

**LEXINGTON INSURANCE COMPANY**

**FOLLOW FORM  
EXCESS LIABILITY POLICY**

**IN THE NAME OF**

**MEMBERS OF THE CATASTROPHIC  
LIABILITY INSURANCE PROGRAM (CLIP)**

# LEXINGTON INSURANCE COMPANY

The Chartis Building, 58 Fenchurch Street,  
London, EC3M 4AB, United Kingdom

## FOLLOWING FORM EXCESS LIABILITY INSURANCE POLICY

### DECLARATIONS

Policy No: 2213949  
New/Renewal of: 2213685

In consideration of the payment of the premium, and in reliance upon the statements in the Declarations below and subject to the limits of liability, exclusions, conditions and other terms of this Policy, the Insurer agrees with the Named Insured as listed in Item 1 below (hereinafter referred to as the "Insured") as follows:

- ITEM 1.** (a) **NAMED INSURED:** Members of the Catastrophic Liability Insurance Program (CLIP), as more fully defined herein
- (b) **ADDRESS:** c/o Alliant Insurance Services, Inc., 600 Montgomery Street, 9<sup>th</sup> Floor, San Francisco, CA 94111-2711
- ITEM 2.** **POLICY PERIOD:** From: 1<sup>st</sup> July, 2009 To: 1<sup>st</sup> July, 2010  
(12:01 A.M. at the address stated in Item 1 above)
- ITEM 3.** **RETROACTIVE DATE:** Not applicable
- ITEM 4.** **COVERAGE:** Following Form Occurrence Excess Liability
- ITEM 5.** **LIMITS OF LIABILITY:** US\$ 25,000,000 per occurrence, per claim or per loss (as per Followed Policy(ies)) per member
- US\$ 25,000,000 annual aggregate, where applicable, per member
- Other than Limits of Liability more fully detailed in Endorsement No. 14
- Excess of Limits in Item 6(b) below
- ITEM 6.** (a) **UNDERLYING POLICY(IES):**  
See Schedule of Followed Policy, Primary Policies and Underlying Excess Policies (Endorsement No. 2)
- (b) **LIMITS OF UNDERLYING POLICY(IES):**  
See Schedule of Followed Policy, Primary Policies and Underlying Excess Policies (Endorsement No. 2)

# LEXINGTON INSURANCE COMPANY

The Chartis Building, 58 Fenchurch Street,  
London, EC3M 4AB, United Kingdom

## FOLLOWING FORM EXCESS LIABILITY INSURANCE POLICY

### DECLARATIONS

Policy No: 2213949  
New/Renewal of: 2213685

#### ITEM 7. FOLLOWED POLICY:

##### In respect of ABAG:

Company: The Insurance Company of the State of Pennsylvania  
Policy Number: 6907921  
Coverage: Umbrella Liability  
Policy Period: 1<sup>st</sup> July, 2009 to 1<sup>st</sup> July, 2010  
Limits of Liability: US\$ 10,000,000 Each Occurrence  
US\$ 10,000,000 Completed Operations Aggregate

##### In respect of ACCEL:

Company: Everest National Insurance Company  
Policy Number: 71A2040000-091  
Coverage: Umbrella Liability  
Policy Period: 1<sup>st</sup> July, 2009 to 1<sup>st</sup> July, 2010  
Limits of Liability: US\$ 10,000,000 Each Occurrence  
US\$ 10,000,000 Completed Operations Aggregate

##### In respect of BICEP:

Company: Everest National Insurance Company  
Policy Number: 71A2040000-091  
Coverage: Umbrella Liability  
Policy Period: 1<sup>st</sup> July, 2009 to 1<sup>st</sup> July, 2010  
Limits of Liability: US\$ 2,000,000 Each Occurrence  
US\$ 2,000,000 Completed Operations Aggregate

##### In respect of CSAC EIA:

##### Either:

Company: Lexington Insurance Company  
Policy Number: 6907934  
Coverage: Umbrella Liability (GLI)  
Policy Period: 1<sup>st</sup> July, 2009 to 1<sup>st</sup> July, 2010  
Limits of Liability: US\$ 10,000,000 Each Occurrence  
US\$ 10,000,000 Completed Operations Aggregate

