fumes, acids, alkalis, chemicals or waste materials, including materials to be recycled, reconditioned, or reclaimed. **Pollutants** shall also mean any other air emission, odor, waste water, oil or oil products, infectious or medical waste, asbestos or asbestos products, noise, fungus (including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi) and electric or magnetic or electromagnetic field.

W. **Property Damage** means:

1. physical injury to, or loss or destruction of, tangible or intangible property, including the loss of use thereof; and
2. loss of use of tangible or intangible property which has not been physically injured, lost, damaged or destroyed.

X. **Public Entity** means the municipality, governmental body, department or unit which is named in Item 1 of the Declarations.

Y. **Retaliation** means retaliatory treatment on account of:

1. the actual or attempted exercise by an Employee of any rights of such an Employee under law, including workers’ compensation laws, the Family and Medical Leave Act, and the Americans with Disabilities Act;
2. the filing of any claim under any statute, rule or regulation to protect an Employee from discrimination by his or her employer if such Employee discloses or threatens to disclose to a superior or a governmental agency, or if such Employee gives testimony relating to, any activity within such employers operations which may be in violation of a statute, rule or regulation or any professional codes of ethics, including the Federal False Claims Act;
3. the disclosure or threat of disclosure by an Employee of the Public Entity to a superior or to any governmental agency of any act by an Insured which act is alleged to be a violation of any federal, state, local or foreign law, common or statutory, or any rule or regulation promulgated thereunder;
4. an **Employee** assisting, cooperating or testifying in any proceeding or investigation into whether an **Insured** violated any federal, state, local or foreign law, common or statutory, or any rule or regulation promulgated thereunder; or

5. any strike of any **Employee** of the **Public Entity**

Z. **Sexual Abuse and Molestation** means any actual, attempted or alleged criminal sexual conduct of a person by another person, or persons acting in concert, which causes physical and/or mental injuries. **Sexual Abuse and Molestation** includes: sexual molestation, sexual assault, sexual exploitation or sexual injury. **Sexual Abuse and Molestation** does not include **Sexual Harassment**.

AA. **Sexual Harassment** means any actual or alleged unwelcome sexual advances, requests for sexual favors or other conduct of a sexual nature, of a person by another person, or persons acting in concert, which causes physical and/or mental injuries. **Sexual Harassment** includes:

1. the above conduct when submission to or rejection of such conduct is made either explicitly or implicitly a condition of a person’s employment, or a basis for employment decisions affecting a person; or

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

**Sexual Harassment** does not include **Sexual Abuse and Molestation**.

BB. **Wrongful Act** means:

1. with regard to Insuring Agreements I.A.1 and 1.A.2, any actual or alleged act, error, omission, misstatement, misleading statement, neglect or breach of duty by an **Insured Person** while acting in his or her capacity as such and on behalf of the **Public Entity**;

2. with regard to Insuring Agreements I.B., any actual or alleged act, error, omission, misstatement, misleading statement, neglect or breach of duty by the **Public Entity**; or

3. with regard to Insuring Agreement I.C:

   a. solely with respect to **Claims** brought and maintained by or on behalf of any **Employee** or applicant for employment with the **Public Entity**, **Wrongful Act** means a **Wrongful Employment Practice** committed or attempted by the **Public Entity** or by any **Insured Person** in his or her capacity as such and on behalf of the **Public Entity**; or

   b. with respect to all other **Claims**, **Wrongful Act** means only, or a violation of discrimination laws, including but not limited to, violations based on race, color, religion, creed, age, sex, disability, marital status, national origin, pregnancy, HIV status, sexual orientation or preference, military status, or a violation of a natural person’s civil rights relating to such discrimination or **Sexual Harassment**, in either case, whether direct, indirect, intentional or unintentional, committed by an **Insured Person** in his or her capacity as such and on behalf of the **Public Entity**.

CC. **Wrongful Employment Practice** means any actual or alleged:

1. wrongful dismissal or discharge or termination, whether actual or constructive;

2. employment-related misrepresentation;

3. any violation of employment discrimination laws anywhere in the world, including but not limited to violations based on race, color, religion, creed, age, sex, disability, marital status, national origin, pregnancy, HIV status, sexual orientation or preference, or military status;

4. **Sexual Harassment** or unlawful workplace harassment;
5. wrongful deprivation of a career opportunity or wrongful demotion;
6. failure to employ or promote;
7. wrongful discipline;
8. Retaliation;
9. negligent evaluation;
10. employment-related libel, slander, defamation, humiliation, invasion of privacy, or the giving of negative or defamatory statements in connection with an Employee reference;
11. failure to grant tenure; and
12. with respect to paragraphs S.1 through S.11 above, inclusive, negligent hiring, retention, training or supervision; infliction of emotional distress or mental anguish; failure to provide or enforce adequate or consistent corporate policies and procedures; or violation of an individual’s civil rights;

of any past, present or prospective full-time, part-time, seasonal and temporary Employee or volunteer or leased Employee(s) or applicant for employment of the Public Entity.

The foregoing definitions shall apply equally to the singular and plural forms of the respective words.

