



Lloyd's Certificate

This Insurance is effected with certain Underwriters at Lloyd's, London (not incorporated)

This Certificate is issued in accordance with the limited authorization granted to the Correspondent by certain Underwriters at Lloyd's, London whose names and the proportions underwritten by them can be ascertained from the office of said Correspondent (such Underwriters being hereinafter called "Underwriters") and in consideration of the premium specified herein, Underwriters do hereby bind themselves each for his own part, and not one for another, their heirs, executors and administrators.

The Assured is requested to read this Certificate, and if it is not correct, return it immediately to the Correspondent for appropriate alteration.

The Correspondent issuing this Certificate is:

**Brit Global Specialty USA
161 N. Clark Street
Suite 3200
Chicago, IL 60601**

CERTIFICATE PROVISIONS

1. **Signature Required.** This Certificate shall not be valid unless signed by the Correspondent on the attached Declaration Page.
2. **Correspondent Not Insurer.** The Correspondent is not an Insurer hereunder and neither is nor shall be liable for any loss or claim whatsoever. The Insurers hereunder are those individual Underwriters at Lloyd's, London whose names can be ascertained as hereinbefore set forth.
3. **Cancellation.** If this certificate provides for cancellation and this certificate is cancelled after the inception date, earned premium must be paid for the time the insurance has been in force.
4. **Service of Suit.** It is agreed that in the event of the failure of Underwriters to pay any amount claimed to be due hereunder, the Underwriters hereon, at the request of the Insured, will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this Clause constitutes or should be understood to constitute a waiver of Underwriters' rights to commence an action in any Court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another Court as permitted by the laws of the United States or of any State in the United States. It is further agreed that service of process in such suit may be made upon the firm or person named in item 6 of the attached Declaration Page, and that in any suit instituted against any one of them upon this contract, Underwriters will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

The above-named are authorized and directed to accept service of process on behalf of Underwriters in any such suit and/or upon request of the Insured to give a written undertaking to the Insured that they will enter a general appearance upon Underwriters' behalf in the event such a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefor, Underwriters hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Insured or any beneficiary hereunder arising out of this contract of insurance, and hereby designate the above-mentioned as the person to whom the said officer is authorized to mail such process or a true copy thereof.

5. **Attached Conditions Incorporated.** This Certificate is made and accepted subject to all the provisions, conditions and warranties set forth herein, attached or endorsed, all of which are to be considered as incorporated herein.
7. **Short Rate Cancellation.** If the attached provisions provide for cancellation, the table below will be used to calculate the short rate proportion of the premium when applicable under the terms of cancellation.

Short Rate Cancellation Table For Term of One Year.

Days Insurance in Force	Per Cent of one year Premium	Days Insurance in Force	Per Cent of one year Premium	Days Insurance in Force	Per Cent of one year Premium	Days Insurance in Force	Per Cent of one year Premium
1	5%	66 - 69	29%	154 - 156	53%	256 - 260	77%
2	6	70 - 73	30	157 - 160	54	261 - 264	78
3 - 4	7	74 - 76	31	161 - 164	55	265 - 269	79
5 - 6	8	77 - 80	32	165 - 167	56	270 - 273 (9 mos)	80
7 - 8	9	81 - 83	33	168 - 171	57	274 - 278	81
9 - 10	10	84 - 87	34	172 - 175	58	279 - 282	82
11 - 12	11	88 - 91 (3 mos)	35	176 - 178	59	283 - 287	83
13 - 14	12	92 - 94	36	179 - 182 (6 mos)	60	288 - 291	84
15 - 16	13	95 - 98	37	183 - 187	61	292 - 296	85
17 - 18	14	99 - 102	38	188 - 191	62	297 - 301	86
19 - 20	15	103 - 105	39	192 - 196	63	302 - 305 (10 mos)	87
21 - 22	16	106 - 109	40	197 - 200	64	306 - 310	88
23 - 25	17	110 - 113	41	201 - 205	65	311 - 314	89
26 - 29	18	114 - 116	42	206 - 209	66	315 - 319	90
30 - 32 (1 mos)	19	117 - 120	43	210 - 214 (7 mos)	67	320 - 323	91
33 - 36	20	121 - 124 (4 mos)	44	215 - 218	68	324 - 328	92
37 - 40	21	125 - 127	45	219 - 223	69	329 - 332	93
41 - 43	22	128 - 131	46	224 - 228	70	333 - 337 (11 mos)	94
44 - 47	23	132 - 135	47	229 - 232	71	338 - 342	95
48 - 51	24	136 - 138	48	233 - 237	72	343 - 346	96
52 - 54	25	139 - 142	49	238 - 241	73	347 - 351	97
55 - 58	26	143 - 146	50	242 - 246 (8 mos)	74	352 - 355	98
59 - 62 (2 mos)	27	147 - 149	51	247 - 250	75	356 - 360	99
63 - 65	28	150 - 153 (5 mos)	52	251 - 255	76	361 - 365 (12 mos)	100