# LEXINGTON INSURANCE COMPANY

The Chartis Building, 58 Fenchurch Street,  
London, EC3M 4AB, United Kingdom

## FOLLOWING FORM EXCESS LIABILITY INSURANCE POLICY

### DECLARATIONS

Policy No: 2213949  
New/Renewal of: 2213685

Or:

Company:	The Insurance Company of the State of Pennsylvania
Policy Number:	6907939
Coverage:	Umbrella Liability (GLII)
Policy Period:	1 <sup>st</sup> July, 2009 to 1 <sup>st</sup> July, 2010
Limits of Liability:	US\$ 15,000,000 Each Occurrence US\$ 15,000,000 Completed Operations Aggregate

### ITEM 8. PREMIUM:

Rates:

In respect of ABAG:

US\$ 0.70 per US\$ 1,000 Gross Payroll (or US\$ 0.35 rate for US\$ 10,000,000 limit) (other than City of San Bruno; Town of Los Altos Hills; City of Millbrae which are US\$ 0.50 per US\$ 1,000 Gross Payroll (or US\$ 0.25 rate for US\$ 10,000,000 limit)

In respect of ACCEL:

US\$ 0.66 per US\$ 1,000 Gross Payroll (or US\$ 0.33 rate for US\$ 10,000,000 limit) (other than City of Anaheim which US\$ 0.793 per US\$ 1,000 Gross Payroll)

In respect of BICEP:

US\$ 0.70 per US\$ 1,000 Gross Payroll (or US\$ 0.35 rate for US\$ 10,000,000 limit)

In respect of CSAC (US\$ 15,000,000 excess of US\$ 35,000,000):

US\$ 0.49 per US\$ 1,000 Gross Payroll in respect of Cities

US\$ 0.28 per US\$ 1,000 Gross Payroll in respect of all other

Subject to a minimum annual premium of US\$ 1,178,833

Bound Premium: US\$ 1,195,135 – allocation as per Endorsement No. 14

35% minimum earned at inception

# LEXINGTON INSURANCE COMPANY

The Chartis Building, 58 Fenchurch Street,  
London, EC3M 4AB, United Kingdom

## FOLLOWING FORM EXCESS LIABILITY INSURANCE POLICY

### DECLARATIONS

Policy No: 2213949  
New/Renewal of: 2213685

Endorsement No. 11	Duties in the Event of an Occurrence, Wrongful Act, Claim or Suit Amendatory Endorsement
Endorsement No. 12	Claim Reporting Amendment Endorsement
Endorsement No. 13	Policy Amendment Endorsement
Endorsement No. 14	Premium Endorsement

### ITEM 12. INSURING AGREEMENT:

This Policy shall provide the Insured with Excess Insurance coverage in accordance with the same warranties, terms, conditions, exclusions and limitations as are contained in the Followed Policy(ies) set forth in Item 7 above on the inception date of this Policy, subject to the premium, limits of liability, policy period, warranties, exclusions, limitation and any other terms and conditions of this Policy inconsistent with the Followed Policy including any and all endorsements attached hereto. The limits of liability in Item 5 above apply in excess of the sum of applicable per occurrence, per claim, per loss limits of liability (as shown in Item 6 above), or the sum of applicable remaining aggregate limits of liability. The sum of limits under Item 6 above also includes any applicable Self-Insured Retention associated with such limits.

Provided, however, that any reduction or exhaustion of underlying aggregate limits will not apply for the purposes of attachment of this Policy, to the extent such reduction is caused by uncollectibility (in whole or in part) of the aggregate limits of the underlying policy, the existence of a sub-limit of liability in any underlying policy, the cancellation of an underlying policy or any underlying policy containing terms and conditions different from the Followed Policy.

The Insurer shall have the right but not the duty to assume charge of the defense or settlement of any claim or suit against the Insured upon exhaustion of the applicable limits of liability of the underlying policy(ies). If the Insurer has exercised such right, it may withdraw from the defense and tender the defense to the Insured upon exhaustion of the applicable limits of liability under this policy. If the Insurer does not exercise the right to assume charge of such defense or settlement, or if the applicable limits of the underlying policy(ies) are not exhausted, the Insurer shall have the right and shall be given the opportunity to associate effectively with the Insured or the Underlying Insurer or both, in the defense and control of any claim or suit likely to involve this Policy. In such events, the Insured, the Underlying Insurer and the Insurer shall cooperate in the defense of such claim or suit.