IV. EXCLUSIONS

Except as limited under Insuring Agreement I.D, Public Entity Crisis Management Coverage, the Insurer shall not be liable for Damages or Claims Expenses on account of any Claim:

A. alleging, based upon, arising out of or attributable to any dishonest, fraudulent, criminal or malicious act, error or omission, or any intentional or knowing violation of the law by an Insured (“Excluded Conduct”); however, this exclusion shall not apply: (1) unless and until there is an adverse admission by, finding of fact, or final adjudication against any Insured as to such Excluded Conduct, at which time the Insured shall reimburse the Insurer for all Damages and Claims Expenses paid or incurred on account of such Claim; or (2) to any Claim alleging any Wrongful Employment Practice.

B. alleging, based upon, arising out of or attributable to the gaining in fact of any profit, remuneration or advantage to which any Insured was not legally entitled; however, this exclusion shall not apply to any Claim alleging any Wrongful Employment Practice.

C. seeking relief or redress in any form other than monetary damages, or Claims Expenses for a Claim seeking injunctive or other non-monetary relief. However, the Insurer shall defend such a Claim in accordance with Section II, Defense, subject to a Policy Period aggregate limit of liability of $100,000. This limit shall be part of the Limit of Liability stated in Item 3 of the Declarations.

D. alleging, based upon, arising out of or attributable to any:

1. Bodily Injury, other than Mental Distress arising out of a Wrongful Employment Practice;
2. Property Damage;
3. Personal Injury, other than libel, slander or defamation in any form arising out of a Wrongful Employment Practice; or
4. any allegation relating to the foregoing D.1, D.2 and D.3 that an Insured negligently employed, investigated, supervised or retained a person, or based on an alleged practice, custom or policy and including, without limitation, any allegation that the violation of a civil right caused or resulted form such Damages, Claims Expenses or Claim.

E. alleging, based upon, arising out of or attributable to the operation of the laws, and principles of eminent domain, condemnation, inverse condemnation, temporary or permanent taking, adverse possession or dedication by adverse use.
F. alleging, based upon, arising out of or attributable to strikes, riots or civil commotions;

G. alleging, based upon, arising out of or attributable to the failure to effect or maintain any insurance or bond, which shall include, but not be limited to, insurance provided by self-insurance arrangements, pools, self-insurance trusts, captive insurance companies, retention groups, reciprocal exchanges or any other plan or agreement of risk transfer or assumption. However, this exclusion shall not apply to Claims Expenses.

H. alleging, based upon, arising out of or attributable to:
   1. the actual, alleged or threatened discharge, dispersal, release, escape, seepage, migration or disposal of Pollutants; or
   2. any direction or request that any Insured test for, monitor, clean up, remove, contain, treat, detoxify or neutralize Pollutants, or any voluntary decision to do so.

I. alleging, based upon, arising out of or attributable to the planning, construction, maintenance, operation or use of any nuclear reactor, nuclear waste storage or disposal site or any other nuclear facility; the transportation of nuclear material; or any nuclear reaction or radiation, or radioactive contamination, regardless of its cause.

J. brought by or on behalf of any Insured: provided, however, with respect to any Claim alleging any Wrongful Employment Practice, this exclusion shall only apply to cross-claims or counter-claims brought by one Insured against another Insured.

K. alleging, based upon, arising out of or attributable to:
   1. breach of any express, implied, actual or constructive contract, warranty, guarantee or promise. However, this subsection of this exclusion shall not apply to any Claim alleging any Wrongful Employment Practice; or
   2. any construction, architectural or engineering contracts and/or agreements or the actual or alleged liability assumed by the Insured under any express, implied, actual or constructive contract or agreement, unless such liability would have attached to the Insured even in the absence of such contract or agreement.

L. alleging, based upon, arising out of or attributable to any misappropriation of any trade secret or infringement of patent, collective mark, certification mark, registered mark, service mark, trademark, trade dress, trade name, domain, title, slogan, copyright or service name.

M. alleging, based upon, arising out of or attributable to the operation of or activities of any schools, hospitals, clinics, nursing homes or other health care operations, jails or detention facilities, law enforcement agencies or fire fighting authorities.

N. alleging, based upon, arising out of or attributable to the rendering or failure to render:
   1. medical services, including Incidental Medical Malpractice, or
   2. professional services provided by any lawyer, architect, engineer or accountant to any person or entity other than the Public Entity.

O. alleging, based upon, arising out of or attributable to any Insured’s activities as a trustee or fiduciary as respects any type of Employee benefit plan, including any pension, savings, or profit sharing plan or to any amounts or benefits due under any fringe benefit program, retirement program, incentive program, perquisite program, entitlement program or other benefits owed to any Employee, including, but not limited to any actual or alleged violation of the responsibilities, obligations or duties imposed by the Employee Retirement Income Security Act of 1974, any similar state or local laws, and any rules and regulations promulgated thereunder and amendments thereto.
P. alleging, based upon, arising out of or attributable to the improper administration or collection of taxes, or loss that reflects any tax obligations.