Rules applicable to insurance with terms less than or more than one year:

- A. If insurance has been in force for one year or less, apply the short rate table for annual insurance to the full annual premium determined as for insurance written for a term of one year.
- B. If insurance has been in force for more than one year:
 1. Determine full annual premium as for insurance written for a term of one year.
 2. Deduct such premium from the full insurance premium, and on the remainder calculate the pro rata earned premium on the basis of the ratio of the length of time beyond one year the insurance has been in force to the length of time beyond one year for which the policy was originally written.
 3. Add premium produced in accordance with items (1) and (2) to obtain earned premium during full period insurance has been in force.



One Lime Street London EC3M 7HA

NOTICE:

- 1. THE INSURANCE POLICY THAT YOU HAVE PURCHASED IS BEING ISSUED BY AN INSURER THAT IS NOT LICENSED BY THE STATE OF CALIFORNIA. THESE COMPANIES ARE CALLED “NONADMITTED” OR “SURPLUS LINE” INSURERS.**
- 2. THE INSURER IS NOT SUBJECT TO THE FINANCIAL SOLVENCY REGULATION AND ENFORCEMENT THAT APPLY TO CALIFORNIA LICENSED INSURERS.**
- 3. THE INSURER DOES NOT PARTICIPATE IN ANY OF THE INSURANCE GUARANTEE FUNDS CREATED BY CALIFORNIA LAW. THEREFORE, THESE FUNDS WILL NOT PAY YOUR CLAIMS OR PROTECT YOUR ASSETS IF THE INSURER BECOMES INSOLVENT AND IS UNABLE TO MAKE PAYMENTS AS PROMISED.**
- 4. THE INSURER SHOULD BE LICENSED EITHER AS A FOREIGN INSURER IN ANOTHER STATE IN THE UNITED STATES OR AS A NON-UNITED STATES (ALIEN) INSURER. YOU SHOULD ASK QUESTIONS OF YOUR INSURANCE AGENT, BROKER, OR “SURPLUS LINE” BROKER OR CONTACT THE CALIFORNIA DEPARTMENT OF INSURANCE AT THE FOLLOWING TOLL-FREE TELEPHONE NUMBER: 1-800-927-4357 OR INTERNET WEB SITE WWW.INSURANCE.CA.GOV. ASK WHETHER OR NOT THE INSURER IS LICENSED AS A FOREIGN OR NON-UNITED STATES (ALIEN) INSURER AND FOR ADDITIONAL INFORMATION ABOUT THE INSURER. YOU MAY ALSO CONTACT THE NAIC’S INTERNET WEB SITE AT WWW.NAIC.ORG.**
- 5. FOREIGN INSURERS SHOULD BE LICENSED BY A STATE IN THE UNITED STATES AND YOU MAY CONTACT THAT STATE’S DEPARTMENT OF INSURANCE TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.**

- 6. FOR NON-UNITED STATES (ALIEN) INSURERS, THE INSURER SHOULD BE LICENSED BY A COUNTRY OUTSIDE OF THE UNITED STATES AND SHOULD BE ON THE NAIC'S INTERNATIONAL INSURERS DEPARTMENT (IID) LISTING OF APPROVED NONADMITTED NON-UNITED STATES INSURERS. ASK YOUR AGENT, BROKER, OR "SURPLUS LINE" BROKER TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.**

- 7. CALIFORNIA MAINTAINS A LIST OF APPROVED SURPLUS LINE INSURERS. ASK YOUR AGENT OR BROKER IF THE INSURER IS ON THAT LIST, OR VIEW THAT LIST AT THE INTERNET WEB SITE OF THE CALIFORNIA DEPARTMENT OF INSURANCE: WWW.INSURANCE.CA.GOV.**