# LEXINGTON INSURANCE COMPANY

The Chartis Building, 58 Fenchurch Street,  
London, EC3M 4AB, United Kingdom

## FOLLOWING FORM EXCESS LIABILITY INSURANCE POLICY

### DECLARATIONS

Policy No: 2213949  
New/Renewal of: 2213685

#### ITEM 9.

##### NOTICES TO THE INSURER:

- (a) All notices of Occurrence or Claim:

Excess Casualty Claims Department  
175 Water Street  
New York  
NY 10038  
U.S.A.

- (b) All other notices:

Casualty Department  
Lexington Insurance Company  
The Chartis Building  
58 Fenchurch Street  
London  
EC3M 4AB  
United Kingdom

#### ITEM 10.

- (a) Representative of Insured: RK Harrison Insurance Brokers Limited  
(b) Address: One Whittington Avenue, London, EC3V 1LE

#### ITEM 11.

POLICY FORM: FF-03 (Ed. 05/05)  
ENDORSEMENTS:

Policyholder Disclosure Notice of Terrorism Insurance Coverage 96556  
(1/08)

Endorsement No. 1	Members Endorsement
Endorsement No. 2	Schedule of Followed Policy, Primary Policies and Underlying Excess Policies FF-03 400.01
Endorsement No. 3	Cancellation Endorsement FF-03 402.01
Endorsement No. 4	Service of Suit Endorsement LX9476 (Ed. 12/01)
Endorsement No. 5	Radioactive Contamination Exclusion Clause – Liability – Direct NMA 1477 13/2/64
Endorsement No. 6	Changes in Followed Policy Endorsement FF-03 403.01
Endorsement No. 7	Payment of Premium Endorsement FF-03 405.01
Endorsement No. 8	Coverage Territory Endorsement 89644 (7/05)
Endorsement No. 9	Exclusion – Violation of Statutes in Connection with Sending, Transmitting or Communicating any Material or Information 87295 (1/05)
Endorsement No. 10	Act of Terrorism Retained Limit Endorsement XS/FF LX9594 (04/03) (Amended)

# LEXINGTON INSURANCE COMPANY

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## FOLLOWING FORM EXCESS LIABILITY INSURANCE POLICY

### DECLARATIONS

Policy No: 2213949  
New/Renewal of: 2213685

Endorsement No. 11	Duties in the Event of an Occurrence, Wrongful Act, Claim or Suit Amendatory Endorsement
Endorsement No. 12	Claim Reporting Amendment Endorsement
Endorsement No. 13	Policy Amendment Endorsement
Endorsement No. 14	Limit and Premium Endorsement

### ITEM 12. INSURING AGREEMENT:

This Policy shall provide the Insured with Excess Insurance coverage in accordance with the same warranties, terms, conditions, exclusions and limitations as are contained in the Followed Policy(ies) set forth in Item 7 above on the inception date of this Policy, subject to the premium, limits of liability, policy period, warranties, exclusions, limitation and any other terms and conditions of this Policy inconsistent with the Followed Policy including any and all endorsements attached hereto. The limits of liability in Item 5 above apply in excess of the sum of applicable per occurrence, per claim, per loss limits of liability (as shown in Item 6 above), or the sum of applicable remaining aggregate limits of liability. The sum of limits under Item 6 above also includes any applicable Self-Insured Retention associated with such limits.

Provided, however, that any reduction or exhaustion of underlying aggregate limits will not apply for the purposes of attachment of this Policy, to the extent such reduction is caused by uncollectibility (in whole or in part) of the aggregate limits of the underlying policy, the existence of a sub-limit of liability in any underlying policy, the cancellation of an underlying policy or any underlying policy containing terms and conditions different from the Followed Policy.

The Insurer shall have the right but not the duty to assume charge of the defense or settlement of any claim or suit against the Insured upon exhaustion of the applicable limits of liability of the underlying policy(ies). If the Insurer has exercised such right, it may withdraw from the defense and tender the defense to the Insured upon exhaustion of the applicable limits of liability under this policy. If the Insurer does not exercise the right to assume charge of such defense or settlement, or if the applicable limits of the underlying policy(ies) are not exhausted, the Insurer shall have the right and shall be given the opportunity to associate effectively with the Insured or the Underlying Insurer or both, in the defense and control of any claim or suit likely to involve this Policy. In such events, the Insured, the Underlying Insurer and the Insurer shall cooperate in the defense of such claim or suit.