Q. alleging, based upon, arising out of or attributable to:

1. any prior or pending litigation or administrative or regulatory proceeding, or any U.S. Equal Employment Opportunity Commission or similar state, local or foreign agency proceeding or investigation, filed on or before the effective date of the first policy issued and continuously renewed by the Insurer, or the same or substantially the same Wrongful Act, fact, circumstance or situation underlying or alleged therein; or

2. any other Wrongful Act whenever occurring which, together with a Wrongful Act underlying or alleged in such prior or pending proceeding, would constitute Interrelated Wrongful Acts.

R. alleging, based upon, arising out of, or attributable to:

1. any Wrongful Act, fact, circumstance or situation which has been the subject of any written notice given under any other policy of which this Policy is a renewal or replacement or which it succeeds in time; or

2. any other Wrongful Act whenever occurring which, together with a Wrongful Act which has been the subject of such notice, would constitute Interrelated Wrongful Acts.

S. alleging, based upon, arising out of or attributable to any Wrongful Act prior to the inception date of the first policy issued by the Insurer or any affiliate thereof, and continuously renewed and maintained, if, on or before such date, any Insured knew or could have reasonably foreseen that such Wrongful Act could lead to a Claim.

T. solely with respect to any Claim arising out of a Wrongful Employment Practice:

1. alleging, based upon, arising out of or attributable to any violation of the responsibilities, obligations or duties imposed by any worker’s compensation, disability benefits, unemployment compensation, unemployment insurance, retirement benefits, social security benefits or similar law; However, this exclusion shall not apply to that part of any Claim for Retaliation;

2. for an actual or alleged violation of: (1) the Employee Retirement Income Security Act of 1974 (except section 510 thereof); (2) the Fair Labor Standards Act (except the Equal Pay Act), (3) the National Labor Relations Act, (4) the Worker Adjustment and Retraining Notification Act, (5) the Consolidated Omnibus Budget Reconciliation Act, (6) the Occupational Safety and Health Act; or any similar federal, state or local laws, and any rules and regulations promulgated thereunder and amendments thereto anywhere in the world. However, this exclusion shall not apply to that part of any Claim for Retaliation;

3. alleging, based upon, arising out of or attributable to any costs or liability incurred by any Insured to provide any reasonable accommodations required by, made as a result of, or to conform with the requirements of, the Americans With Disabilities Act of 1992, as amended, or any similar federal, state or local law, regulation or ordinance, including the modification of any building, property or facility to make it more accessible or accommodating to any disabled person; or

4. alleging, based upon, arising out of, or attributable to improper payroll deductions or any Claims for unpaid wages or overtime pay for hours actually worked or labor actually performed by any Employee of a Public Entity, or any violation of any federal state, local or foreign statutory law or common law that governs the same topic or subject, and any rules, regulations and amendments thereto. However, this exclusion shall not apply to that part of any Claim for Retaliation.

The Wrongful Act of any Insured Person shall not be imputed to any other Insured Person for the purpose of determining the applicability of Exclusions IV.A. and IV.B. above.
V. CRISIS MANAGEMENT COVERAGE PROVISIONS

A. There shall be no Retention applicable to Crisis Management Expenses and the Company shall pay such Crisis Management Expenses from the first dollar subject to all other terms and conditions of this policy, including the Policy limit.

B. An actual or anticipated Crisis Event shall be reported to the Company as soon as practicable, but in no event later than thirty (30) days after the Public Entity first incurs Crisis Management Expenses for which coverage will be requested under this Policy.

VI. ESTATES, LEGAL REPRESENTATIVES AND SPOUSES

The estates, heirs, legal representatives, assigns, spouses and legally recognized domestic partners of Insureds shall be considered Insureds under this Policy; but coverage is afforded to such estates, heirs, legal representatives, assigns, spouses and legally recognized domestic partners only for a Claim arising solely out of their status as such and, in the case of a spouse or legally recognized domestic partner, where the Claim seeks damages from marital community property, jointly held property or property transferred from a natural person Insured to the spouse or legally recognized domestic partner. No coverage is provided for any Wrongful Act of an estate, heir, legal representative, assign, spouse or legally recognized domestic partner. All of the terms and conditions of this Policy including, without limitation, the Retention applicable to Damages and Claims Expenses incurred by Insureds shown in Item 4 of the Declarations, shall also apply to Damages and Claims Expenses incurred by such estates, heirs, legal representatives, assigns, spouses and legally recognized domestic partners.

VII. EXTENDED REPORTING PERIODS

If the Insurer terminates or does not renew this Policy (other than for failure to pay a premium when due), or if the Public Entity terminates or does not renew this Policy and does not obtain replacement coverage as of the effective date of such cancellation or non-renewal, the Public Entity shall have the right, upon payment of the additional premium described below, to a continuation of the coverage granted by this Policy for at least one Extended Reporting Period as follows:

A. Automatic Extended Reporting Period

The Public Entity shall have continued coverage granted by this Policy for a period of 60 days following the effective date of such termination or nonrenewal, but only for Claims first made during such 60 days and arising from Wrongful Acts taking place prior to the effective date of such termination or nonrenewal. This Automatic Extended Reporting Period shall immediately expire upon the purchase of replacement coverage by the Public Entity.