- 8. IF YOU, AS THE APPLICANT, REQUIRED THAT THE INSURANCE POLICY YOU HAVE PURCHASED BE BOUND IMMEDIATELY, EITHER BECAUSE EXISTING COVERAGE WAS GOING TO LAPSE WITHIN TWO BUSINESS DAYS OR BECAUSE YOU WERE REQUIRED TO HAVE COVERAGE WITHIN TWO BUSINESS DAYS, AND YOU DID NOT RECEIVE THIS DISCLOSURE FORM AND A REQUEST FOR YOUR SIGNATURE UNTIL AFTER COVERAGE BECAME EFFECTIVE, YOU HAVE THE RIGHT TO CANCEL THIS POLICY WITHIN FIVE DAYS OF RECEIVING THIS DISCLOSURE. IF YOU CANCEL COVERAGE, THE PREMIUM WILL BE PRORATED AND ANY BROKER'S FEE CHARGED FOR THIS INSURANCE WILL BE RETURNED TO YOU.**

SEVERAL LIABILITY NOTICE

The subscribing insurers' obligations under contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing insurers are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of its obligations.

08/94

LSW1001 (Insurance)

Complaints Procedure

We strive to provide an excellent service to all *Our* customers but occasionally things can go wrong. We take all concerns seriously and endeavour to resolve all customers' problems promptly. If *You* have a question or concern about *Your* policy *You* should, in the first instance follow the guidance notes or instructions in the insurance documentation *You* have been sent. *Your* broker will also be able to advise *You* and provide assistance in this regard.

Alternatively, if *You* wish to contact *Us* directly *You* should either write or telephone:

The Complaints Department

Brit Syndicates Limited

The Leadenhall Building
122 Leadenhall Street
London EC3V 4AB

Telephone: 0044 (0) 20 385 70000
Facsimile: 0044 (0) 20 385 70001
Email: BGS.Complaints@britinsurance.com

In the unlikely event that *You* remain dissatisfied and wish to make a complaint *You* can do so at any time by referring the matter to *Us* at the above stated address or the Complaints Team at Lloyd's at the following address:

Complaints
Lloyd's
One Lime Street
London EC3M 7HA

Email: complaints@lloyds.com
Telephone: 0044 (0)20 7327 5693
Fax: 0044 (0)20 7327 5225
Website: www.lloyds.com/complaints

Details of Lloyd's complaints procedure are set out in a leaflet "Your Complaint - How We Can Help" available at www.lloyds.com/complaints and are also available from the above address.

Should *You* remain dissatisfied after Lloyd's has considered your complaint and *You* are NOT a policyholder in the UK, *You* should, in the first instance, seek advice from *Your* broker as to whom *You* should direct your complaint.



UNDERWRITTEN BY CERTAIN UNDERWRITERS AT LLOYD'S

Percentage: 100.00%

Brit Syndicates Ltd. Syndicate 2987 at Lloyd's

Authority Ref. No.: B0356JG135V18A000

EXCESS LIABILITY POLICY DECLARATIONS

POLICY NUMBER: PEXS1011718

Producer's Name and Mailing Address:

AmWINS Insurance Brokerage of California, LLC,
21550 Oxnard St., Suite 1100
Woodland Hills, CA 91367

ITEM 1. NAMED INSURED AND MAILING ADDRESS:

Authority for California Cities Excess Liability (ACCEL)

c/o Alliant Insurance Services
100 Pine Street, 11th Floor
San Francisco, CA 94111

ITEM 2. POLICY PERIOD:

Inception Date: July 1st 2018

Expiration Date: July 1st 2019

(at 12:01 A.M. for both dates at the address of the Named Insured stated in ITEM 1 above)

ITEM 3. LIMITS OF INSURANCE:

\$5,000,000 Each Occurrence

\$5,000,000 Aggregate (where applicable)

Excess of Underlying Insurance Limit

ITEM 4. SCHEDULE OF UNDERLYING INSURANCE:

(A) UNDERLYING INSURANCE

"PER SCHEDULE OF UNDERLYING INSURANCE ENDORSEMENT"

(B) CONTROLLING UNDERLYING INSURANCE:

"PER SCHEDULE OF UNDERLYING INSURANCE ENDORSEMENT"

ITEM 5. PREMIUM:

Policy Premium: \$166,667

TRIA Premium: \$ 3,333

Total Premium: \$170,000

California Premium:	<u>\$170,000.00</u>
Non-Taxable Fees:	<u>\$0.00</u>
Taxable Fees:	<u>\$0.00</u>
Surplus Lines Tax:	<u>\$5,100.00</u>
Stamping Fee:	<u>\$340.00</u>