**LEXINGTON INSURANCE COMPANY**

**The Chartis Building, 58 Fenchurch Street,  
London, EC3M 4AB, United Kingdom**

**FOLLOWING FORM EXCESS LIABILITY INSURANCE POLICY**

**DECLARATIONS**

Policy No: 2213949

New/Renewal of: 2213685

The Insured shall not settle any claim or suit for an amount within the Insurer's limit of liability without the Insurer's prior written consent.



**Authorized Representative**

**Dated: 10<sup>th</sup> May, 2010**

Attaching to and forms a part of Policy No. 2213949

issued to           Members of the Catastrophic Liability Insurance Program (CLIP), as more fully  
                          defined herein

by LEXINGTON INSURANCE COMPANY

**POLICYHOLDER DISCLOSURE  
NOTICE OF TERRORISM INSURANCE COVERAGE**

Coverage for acts of terrorism is included in your policy. You are hereby notified that under the Terrorism Risk Insurance Act, as amended, that you have a right to purchase insurance coverage for losses resulting from acts of terrorism, as defined in Section 102(1) of the Act: The term "act of terrorism" means any act that is certified by the Secretary of the Treasury—in concurrence with the Secretary of State, 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% 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 US\$ 11,833, and does not include any charges for the portion of losses covered by the United States government under the Act.

**Endorsement No: 1 [FF-03]**

This endorsement, effective: 1<sup>st</sup> July, 2009  
(at 12:01 A.M. prevailing time at the address of the Named Insured as shown in item 1(b) of the Declarations)  
forms a part of Policy No: 2213949  
Issued to: Members of the Catastrophic Liability Insurance Program (CLIP), as more fully defined herein  
by: Lexington Insurance Company

**MEMBERS ENDORSEMENT**

It is hereby understood and agreed that the Members referred to in Item 1. of the Declarations are defined as follows:

**Association of Bay Area Governments (ABAG):**

City of San Bruno  
Town of Los Altos Hills  
City of Millbrae

**Authority for California Cities Excess Liability (ACCEL):**

City of Anaheim  
City of Bakersfield  
City of Burbank  
City of Modesto  
City of Monterey  
City of Mountain View  
City of Ontario  
City of Palo Alto  
City of Santa Barbara  
City of Santa Cruz  
City of Santa Monica  
City of Visalia

**Big Independent Cities Excess Pool (BICEP):**

City of Huntington Beach  
City of Santa Ana

**CSAC:**

Contra Costa County IHSS Public Authority  
Golden State Risk Management Authority  
Golden State Risk Management Authority JPA  
Contra Costa County  
City of Ridgecrest  
Santa Cruz County  
Sacramento Area Flood Control Agency (SAFCA)  
City of Napa  
City of Pomona

All other terms and conditions of this Policy remain unchanged.

  
**Authorized Representative**

**Endorsement No: 2 [FF-03]**This endorsement, effective: 1<sup>st</sup> July, 2009

(at 12:01 A.M. prevailing time at the address of the Named Insured as shown in item 1(b) of the Declarations)

forms a part of Policy No: 2213949

Issued to: Members of the Catastrophic Liability Insurance Program (CLIP), as more fully defined herein

by: Lexington Insurance Company

**SCHEDULE OF FOLLOWED POLICY, PRIMARY POLICIES AND UNDERLYING EXCESS POLICIES****In respect of ABAG:**

Type of Coverage	Insurer Policy Number Policy Period	Limits of Liability	
Umbrella Liability	Lexington Insurance Company 006502398 1 <sup>st</sup> July, 2009 to 1 <sup>st</sup> July, 2010	US\$ 10,000,000 US\$ 10,000,000	Each Occurrence Completed Operations Aggregate
Which in turn is excess of: Umbrella Liability	The Insurance Company of the State of Pennsylvania 6907921 1 <sup>st</sup> July, 2009 to 1 <sup>st</sup> July, 2010	US\$ 10,000,000 US\$ 10,000,000	Each Occurrence Completed Operations Aggregate
Which in turn is excess of: Self Insured Retention	Not Applicable	US\$ 5,000,000	Any one Occurrence