B. Optional Extended Reporting Period

The Public Entity shall have the right, upon payment of the additional premium set forth in Item 7A of the Declarations, to an Optional Extended Reporting Period, for the period set forth in Item 7B of the Declarations following the effective date of such cancellation or nonrenewal, but only for Claims first made during such Optional Extended Reporting Period and arising from Wrongful Acts taking place prior to the effective date of such termination or nonrenewal.

This right to continue coverage shall lapse unless written notice of such election is given by the Public Entity to the Insurer, and the Insurer receives payment of the additional premium, within 30 days following the effective date of termination or nonrenewal.

The first 60 days of the Optional Extended Reporting Period, if it becomes effective, shall run concurrently with the Automatic Extended Reporting Period.

C. The Insurer shall give the Public Entity notice of the premium due for the Extended Reporting Period as soon as practicable following the date the Public Entity gives such notice of such election, and such
premium shall be paid by the Public Entity to the Insurer within 10 days following the date of such notice by the Insurer of the premium due. The Extended Reporting Period is not cancelable and the entire premium for the Extended Reporting Period shall be deemed fully earned and non-refundable upon payment.

D. The Extended Reporting Period, if elected, shall be part of and not in addition to the Limit of Liability for the immediately preceding Policy Period. The purchase of the Extended Reporting Period shall not increase or reinstate the Limit of Liability, which shall be the maximum liability of the Insurer for the Policy Period and Extended Reporting Period, combined.

E. A change in Policy terms, conditions, exclusions and/or premiums shall not be considered a nonrenewal for purposes of triggering the rights to the Automatic or Optional Extended Reporting Period.

VIII. LIMITS OF LIABILITY

A. Payment of Claims Expenses without reduction of the Limit of Liability

1. The Insurer shall pay Claims Expenses in excess of the applicable Retention and up to an aggregate amount equal to the Limit of Liability stated in Item 3 of the Declaration without reduction of the applicable Limit of Liability. The total amount of such Claims Expense payments by the Insurer shall be capped at the amount of the Limit of Liability, and is not on a per Claim basis.

2. Once the Insurer has paid the amount set forth in Item 3. of the Declarations in aggregate Claims Expenses arising from or relating to any and all matters, all further payments by the Insurer of Claims Expenses shall reduce the applicable Limit of Liability.

B. Limit of Liability

1. Except as otherwise stated in section VIII.A, the Insurer’s maximum liability for the sum of all Damages and all Claims Expenses because of all Claims, (including all Claims alleging any Interrelated Wrongful Acts) first made and reported during the Policy Period shall never exceed the amount stated in Item 3 of the Declarations.

2. All Claims arising out of the same Wrongful Act and all Interrelated Wrongful Acts of the Insureds shall be deemed to be one Claim, and such Claim shall be deemed to be first made on the date the earliest of such Claims is first made, regardless of whether such date is before or during the Policy Period. All Damages and all Claims Expenses resulting from a single Claim shall be deemed a single Damage and Claims Expense and shall be allocable to the Policy in effect on the date the Claim is first made, regardless or whether such date is before or during the Policy Period.

3. Except as otherwise stated in section VIII.A, any payment of Damages and/or Claims Expenses by the Insurer will reduce the Limit of Liability stated in Item 3 of the Declarations.

4. The Insurer is entitled to pay Damages and Claims Expenses as they become due and payable by the Insureds, without consideration of other future payment obligations.

5. Once the Limit of Liability has been exhausted by payments of any Damages (regardless of whether the payment by the Insurer of Claims Expenses under section VIII.A. has exhausted, reached or exceeded the amount set forth in Item 3 of the Declarations), the obligations of the Insurer under this Policy shall be completely fulfilled and extinguished.

6. The Crisis Management Fund is the Insurer’s maximum liability for all Crisis Management Expenses arising from any and all Crisis Events occurring during the Policy Period. This limit shall be the Insurer’s maximum liability under this policy regardless of the number of Crisis Events reported during the Policy Period. The Insurer’s obligation to pay Crisis Management Expense terminates and ends upon the exhaustion of the Crisis Management Fund. The Crisis Management Fund shall be in addition to the aggregate Limit of Liability set forth in Item 3 of the Declarations.
IX. RETENTION

A. The liability of the Insurer shall apply only to that part of Damages and Claims Expenses which are in excess of the applicable Retention amount shown in Item 4 of the Declarations. Such Retention shall be borne uninsured by the Public Entity and at the risk of all Insureds.

B. A single Retention amount shall apply to Damages and Claims Expenses arising from all Claims alleging Interrelated Wrongful Acts.

C. If different parts of a single Claim are subject to different Retentions, the applicable Retention shall be applied separately to each part of the Damages and Claims Expenses, but the sum of such Retentions shall not exceed the largest applicable Retention.

X. NOTICE

For coverage under this Policy (other than coverage for a Crisis Event):

A. The Insured shall, as a condition precedent to their rights under this Policy, give to the Insurer written notice of any Claim as soon as practicable, but in no event later than 30 days after: (1) the end of the Policy Period, or (2) with respect to Claims first made during any applicable Automatic or Optional Extended Reporting Period, the end of such Automatic or Optional Extended Reporting Period.