Minimum Earned Premium at Inception: 25%

ITEM 6. FORMS AND ENDORSEMENTS ATTACHED TO THIS POLICY AT INCEPTION:
(SEE SCHEDULE OF FORMS AND ENDORSEMENTS)

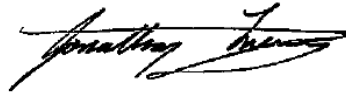
ITEM 7. IN THE EVENT OF A CLAIM, PLEASE NOTIFY THE FOLLOWING:

Claims Email: PE.ExcessClaims@scionunderwriting.com

Address: Brit Global Specialty USA
161 North Clark Street, Suite 3200
Chicago, IL 60601 USA

Telephone: 312-577-9450

Authorized Correspondent Signatory:



Brit Global Specialty USA

Named Insured: Authority for California Cities Excess Liability (ACCEL)
Policy Number: PEXS1011718
Effective Date: 07/01/2018
Authority Ref. No.: B0356JG135V18A000

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SCHEDULE OF FORMS AND ENDORSEMENTS

This endorsement modifies insurance provided under the following:
COMMERCIAL EXCESS LIABILITY COVERAGE PART

The following forms are attached to and are a part of this Policy:

FORM DESCRIPTION

LLOYD'S CERTIFICATE SLC-4
CALIFORNIA SURPLUS LINES NOTICE
LLOYD'S SEVERAL LIABILITY NOTICE
LLOYD'S COMPLAINT PROCEDURE
EXCESS LIABILITY POLICY DECLARATIONS
SCHEDULE OF FORMS AND ENDORSEMENTS
POLICY CHANGES ENDORSEMENT
CANCELLATION DAYS ENDORSEMENT (90)
SCHEDULE OF UNDERLYING INSURANCE
EXCESS LIABILITY INSURANCE POLICY
U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS
CONTROL ("OFAC") ADVISORY NOTICE TO POLICYHOLDERS
CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

Named Insured: Authority for California Cities Excess Liability (ACCEL)
Policy Number: PEXS1011718
Effective Date: 07/01/2018
Authority Ref. No.: B0356JG135V18A000

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLICY CHANGES ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE PART

In accordance with the terms and conditions of the policy, it is understood and agreed that the policy is amended as follows:

Exclusion B "Employment Related Practices" is deleted

Exclusion C "Infringement of Intellectual Property Rights" is deleted

Exclusion F "Product Recall" is deleted

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

Named Insured: Authority for California Cities Excess Liability (ACCEL)
Policy Number: PEXS1011718
Effective Date: 07/01/2018
Authority Ref. No.: B0356JG135V18A000

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CANCELLATION DAYS ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE PART

Section V. CONDITIONS, Subsection C., Paragraph 1 is deleted in its entirety and replaced with the following:

This Policy may be cancelled by the Named Insured either by mailing or delivering advance written notice to the Company stating when cancellation shall be effective. This Policy may be cancelled by the Company by mailing to the Named Insured at the address set forth in ITEM 1 of the Declarations for this Policy, written notice stating when, not less than ninety (90) days thereafter, ten (10) days thereafter if cancellation is for nonpayment of the premium, such cancellation shall be effective. The mailing of notice is sufficient notice and the effective date of cancellation stated in the notice will become the end of the policy period. Delivery of written notice either by the Named Insured or by the Company shall be equivalent to mailing.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

Named Insured: Authority for California Cities Excess Liability (ACCEL)
Policy Number: PEXS1011718
Effective Date: 07/01/2018
Authority Ref. No.: B0356JG135V18A000

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SCHEDULE OF UNDERLYING INSURANCE

Line of Business: Excess Liability
Carrier: Berkley National Insurance Company
Policy Number: CEX09600358-05
Policy Period: 7/1/2018 – 7/1/2019
Controlling: Yes
Limits: Each occurrence \$10,000,000
Aggregate, where applicable \$10,000,000

Excess of:

Line of Business: Special Excess Liability Policy for the Alliant National Municipal Liability (ANML) Program
Carrier: Great American Insurance Company
Policy Number: 1827326-01
Policy Period: 7/1/2018 – 7/1/2019
Controlling: No
Limits: \$10,000,000 Completed Operations Hazard Annual Aggregate
\$10,000,000 Any one Occurrence for Bodily Injury, Property Damage, Public Officials Errors and Omissions, Employment Practices Liability, or Personal Injury or any combination thereof in excess of your Retained Limit
Retained Limit: \$5,000,000 Any one Occurrence for Bodily Injury, Property Damage, Public Officials Errors and Omissions, Employment Practices Liability, or Personal Injury or any combination thereof.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