**In respect of ACCEL:**

Type of Coverage	Insurer Policy Number Policy Period	Limits of Liability	
Umbrella Liability	American Merchants Casualty Company EXC100009704 01 1 <sup>st</sup> July, 2009 to 1 <sup>st</sup> July, 2010	US\$ 10,000,000 US\$ 10,000,000	Each Occurrence Completed Operations Aggregate
Which in turn is excess of: Umbrella Liability	Everest National Insurance Company 71A2040000-091 1 <sup>st</sup> July, 2009 to 1 <sup>st</sup> July, 2010	US\$ 10,000,000 US\$ 10,000,000	Each Occurrence Completed Operations Aggregate
Which in turn is excess of: Self Insured Retention	Not Applicable	US\$ 5,000,000	Any one Occurrence

**In respect of BICEP:**

<b>Type of Coverage</b>	<b>Insurer Policy Number Policy Period</b>	<b>Limits of Liability</b>	
Umbrella Liability	American Merchants Casualty Company EXC100009704 01 1 <sup>st</sup> July, 2009 to 1 <sup>st</sup> July, 2010	US\$ 15,000,000 US\$ 15,000,000	Each Occurrence Completed Operations Aggregate
Which in turn is excess of: Umbrella Liability	Everest National Insurance Company 71A2040000-091 1 <sup>st</sup> July, 2009 to 1 <sup>st</sup> July, 2010	US\$ 2,000,000 US\$ 2,000,000	Each Occurrence Completed Operations Aggregate
Which in turn is excess of: Umbrella Liability	Everest Reinsurance Company 71 RE 200002-091 1 <sup>st</sup> July, 2009 to 1 <sup>st</sup> July, 2010	US\$ 8,000,000 US\$ 8,000,000	Each Occurrence Completed Operations Aggregate
Which in turn is excess of: Self Insured Retention	Not Applicable	US\$ 2,000,000	Any one Occurrence

**In respect of CSAC EIA:**

<b>Type of Coverage</b>	<b>Insurer Policy Number Policy Period</b>	<b>Limits of Liability</b>	
Umbrella Liability	Lexington Insurance Company 024502009 1 <sup>st</sup> July, 2009 to 1 <sup>st</sup> July, 2010	US\$ 20,000,000 US\$ 20,000,000	Each Occurrence Completed Operations Aggregate
Which in turn is excess of: EITHER: Umbrella Liability (GLI)	Lexington Insurance Company 6907934 1 <sup>st</sup> July, 2009 to 1 <sup>st</sup> July, 2010	US\$ 10,000,000 US\$ 10,000,000	Each Occurrence Completed Operations Aggregate
		Which is excess of: US\$ 5,000,000	Retained Limit
OR: Umbrella Liability (GLII)	The Insurance Company of the State of Pennsylvania 6907939 1 <sup>st</sup> July, 2009 to 1 <sup>st</sup> July, 2010	US\$ 15,000,000 US\$ 15,000,000	Each Occurrence Completed Operations Aggregate
		Which is excess of: US\$ 3,000,000	Retained Limit

Which in turn are excess of:

Other Insurance (including Mega-Fund) more fully detailed in the above referenced Lexington Insurance Company policies.

Any restrictive policy terms and/or conditions that apply to the underlying policies that are in excess of the Followed Policy but underlying to the Lexington Policy will also apply to the Lexington Limits of Liability unless amended by Endorsement hereto.

All other terms and conditions of this Policy remain unchanged.

  
**Authorized Representative**

**Endorsement No: 3 [FF-03]**

This endorsement, effective: 1<sup>st</sup> July, 2009  
(at 12:01 A.M. prevailing time at the address of the Named Insured as shown in item 1(b) of the Declarations)  
forms a part of Policy No: 2213949  
Issued to: Members of the Catastrophic Liability Insurance Program (CLIP), as more fully defined herein  
by: Lexington Insurance Company

**CANCELLATION ENDORSEMENT**

In consideration of the premium charged, it is agreed that the following is added to this Policy, notwithstanding anything to the contrary in the Followed Policy:

**CANCELLATION CLAUSE**

This Policy may be canceled by the first Named Insured listed in Item 1 of the Declarations by mailing or delivering to the Insurer or its authorized agent at the address set forth in Item 10 of the Declarations advance written notice of cancellation. This Policy may be canceled by or on behalf of the Insurer by delivering to the first Named Insured or by mailing to the first Named Insured, by registered, certified, or other first class mail, at the first Named Insured's address set forth in the Declarations, written notice stating when thereafter, not less than ten (10) days in the event any premium is not paid when due, and not less than sixty (60) days in all other cases, cancellation shall be effective. Proof of mailing of such notice as aforesaid shall be sufficient proof of notice. It is agreed that the first Named Insured shall act on behalf of all Insureds with respect to giving and receiving notice of cancellation. The Policy Period terminates at the date and hour specified in such notice, or at the date and time of surrender.

If this Policy shall be canceled by the first Named Insured, the Insurer shall return ninety percent (90%) of the unearned pro rata premium stated in Item 8 of the Declarations.

If this Policy shall be canceled by the Insurer, the Insurer shall return the unearned pro rata premium stated in Item 8 of the Declarations.

Payment or tender of any unearned premium by the Insurer shall not be a condition precedent to the effectiveness of cancellation but such payment shall be made as soon as practicable.

All other terms and conditions of this Policy remain unchanged.



**Authorized Representative**

**Endorsement No: 4 [FF-03]**

This endorsement, effective: 1<sup>st</sup> July, 2009  
(at 12:01 A.M. prevailing time at the address of the Named Insured as shown in item 1(b) of the Declarations)  
forms a part of Policy No: 2213949  
Issued to: Members of the Catastrophic Liability Insurance Program (CLIP), as more fully defined herein  
by: Lexington Insurance Company

**SERVICE OF SUIT ENDORSEMENT**

In the event of the failure of the Insurer to pay any amount claimed to be due hereunder, the Insurer, at the request of the Insured, will submit to the jurisdiction of any court of competent jurisdiction within the United States. Nothing in this condition constitutes or should be understood to constitute a waiver of the Insurer's 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 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 Counsel, Legal Department, Lexington Insurance Company, 175 Water Street, New York, NY 10038, or his or her representative, and that in any suit instituted against the Insurer upon this Policy, the Insurer will abide by the final decision of such court or of any appellate court in the event of an appeal.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefor, the Insurer designates 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 its 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 Policy of insurance, and hereby designates the above named Counsel as the person to whom the said officer is authorized to mail such process or a true copy thereof.

All other terms and conditions of this Policy remain unchanged

  
**Authorized Representative**

**Endorsement No: 5 [FF-03]**

This endorsement, effective: 1<sup>st</sup> July, 2009  
(at 12:01 A.M. prevailing time at the address of the Named Insured as shown in item 1(b) of the Declarations)  
forms a part of Policy No: 2213949  
Issued to: Members of the Catastrophic Liability Insurance Program (CLIP), as more fully defined herein  
by: Lexington Insurance Company

**RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE - LIABILITY - DIRECT**

For attachment (in addition to the appropriate Nuclear Incident Exclusion Clause - Liability - Direct) to liability insurances affording worldwide coverage.

In relation to liability arising outside the U.S.A., its Territories or Possessions, Puerto Rico or the Canal Zone, this Policy does not cover any liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel.

All other terms and conditions of this Policy remain unchanged

  
**Authorized Representative**

**Endorsement No: 6 [FF-03]**

This endorsement, effective: 1<sup>st</sup> July, 2009  
(at 12:01 A.M. prevailing time at the address of the Named Insured as shown in item 1(b) of the Declarations)  
forms a part of Policy No: 2213949  
Issued to: Members of the Catastrophic Liability Insurance Program (CLIP), as more fully defined herein  
by: Lexington Insurance Company

**CHANGES IN FOLLOWED POLICY ENDORSEMENT**

In consideration of the premium charged, it is agreed that the following is added to this Policy, notwithstanding anything to the contrary in the Followed Policy:

If during the Policy Period of this Policy, the terms, conditions, exclusions or limitations of the Followed Policy are changed in any manner from those in effect on the inception date of this Policy, the Insured shall as a condition precedent to its rights under this Policy give to the Insurer as soon as practicable written notice of the full particulars thereof. This Policy shall become subject to any such changes upon the effective date of the changes in the Followed Policy, but only upon the condition that the Insurer agrees to follow such changes by written endorsement attached hereto and the Insured agrees to any additional premium or amendment of the provisions of this Policy required by the Insurer relating to such changes. Further, such change in coverage is conditioned upon the Insured's payment when due of any such additional premium required by the Insurer relating to such changes.