B. If, during the Policy Period, any Insured becomes aware of any specific Wrongful Act which may reasonably give rise to a future Claim covered under this Policy, and if the Insureds give written notice to the Insurer during the Policy Period, the Automatic Extended Reporting Period, or, if elected, the Optional Extended Reporting Period of:

1. the identity of the potential claimants;
2. a description of the anticipated Wrongful Act allegations;
3. the identity of the Insureds allegedly involved;
4. the circumstances by which the Insureds first became aware of the Wrongful Act;
5. the consequences which have resulted or may result; and
6. the nature of the potential monetary damages;

then any Claim which arises out of such Wrongful Act shall be deemed to have been first made at the time such written notice was received by the Insurer. No coverage is provided for fees, expenses and other costs incurred prior to the time such Wrongful Act results in a Claim.

C. All notices under any provision of this Policy shall be in writing and given by prepaid express courier, certified mail or facsimile transmission properly addressed to the appropriate party. Notice to the Insureds may be given to the Public Entity at the address shown in Item 1 of the Declarations. Notice to the Insurer of any Claim or Wrongful Act shall be given to the Insurer at the address set forth in Item 5A of the Declarations. All other notices to the Insurer under this Policy shall be given to the Insurer at the address set forth in Item 5B of the Declarations. Notice given as described above shall be deemed to be received and effective upon actual receipt thereof by the addressee, or one day following the date such notice is sent, whichever is earlier.

XI. PRESUMPTIVE INDEMNIFICATION

A. The Public Entity agrees to indemnify the Insured Persons to the fullest extent permitted by law, taking all steps necessary or advisable in furtherance thereof, including the making in good faith of any application for court approval. The Public Entity further agrees to advance Defense Costs actually and
reasonably incurred by any Insured Person in defending any threatened, pending or contemplated action, suit or proceeding prior to a final disposition of any such action, suit or proceeding and shall not require any determination or adjudication, interim or final, of the entitlement of the Insured Person to indemnification, where permitted by law to do so. The financial ability of any Insured Person to make repayment shall not be a prerequisite to the making of such an advance, and the right to receive advancement of Claims Expenses herein is a contractual right. The agreements contained in this paragraph are binding upon the Public Entity and enforceable by the Insurer or the Insured Persons.

B. Notwithstanding anything in this section to the contrary, the Public Entity’s indemnification obligations under this section shall not apply in the event the Public Entity is neither permitted nor required to grant such indemnification either because of the appointment by any state or federal official, agency or court of any receiver, conservator, liquidator, trustee, rehabilitator or similar official to take control of, supervise, manage or liquidate the Public Entity, or because of the Public Entity becoming a debtor-in-possession.

XII. OTHER INSURANCE

If any Damages or Claims Expenses covered under this Policy are covered under any other valid and collectible insurance, then this Policy shall cover such Damages or Claims Expenses, subject to its terms and conditions, only to the extent that the amount of such Damages or Claims Expenses are in excess of the amount of such other insurance, whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written only as specific excess insurance over the Limits of Liability provided by this Policy.

XIII. REPRESENTATIONS

A. The Insureds represent and acknowledge that the statements and information contained in the Application are true and accurate and:

1. are the basis of this Policy and are to be considered as incorporated into and constituting a part of this Policy; and

2. shall be deemed material to the acceptance of this risk or the hazard assumed by the Insurer under this Policy.

B. It is understood and agreed that this Policy is issued in reliance upon the truth and accuracy of such representations.

C. It is understood and agreed that if such representations or such information are not true, accurate and complete, this Policy shall be null and void in its entirety and the Insurer shall have no liability hereunder as to: (1) any Insured Person who knew the facts misrepresented or omitted, whether or not such Insured Person knew of the Application or this Policy; and (2) the Public Entity. For purposes of this subsection C, the knowledge of any Insured Person shall not be imputed to any other Insured Person.

XIV. TERMINATION OF THE POLICY

A. This Policy shall terminate at the earliest of the following times:

1. the effective date of termination specified in a prior written notice by the Public Entity to the Insurer;

2. 60 days after receipt by the Public Entity of a written notice of termination from the Insurer;

3. 10 days after receipt by the Public Entity of a written notice of termination from the Insurer for failure to pay a premium when due, unless the premium is paid within such 10 day period;

4. upon expiration of the Policy Period as set forth in Item 2 of the Declarations; or

5. at such other time as may be agreed upon by the Insurer and the Public Entity.
B. If the Policy is terminated by the Public Entity, or by the Insurer, the Insurer shall refund the unearned premium computed pro rata. Payment or tender of any unearned premium by the Insurer shall not be a condition precedent to the effectiveness of such termination, but such payment shall be made as soon as practicable.

XV. TERRITORY AND VALUATION

A. All premiums, limits, retentions, Damages, Claims Expenses and other amounts under this Policy are expressed and payable in the currency of the United States of America. If judgment is rendered, settlement is denominated or another element of Damages and Claims Expenses under this Policy is stated in a currency other than United States of America dollars, payment under this Policy shall be made in United States dollars at the applicable rate of exchange as published in The Wall Street Journal as of the date the final judgment is reached, the amount of the settlement is agreed upon or the other element of Damages or Claims Expenses is due, respectively or if not published on such date, the next date of publication of The Wall Street Journal.