BRIT GLOBAL SPECIALTY USA

EXCESS LIABILITY INSURANCE POLICY

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words “you” and “your” refer to the Named Insured shown in the Declarations and any other person or organization qualifying as a Named Insured under this policy. The words “we”, “us” and “our” refer to the Company providing this insurance. Other words and phrases that appear in quotation marks have special meaning and can be found in SECTION VI. **Definitions**.

INSURING AGREEMENTS

I. COVERAGE

We will pay on behalf of the Insured the amount of “loss” in excess of the “underlying insurance limit” for which coverage is provided under the terms, definitions, conditions, limitations and exclusions of the “controlling underlying insurance” in effect at the inception of this policy.

This policy will follow the terms, definitions, conditions, limitations and exclusions of the “controlling underlying insurance”. If any provision of the “controlling underlying insurance” conflicts with any provisions of this policy than the provision of this policy shall apply provided that coverage is not broader than that of the “controlling underlying insurance”. Under no circumstances will this policy provide broader coverage than that provided by the “controlling underlying insurance”.

II. LIMITS OF INSURANCE

- A. The limits of Insurance shown in the Declarations for this policy is the most we will pay for all “loss” regardless of the number of:
 - 1. Insureds
 - 2. Claims made or suits brought, or
 - 3. Persons or organizations making claims or bringing suits.
- B. This policy applies only in excess of the “underlying insurance limit” and only responds after the full amount of “underlying insurance limit” has been exhausted.
- C. The occurrence limit shown on the Declarations is the most we will pay for all “loss” arising out of any one occurrence to which this policy applies.
- D. The Aggregate limit shown in **ITEM 3** of the Declarations is the most we will pay for all “loss” that is subject to an aggregate limit provided by the “controlling underlying insurance”. The aggregate limit applies separately and in the same manner as the aggregate limits provided by the “controlling underlying insurance”, provided that all “underlying insurance” applies each respective aggregate limit in the same manner as the “controlling underlying insurance”.

- E. If the “underlying insurance limit” has been reduced or exhausted solely by reason of covered “loss” paid thereunder arising out of injury or damage to which takes place during our policy period, then this policy shall:
- a. in the event of reduction, apply excess of the reduced underlying limit
 - b. in the event of exhaustion, continue in force as “underlying insurance”, subject to section **III Defense and Settlement**
- F. This policy will not apply in excess of any reduced or exhausted limits of liability of the “underlying policies” to the extent that such reduction or exhaustion is caused by payment of occurrences or claims that are not covered under this policy.
- G. The limits of this policy apply to the policy period shown in the Declarations. Any extension of the policy period will be deemed part of the policy period and therefore subject to the policy aggregate limits.
- H. If defense expenses are included within the “underlying insurance limit”, then any such defense expense payments we make following exhaustion of the “underlying insurance limit” in accordance with section **III Defense and Settlement**, shall reduce the limit of insurance of this policy. If defense expenses are not included within the “underlying insurance limit”, and do not reduce the limit of liability provided by those policies, then any defense expense payments we make following exhaustion of the “underlying insurance limit” in accordance with section **III Defense and Settlement**, shall not reduce the limit of insurance of this policy.

III. DEFENSE AND SETTLEMENT

- A. We will have no duty to investigate or defend any claim or suit. We will have the right and be given the opportunity to associate with any “Insured” or “underlying insurer” in the investigation, settlement or defense of any claim or suit that may involve this insurance, regardless of whether the applicable “underlying insurance limit” has been exhausted. If such right is exercised, we will do so at our own expense.
- B. If the total “underlying insurance limit” is exhausted solely by payment of “loss”, we shall have the right but not the duty to investigate and settle any claim or assume the defense of any suit which has potential to give rise to this policy. If such right is exercised, we will do so at our own expense.
- C. No Insured may, without our prior written consent, which consent shall not be unreasonably withheld, settle any matter for which coverage may be sought under this policy.

IV. EXCLUSIONS

The following exclusions apply in addition to any applicable exclusion contained in the “controlling underlying insurance”.

This insurance does not apply to:

A. Asbestos

To any injury, damage, suit, expense, cost, “loss”, liability, or legal obligation arising out of, in whole or in part, or in any way related to “asbestos” or “asbestos”-containing materials.

This exclusion includes, but is not limited to, compliance with any request, demand, order or statutory or regulatory requirement, or any other action authorized or required by law, or any other claim, suit, demand,

“loss”, cost, or expense arising out of, relating to or resulting from the investigation of, abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing

of, or in any way responding to, or assessing the effects of “asbestos”, as well as any loss, costs, fees, expenses, penalties, judgements, fines, or sanctions arising out of, relating thereto or resulting therefrom.

B. Employment Related Practices

Any “loss”, cost or expense arising out of:

- a. Refusal to employ or promote
- b. Termination of employment
- c. Coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination, or other employment-related practices, policies or omissions;
- d. consequential bodily injury or personal injury as a result of **a.** and **c.** above

C. Infringement Of Intellectual Property Rights

This insurance does not apply to injury or damage, costs or expenses, arising out of, resulting from, caused or contributed to by:

- a. Any alleged or actual infringement or dilution of intellectual property rights including but not limited to copyright, title, slogan, patent, service name, service mark, trade name, trade mark, trade dress; or
- b. The misappropriation, use or disclosure of trade secrets.

D. Nuclear

A. This insurance does not apply to any “loss”, cost or expense arising out of:

1. Any Insured under this policy who is also an Insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic, Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an Insured under any such policy but for its termination upon exhaustion of its limit of liability; or
2. Any “hazardous properties” of “nuclear material” and with respect to which:
 - a. A person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof; or
 - b. Any Insured is, or had this policy not been issued would be, entitled to indemnify the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization

B. This insurance does not apply to any “loss”, cost or expense arising out of any injury or “nuclear property damage” resulting from the “hazardous properties” of “nuclear material”, if:

1. The “nuclear material”
 - a. Is at any “nuclear facility”, owned by, or operated by or on behalf of, any Insured; or
 - b. Has been discharged or dispersed therefrom:

2. The “nuclear material” is contained in “spent fuel” or “nuclear waste” at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of any Insured; or
3. The injury or “nuclear property damage” arises out of the furnishing by any Insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operations or use of any “nuclear facility”, but if such facility is located within the United States of America, its territories or possessions of Canada, this Sub-paragraph c. applies only to the “nuclear property damage” to such “nuclear facility” and any property therein.

C. As used in this exclusion E:

1. “Hazardous properties” include radio-active, toxic or explosive properties
2. “Nuclear facility” means;
 - a. Any “nuclear reactor”
 - b. Any equipment or device designed or used for:
 - i. Separating the isotopes of uranium or plutonium;
 - ii. Processing or utilizing “spent fuel”; or
 - iii. Handling, processing or packaging “nuclear waste”;
 - c. Any equipment or device used for the processing, fabricating or alloying of “special nuclear material” if at any time the total amount of such material in the custody of the Insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
 - d. Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of “nuclear waste,” and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;
3. “Nuclear material” means “Source Material”, “special nuclear material” or “by-product material”.
4. “Nuclear property damage” includes all forms of radioactive contamination of property.
5. “Nuclear reactor” means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.
6. “Nuclear waste” means any “nuclear waste” material:
 - a. Containing “by-product material” other than the tailings of “nuclear wastes” produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its “source material” content; and
 - b. Resulting from the operation by any person or organization of any “nuclear facility” included within the definition of “nuclear facility”
7. “Source material”, “special nuclear material”, and “by-product material” have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

8. "Spent Fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

E. Pollution

1. Any claim arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" anywhere at any time;
2. Any "loss", cost or expense arising out of any request, demand, order or statutory or regulatory requirement that the "Insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of "pollutants"; or
3. Any "loss", cost or expense arising out of any claim by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing or in any way responding to, or assessing the effects of "pollutants".

With respect to paragraph 1. above, we will apply any exception to such exclusion provided by the "controlling underlying insurance" and followed by all "underlying insurance" policies.