B. Coverage under this Policy shall extend to Wrongful Acts taking place or Claims made or Damages or Claims Expenses sustained anywhere in the world, provided the Claim is made within the jurisdiction of and subject to the laws of the United States of America, Canada or their respective territories or possessions.

XVI. SUBROGATION

In the event of any payment under this Policy, the Insurer shall be subrogated to the extent of such payment to all the rights of recovery of the Insureds. The Insureds shall execute all papers required and shall do everything necessary to secure and preserve such rights, including the execution of such documents necessary to enable the Insurer effectively to bring suit or otherwise pursue subrogation rights in the name of the Insureds.

XVII. ACTION AGAINST THE INSURER AND BANKRUPTCY

Except as set forth below in Section XX, Alternative Dispute Resolution, no action shall lie against the Insurer. No person or organization shall have any right under this Policy to join the Insurer as a party to any action against any Insured to determine the liability of the Insured nor shall the Insurer be impleaded by any Insured or its legal representatives. Bankruptcy or insolvency of any Insured or of the estate of any Insured shall not relieve the Insurer of its obligations nor deprive the Insurer of its rights or defenses under this Policy.

XVIII. AUTHORIZATION CLAUSE

By the acceptance of this Policy, the Public Entity agrees to act on behalf of all Insureds with respect to the giving and receiving of notice of Claim, the giving or receiving of notice of termination or non-renewal, the payment of premiums and the receiving of any premiums that may become due under this Policy, the agreement to and acceptance of endorsements, consenting to any settlement, exercising the right to the Extended Reporting Period, and the giving or receiving of any other notice provided for in this Policy, and all Insureds agree that the Public Entity shall so act on their behalf.

XIX. ALTERATION, ASSIGNMENT AND HEADINGS

A. Notice to any agent or knowledge possessed by any agent or by any other person shall not affect a waiver or a change in any part of this Policy nor prevent the Insurer from asserting any right under the terms of this Policy.

B. No change in, modification of, or assignment of interest under this Policy shall be effective except when made by a written endorsement to this Policy which is signed by an authorized representative of the Insurer.
C. The titles and headings to the various parts, sections, subsections and endorsements of the Policy are included solely for ease of reference and do not in any way limit, expand or otherwise affect the provisions of such parts, sections, subsections or endorsements.

XX. ALTERNATIVE DISPUTE RESOLUTION

The Insureds and the Insurer shall submit any dispute or controversy arising out of or relating to this Policy or the breach, termination or invalidity thereof to the alternative dispute resolution (“ADR”) process set forth in this section.

Either an Insured or the Insurer may elect the type of ADR process discussed below; provided, however, that the Insured shall have the right to reject the choice by the Insurer of the type of ADR process at any time prior to its commencement, in which case the choice by the Insured of ADR process shall control.

There shall be two choices of ADR process:

A. non-binding mediation administered by any mediation facility to which the Insurer and the Insured mutually agree, in which the Insured and the Insurer shall try in good faith to settle the dispute by mediation in accordance with the then-prevailing commercial mediation rules of the mediation facility; or

B. arbitration submitted to any arbitration facility to which the Insured and the Insurer mutually agree, in which the arbitration panel shall consist of three disinterested individuals.

In either mediation or arbitration, the mediator or arbitrators shall have knowledge of the legal, corporate management, or insurance issues relevant to the matters in dispute. In the event of arbitration, the decision of the arbitrators shall be final and binding and provided to both parties, and the award of the arbitrators shall not include attorneys’ fees or other costs.

In the event of mediation, either party shall have the right to commence a judicial proceeding; provided, however, that no such judicial proceeding shall be commenced until at least 60 days after the date the mediation shall be deemed concluded or terminated. In all events, each party shall share equally the expenses of the ADR process.

Either ADR process may be commenced in New York, New York or in the state indicated in Item 1 of the Declarations as the principal address of the Public Entity. The Public Entity shall act on behalf of each and every Insured in connection with any ADR process under this section.

XIX. INTERPRETATION

The terms and conditions of this Policy shall be interpreted and construed in an evenhanded fashion as between the parties. If the language of this Policy is deemed to be ambiguous or otherwise unclear, the issue shall be resolved in the manner most consistent with the relevant terms and conditions, without regard to authorship of the language, without any presumption or arbitrary interpretation or construction in favor of either the Insureds or the Insurer and without reference to the reasonable expectations of either the Insureds or the Insurer.
ACE Producer Compensation
Practices & Policies

ACE believes that policyholders should have access to information about ACE’s practices and policies related to the payment of compensation to brokers and independent agents. You can obtain that information by accessing our website at http://www.aceproducercompensation.com or by calling the following toll-free telephone number: 1-866-512-2862.
This endorsement changes the policy. Please read it carefully.

This insurance does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit us from providing insurance, including, but not limited to, the payment of claims. All other terms and conditions of policy remain unchanged.