F. Product Recall

Damages claimed for any "loss", cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- a. Your product;
- b. Your work; or
- c. Impaired property

if such product, work or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

G. Silica

- a. Any bodily injury, property damage or personal and advertising injury;
- b. Any obligation of any Insured to defend, investigate or indemnify any party for bodily injury, property damage or personal and advertising injury;
- c. Any "loss", cost or expense, including but not limited to payment for investigation or defense, fines and penalties, arising out of any governmental or any private party action, that an Insured or any other party test for, monitor, clean up, remove, contain, mitigate, treat, detoxify, or neutralize or in any way respond to or assess the actual or alleged effects of silica; or
- d. Any bodily injury, property damage, or personal and advertising injury caused by, or allegedly caused by the deleterious health effects associated with silica;

based upon, arising out of, directly or indirectly, in whole or in part, or in any way involving the actual, alleged or threatened presence of or prolonged exposure to, ingestion, inhalation, absorption, contact with

discharge, dispersal, seepage, release or escape of silica, whether or not any of the foregoing are sudden, accidental or gradual in nature, intentional or expected or intended from the standpoint of any Insured.

H. Sublimited Coverage

This insurance does not apply to any "loss" that is subject to a limit of insurance that is lower than the otherwise applicable limit of liability listed in the Schedule of Underlying Insurance.

I. Uninsured and Underinsured Auto Liability

Any claim, suit, demand or "Loss" payable under or resulting from any first party physical damage coverage; no-fault law; personal injury protection or auto medical payments coverage; or uninsured or underinsured motorist law. This includes the ownership, maintenance, use or operation of an uninsured or underinsured auto.

J. War

Injury or damage due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution.

V. CONDITIONS

A. Appeals

In the event you or any underlying insurers elect not to appeal a judgment in excess of the amount of the "underlying insurance limit", we may elect to appeal at our expense. If we do so elect, we will be liable for the costs and interest incidental to this appeal. In no event will this provision increase our liability beyond the applicable limits of insurance described in section II of this policy.

B. Bankruptcy or insolvency

The bankruptcy, insolvency or inability to pay of any Insured will not relieve us from our obligation to pay "loss" covered by this policy.

In the event of bankruptcy or insolvency of any underlying insurer, the insurance afforded by this policy will not replace such "underlying insurance" or drop down to attach at a lower level, but will continue to apply as if the "underlying insurance" was available and collectible.

C. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation and the date to which cancellation is to take effect.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 30 days before the effective date of cancellation for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.

4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro-rata based on the time the policy was in force. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

D. Changes

Notice to any agent or knowledge possessed by any agent or any other person will not waive, replace or change any part of this policy. This policy can only be changed by a written endorsement that becomes a part of this policy and that is signed by one of our authorized representatives.

E. First Named Insured Duties

The person or organization first named in **Item 1.** of the Declarations is responsible for the payment of all premiums. The first Named Insured will act on behalf of all other Named Insured for the giving and receiving of notice of cancellation or the receipt of any return premium that become payable.

We will be furnished a complete copy of the “controlling underlying insurance” described in **ITEM 5 (B)** of the Declarations and any subsequently issued endorsements which may in any way affect this insurance.

F. Legal Actions Against us

There will be no right of action against us under this insurance unless:

1. You have complied with all the terms of this policy; and
2. The amount you owe has been determined by settlement with our written consent or by actual trial and final judgement, but we will not be liable for any “loss” or damages that are not payable under the terms of this policy or that are in excess of the applicable limit of insurance as set forth in the Declarations.

G. Maintenance of “Underlying Insurance”

During the period of this policy, you agree:

1. to keep all “underlying insurance” in full force and effect: and
2. that the limits of insurance of the “underlying insurance” policies will be maintained, except to the extent such limits may be reduced or exhausted by payment of “loss” covered by “underlying insurance”.

You must notify us within thirty days if any company replaces or changes any terms or conditions of any of the “underlying insurance”. You must notify us immediately of the exhaustion of any aggregate limits of “underlying insurance”.

If you fail to comply with these requirements, we will only be liable to the same extent that we would have been had you fully complied with these requirements.

H. Notice

1. You must see to it that we are notified as soon as practicable of an occurrence which may result in "loss" covered under this policy. To the extent possible, notice will include:
 - a. How, when and where the occurrence took place;
 - b. The names and addresses of any injured persons and witnesses;
 - c. The nature and location of any injury or damage arising out of the occurrence.
2. If a claim or suit against any Insured is reasonably likely to involve this policy you must notify us in writing as soon as practicable.
3. You and any other involved Insured must:
 - a. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or suit;
 - b. Authorize us to obtain records and other information;
 - c. Cooperate with us in the investigation, settlement or defense of the claim or suit; and
 - d. Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the Insured because of injury or damage to which this insurance may also apply.
4. If the "underlying insurance limit" are exhausted solely by payment of "loss", no Insured will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, with our consent.

I. Other Insurance

If other insurance applies to a "loss" that is also covered by this policy, this policy will apply excess of the other insurance. Nothing herein will be construed to make this policy subject to the terms, conditions, and limitations of such other insurance. However, this provision will not apply if the other insurance is specifically written to be excess of this policy.

Other insurance includes any type of self-insurance, indemnification or other mechanism by which an Insured arranges for funding of legal liabilities.

J. Service of Suit

It is agreed that in the event of the failure of the Underwriters hereon to pay any amount claimed to be due hereunder, the Underwriters hereon, at the request of the Insured (or Reinsured), will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this Clause constitutes or should be understood to constitute a waiver of Underwriters' rights to commence an action in any Court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another Court as permitted by the laws of the United States or of any State in the United States.

It is further agreed that service of process in such suit may be made upon

Walker Wilcox Matousek, LLP

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One North Franklin
Suite 3200
Chicago, Illinois 60606

and that in any suit instituted against any one of them upon this contract, Underwriters will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

The above-named are authorized and directed to accept service of process on behalf of Underwriters in any such suit and/or upon the request of the Insured (or Reinsured) to give a written undertaking to the Insured (or Reinsured) that they will enter a general appearance upon Underwriters' behalf in the event such a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefor, Underwriters hereon hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Insured (or Reinsured) or any beneficiary hereunder arising out of this contract of insurance (or reinsurance), and hereby designate the above-named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

K. When "Loss" is Payable

Coverage under this policy will not apply unless and until the Insured or the Insured's "underlying insurance" is obligated to pay the full amount of the "underlying insurance limit".

When the amount of "loss" has finally been determined, we will promptly pay on behalf of the Insured the amount of "loss" covered within the terms of this policy.

VI. DEFINITIONS

- A. **"Asbestos"** means any substance, regardless of its form or state, containing asbestos.
- B. **"Controlling underlying insurance"** means all policies scheduled in **ITEM 4 (B)** of the Declarations for this policy and any policies of the same insurers replacing them.
- C. **"Insured"** means any person or organization qualifying as such under the "controlling underlying insurance".
- D. **"Loss"** means those sums paid to settle a claim or suit, or satisfy a judgement, for which an Insured is legally liable and for which such amounts are covered by the "controlling underlying insurance" policy. The amounts that are payable by us are subject to deductions for subrogation, salvages, and any other recoveries made or that are available to an Insured.
- E. **"Pollutants"** means any solid, liquid, gaseous, or thermal irritant or contaminant including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned, or reclaimed.
- F. **"Underlying insurance"** means the policy or policies of insurance as described in **ITEM 4** of the Declarations and Schedule of Underlying Insurance attached to this policy.
- G. **"Underlying insurance limit"** means the amount equal to the aggregate of all limits of liability set forth in **ITEM 4** of this policy and any policies of the same insurers replacing or renewing them.

Named Insured: Authority for California Cities Excess Liability (ACCEL)
Policy Number: PEXS1011718
Effective Date: 07/01/2018
Authority Ref. No.: B0356JG135V18A000

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL ("OFAC") ADVISORY NOTICE TO POLICYHOLDERS

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE PART

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.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE PART

A. Any endorsement addressing acts of terrorism (however defined) in any "controlling underlying insurance" does not apply to this excess insurance. The following provisions addressing acts of terrorism apply with respect to this excess insurance:

If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and

2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is 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.

B. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for "injury or damage" that is otherwise excluded under this Coverage Part.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

Named Insured: Authority for California Cities Excess Liability (ACCEL)
Policy Number: PEXS1011718
Change Endorsement No.: 1
Effective Date: January 1st, 2019
Authority Ref. No.: B0356JG135V18A000

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

GENERAL CHANGE ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE PART

In accordance with the terms and conditions of the policy, it is understood and agreed that the policy is amended as follows:

- 1. Section IV EXCLUSIONS**, is amended to include the following:

This insurance does not apply to any "loss", cost or expense that is based upon, arises out of, directly or indirectly, in whole or in part, or in any way involves "loss", claim, suit, or other proceeding against the Member(s) listed below:

The City of Salinas

This Exclusion applies regardless of whether or not coverage for the Member(s) listed above is afforded by the "controlling underlying insurance".

- 2.** This Policy shall not recognize reduction or exhaustion of the "underlying insurance" by any claim or suit or payment of "loss", cost or expense excluded by this Endorsement.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.