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**TRADE OR ECONOMIC SANCTIONS ENDORSEMENT**

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<th>Named Insured</th>
<th>Colorado Springs Urban Renewal Authority</th>
<th>Endorsement Number</th>
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<td>09/25/2015 to 09/25/2016</td>
<td>Effective Date of Endorsement</td>
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Issued By (Name of Insurance Company)
ACE American Insurance Company

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.
COLORADO FRAUD STATEMENT

It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado division of insurance within the department of regulatory agencies.
SIGNATURES

Named Insured
Colorado Springs Urban Renewal Authority

Endorsement Number
002

Policy Symbol
EON
Policy Number
G2712415A 003
Policy Period
09/25/2015 to 09/25/2016
Effective Date of Endorsement
09/25/2015

Issued By (Name of Insurance Company)
ACE American Insurance Company

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THE ONLY SIGNATURES APPLICABLE TO THIS POLICY ARE THOSE REPRESENTING THE COMPANY NAMED ON THE FIRST PAGE OF THE DECLARATIONS.

By signing and delivering the policy to you, we state that it is a valid contract.

INDEMNITY INSURANCE COMPANY OF NORTH AMERICA (A stock company)
BANKERS STANDARD FIRE AND MARINE COMPANY (A stock company)
BANKERS STANDARD INSURANCE COMPANY (A stock company)
ACE AMERICAN INSURANCE COMPANY (A stock company)
ACE PROPERTY AND CASUALTY INSURANCE COMPANY (A stock company)
INSURANCE COMPANY OF NORTH AMERICA (A stock company)
PACIFIC EMPLOYERS INSURANCE COMPANY (A stock company)
ACE FIRE UNDERWRITERS INSURANCE COMPANY (A stock company)
WESTCHESTER FIRE INSURANCE COMPANY (A stock company)

436 Walnut Street, P.O. Box 1000, Philadelphia, Pennsylvania 19106-3703

REBECCA L. COLLINS, Secretary

JOHN J. LUPICA, President

Authorized Representative
Notice Amended

It is agreed that the Notice section of the Policy is amended by adding the following:

Notwithstanding anything in this section to the contrary, written Claim notices may also be transmitted via email to the following address:

ACEClaimsFirstNotice@acegroup.com

All other terms and conditions of this Policy remain unchanged.
This Policyholder Notice shall not be construed as part of your policy and no coverage is provided by this Policyholder Notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided.

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by OFAC. Please read this Notice carefully.

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous:

- Foreign agents;
- Front organizations;
- Terrorists;
- Terrorist organizations; and
- Narcotics traffickers;

as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's web site – http://www.treas.gov/ofac.

In accordance with OFAC regulations, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

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Issued By (Name of Insurance Company)
ACE American Insurance Company

Additional Public Entity Endorsement

It is agreed that Section III of the Policy, Definitions, is amended by adding the following to subsection X, the definition of Public Entity:

Colorado Springs Regional Tourism Act Advisory Boa

All other terms and conditions of this Policy remain unchanged.

Authorized Representative
**Bond Exclusion**

It is agreed that Section IV, Exclusions, is amended by adding the following:

- alleging, based upon, arising out of or attributable to the failure to pay any bond, interest on any bond, any debt, financial guarantee or debenture.

All other terms and conditions of this Policy remain unchanged.
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

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**Insuring Agreement A.1 Non-Rescindable**

It is agreed that Section XIII, Representations, is amended by adding the following:

D. Solely with respect to Insuring Agreement A.1, the **Insurer** agrees that it shall not seek to rescind the **Policy** with respect to any **Insured Person** who did not know the facts misrepresented or omitted.

All other terms and conditions of this **Policy** remain unchanged.
Amendatory Endorsement – Colorado

IF THERE IS ANY CONFLICT BETWEEN THE POLICY, OTHER ENDORSEMENTS TO THE POLICY AND THIS ENDORSEMENT, THE TERMS PROVIDING THE BROADEST COVERAGE INSURABLE UNDER APPLICABLE LAW SHALL PREVAIL.

It is agreed that:

1. Section XIV, Termination of the Policy, is amended by adding the following:
   - If this Policy has been in effect for 60 days or more, or is a renewal of a Policy the Insurer issued, the Insurer may terminate this Policy only for one or more of the following reasons:
     1. failure to pay a premium when due;
     2. a false statement knowingly made by the Insured on the Application for insurance; or
     3. a substantial change in the exposure or risk other than that indicated in the Application and underwritten as of the effective date of the Policy unless the Insured has notified the Insurer of the change and the Insurer accepts such change.
   - Notice of termination from the Insurer will state the effective date of termination and the reason(s) for termination, and will be mailed by certified mail to the Public Entity, and by first-class mail to the agent or broker of record, at the last mailing addresses known to the Insurer. Proof of mailing will be sufficient proof of notice.

2. The following section is added to the Policy:
   - NONRENEWAL
     If the Insurer elects not to renew this Policy, it will mail written notice of nonrenewal by certified mail to the Public Entity, and by first-class mail to the agent or broker of record, at the last mailing addresses known to the Insurer. Notice of nonrenewal will be mailed at least 45 days before the end of the Policy Period. Proof of mailing will be sufficient proof of notice.

All other terms and conditions of this Policy remain unchanged.

________________________________________
Authorized Representative
Notice Amended – Post Policy Reporting

It is agreed that Section X, Notice, subsection A is amended by deleting the phrase “but in no event later than 30 days after” and inserting the phrase “but in no event later than 60 days after”.

All other terms and conditions of this Policy remain unchanged.
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

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Pollution Exclusion (H) Amended (Carveback for Insuring Agreement A.1)

It is agreed that Section IV, Exclusions, subsection H is amended by adding the following:

- However, solely with respect to Insuring Agreement A.1, Public Officials’ Liability, this exclusion shall not apply.

All other terms and conditions of this Policy remain unchanged.
Exclusions A and B Amended (Final Adjudication)

It is agreed that Section IV, Exclusions, is amended as follows:

1. Subsection A.(1) is amended by deleting the phrase “an adverse admission by, finding of fact, or final adjudication” and inserting the phrase “a final adjudication” in its place.

2. Subsection B. is deleted in its entirety and replaced with the following:
   B. alleging, based upon, arising out or attributable to the gaining in fact of any profit, remuneration or advantage to which the Insured was not legally entitled; however this exclusion shall not apply: (1) unless and until there is an a final adjudication against any Insured as to such conduct, at which time the Insured shall reimburse the Insurer for all Damages and Claims Expenses paid or incurred on account of such Claim, or (2) to any Claim alleging any Wrongful Employment Practice.

3. The last sentence of Section IV, Exclusions, is deleted in its entirety and replaced with the following:
   • Solely with respect to Insuring Agreements A.1 and A.2, the Wrongful Act of any Insured Person shall not be imputed to any other Insured Person for the purpose of determining the applicability of Exclusions IV.A and IV.B. Further, solely with respect to Insuring Agreement A.1, Public Officials’ Liability, only the knowledge of the Public Entity’s Chairman of the Board or Chief Financial Officer shall be imputed to the Public Entity.

All other terms and conditions of this Policy remain unchanged.
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Named Insured
Colorado Springs Urban Renewal Authority

Endorsement Number
011

Policy Symbol
EON

Policy Number
G2712415A 003

Policy Period
09/25/2015 to 09/25/2016

Effective Date of Endorsement
09/25/2015

Issued By (Name of Insurance Company)
ACE American Insurance Company

Representations Amended – Partial Severability of Application – Specified Officers

It is agreed that Section XIII, Representations, subsection C is deleted in its entirety and replaced with the following:

C. It is understood and agreed that if such representations or such information are not true, accurate and complete, this Policy shall be null and void in its entirety and the Insurer shall have no liability hereunder as to: (1) any Insured Person who knew the facts misrepresented or omitted, whether or not such Insured Person knew of the Application or this Policy; and (2) the Public Entity if the Public Entity’s Chairman of the Board or Chief Financial Officer (or the functional equivalent of such positions) knew the facts that were not truthfully disclosed or that were omitted in the Application. For purposes of this subsection C, the knowledge of any Insured Person shall not be imputed to any other Insured Person.

All other terms and conditions of this Policy remain unchanged.

Authorized Representative
Network Security or Privacy Liability Exclusion

1. Section III, Definitions, is amended by adding the following:
   
   • **Network Security or Privacy Breach** means:
     
     1. the failure by the Insured to properly handle, manage, store, destroy or otherwise control confidential corporate or personally identifiable information;
     
     2. any violation of the Insured's privacy policy, or any violation by the Insured of:
       
       (a) the Health Insurance Portability and Accountability Act of 1996 (Public Law 104-191);
       
       (b) the Gramm-Leach-Bliley Act of 1999;
       
       (c) the California Security Breach Notification Act (CA SB 1386);
       
       (d) Section 5(a) of the Federal Trade Commission Act, 15 U.S.C. § 45(a), but solely for alleged violations of unfair or deceptive acts or practices in or affecting commerce;
       
       (e) the Drivers Privacy Protection Act ("DPPA") 18 U.S.C. § 2721, et. seq., or
       
       (f) any violation of any other similar state, federal, and foreign identity theft and privacy protection legislation that requires commercial entities that collect personal information to post privacy policies, adopt specific privacy or security controls, or notify individuals in the event that personal information has potentially been compromised; or
       
     3. a failure in network security, including but not limited to activities performed by the Insured to protect against unauthorized access to, unauthorized use of, a denial of service attack directed against, or transmission of malicious code to the Insured's computer system.

2. Section IV, Exclusions, is amended by adding the following:

   • alleging, based upon, arising out of or attributable to a **Network Security or Privacy Breach**.

All other terms and conditions of this **Policy** remain unchanged.

Authorized Representative
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Issued By (Name of Insurance Company)
ACE American Insurance Company
Coverage for acts of terrorism is included in your policy. You are hereby notified that under the Terrorism Risk Insurance Act, as amended in 2015, the definition of act of terrorism has changed. 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. Under your coverage, any losses resulting from certified acts of terrorism may be partially reimbursed by the United States Government under a formula established by the Terrorism Risk Insurance Act, as amended. 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 on January 1, 2018; 81% beginning on 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 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 exceeds $100 billion in any one calendar year. If the aggregate insured losses for all insurers exceed $100 billion, your coverage may be reduced.

The portion of your annual premium that is attributable to coverage for acts of terrorism is , and does not include any charges for the portion of losses covered by the United States government under the Act.