All other terms and conditions of this Policy remain unchanged.

  
**Authorized Representative**

**Endorsement No: 7 [FF-03]**

This endorsement, effective: 1<sup>st</sup> July, 2009  
(at 12:01 A.M. prevailing time at the address of the Named Insured as shown in item 1(b) of the Declarations)

forms a part of Policy No: 2213949

Issued to: Members of the Catastrophic Liability Insurance Program  
(CLIP), as more fully defined herein

by: Lexington Insurance Company

**PAYMENT OF PREMIUM ENDORSEMENT**

In consideration of the premium charged, it is agreed that the following is added to this Policy, notwithstanding anything to the contrary in the Followed Policy:

**PAYMENT OF PREMIUM**

It is agreed that the first Named Insured listed in Item 1 of the Declarations shall be responsible for and act on behalf of all Insureds with respect to the payment of any premiums due under this Policy.

All other terms and conditions of this Policy remain unchanged.



**Authorized Representative**

**Endorsement No: 8 [FF-03]**

This endorsement, effective: 1<sup>st</sup> July, 2009  
(at 12:01 A.M. prevailing time at the address of the Named Insured as shown in item 1(b) of the Declarations)  
forms a part of Policy No: 2213949  
Issued to: Members of the Catastrophic Liability Insurance Program (CLIP), as more fully defined herein  
by: Lexington Insurance Company

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**COVERAGE TERRITORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:

Payment of loss under this Policy shall only be made in full compliance with all United States of America economic or trade sanction laws or regulations, including, but not limited to, sanctions, laws and regulations administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC").

All other terms and conditions of this Policy remain unchanged.

  
**Authorized Representative**

**Endorsement No: 9 [FF-03]**

This endorsement, effective: 1<sup>st</sup> July, 2009  
(at 12:01 A.M. prevailing time at the address of the Named Insured as shown in item 1(b) of the Declarations)  
forms a part of Policy No: 2213949  
Issued to: Members of the Catastrophic Liability Insurance Program (CLIP), as more fully defined herein  
by: Lexington Insurance Company

**EXCLUSION - VIOLATION OF STATUTES IN CONNECTION WITH SENDING, TRANSMITTING OR COMMUNICATING ANY MATERIAL OR INFORMATION**

This insurance does not apply to any loss, injury, damage, claim, suit, cost or expense arising out of or resulting from, caused directly or indirectly, in whole or in part by, any act that violates any statute, ordinance or regulation of any federal, state or local government, including any amendment of or addition to such laws, that includes, addresses or applies to the sending, transmitting or communicating of any material or information, by any means whatsoever.

To the extent any coverage may otherwise be available under this Policy, the provisions of this Exclusion shall supercede the same and exclude such coverage.

All other terms and conditions of this Policy remain unchanged.

  
**Authorized Representative**

**Endorsement No: 10 [FF-03]**

This endorsement, effective: 1<sup>st</sup> July, 2009

(at 12:01 A.M. prevailing time at the address of the Named Insured as shown in item 1(b) of the Declarations)

forms a part of Policy No: 2213949

Issued to: Members of the Catastrophic Liability Insurance Program (CLIP), as more fully defined herein

by: Lexington Insurance Company

**COMMERCIAL EXCESS OR FOLLOWING FORM EXCESS LIABILITY**

**ACT OF TERRORISM RETAINED LIMIT ENDORSEMENT**

This Policy is amended as follows:

1. **ITEM 6 (b) OF THE DECLARATIONS, LIMITS OF UNDERLYING POLICY(IES)**, is amended to include the following additional Self Insured Retention:

**Act of Terrorism Self Insured Retention:** Various (per Underlying Policies) Each Occurrence.

2. **ITEM 8. OF THE DECLARATIONS, PREMIUM**, is amended to include the following:

**Act of Terrorism Premium:** US\$ 11,833 (included)

3. **ITEM 12. OF THE DECLARATIONS, INSURING AGREEMENT**, is amended to include the following:

The Insurer will be liable only for that portion of the loss in excess of the Insured's Retained Limit which is defined as the greater of either:

1. The total of the applicable limits of the underlying policies listed in the Schedule of Underlying Insurance and the applicable limits of any other underlying insurance providing coverage to the Insured; or
2. The amount stated in the Declarations as Self Insured Retention or **Act of Terrorism Self Insured Retention** as a result of any one Occurrence not covered by the underlying policies listed in the Schedule of Underlying Insurance nor by any other underlying insurance providing coverage to the Insured;

and then up to an amount not exceeding the Occurrence Limit as stated in **Item 5 of the Declarations**.

All claims and suits seeking damages for any liability arising out of an **Act of Terrorism** are subject to this **Act of Terrorism Self Insured Retention**. **Defense Expenses** shall not erode this **Act of Terrorism Self Insured Retention**.

The **Act of Terrorism Self Insured Retention** applies whether or not there is any applicable underlying policies listed in the Schedule of Underlying Insurance or applicable limits of any other underlying insurance providing coverage to the Insured. If there is applicable underlying insurance listed in the Schedule of Underlying Insurance or any other underlying insurance providing coverage to the Insured, amounts received through such underlying insurance may be applied to reduce or exhaust the Each Occurrence **Act of Terrorism Self Insured Retention**. However, in no event will amounts received through such underlying insurance for the payment of **Defense Expenses** reduce the Each Occurrence **Act of Terrorism Self Insured Retention**.

4. For the purpose of this endorsement, this Policy is amended to include the following additional definitions:

**Defense Expenses** means any payment allocated to a specific loss, claim or suit for its investigation, settlement or defense, including but not limited to:

1. Attorney's fees and all other investigation, loss adjustment and litigation expenses;
2. Premiums on bonds to release attachments;
3. Premiums on appeal bonds required by law to appeal any claim or suit;
4. Costs taxed against the Insured in any claim or suit;
5. Pre-judgement interest awarded against the Insured;
6. Interest that accrues after entry of judgement.

**Act of Terrorism** is defined as either:

- I. A certified "act of terrorism" defined by Section 102. Definitions., of the Terrorism Risk Insurance Act of 2002 and any revisions or amendments.

The following Section 102 definition of "act of terrorism" from the Terrorism Risk Insurance Act of 2002 applies:

- (1) Act of Terrorism –
  - (A) Certification. – The term "act of terrorism" means any act that is certified by the Secretary of the Treasury of the United States, in concurrence with the Secretary of State, and the Attorney General of the United States --
    - (i) to be an act of terrorism;
    - (ii) to be a violent act or an act that is dangerous to --
      - (I) human life;
      - (II) property; or
      - (III) infrastructure;
    - (iii) to have resulted in damage within the United States, or outside of the United States in the case of –

- (I) an air carrier or vessel described in paragraph (5)(B); [for the convenience of this endorsement, paragraph (5)(B) reads: occurs to an air carrier (as defined in Section 40102 of title 49, United States Code) to a United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), regardless of where the loss occurs, or at the premises of any United States mission];
  - (II) the premises of a United States mission; and
  - (iv) to have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest, 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) Limitation. -- No act shall be certified by the Secretary as an act of terrorism if --
- (i) the act is committed as part of the course of a war declared by the Congress, except that this clause shall not apply with respect to any coverage for workers' compensation; or
  - (ii) property and casualty insurance losses resulting from the act, in the aggregate, do not exceed \$5,000,000.
- (C) Determinations Final. -- Any certification of, or determination not to certify, an act as an act of terrorism under this paragraph shall be final, and shall not be subject to judicial review.
- (D) Nondelegation. -- The Secretary may not delegate or designate to any other officer, employee, or person, any determination under this paragraph of whether, during the effective period of the Program, an act of terrorism has occurred; or
- II. The use or threatened use of force or violence against person or property, or commission of an act dangerous to human life or property, or commission of an act that interferes with or disrupts an electronic or communication system, undertaken by any person or group, whether or not acting on behalf of or in connection with any organization, government, power, authority or military force, when the effect is to intimidate, coerce or harm a government, the civilian population or any segment thereof, or to disrupt any segment of the economy.

Terrorism will also include any act which is verified or recognized by the United States Government as an act of terrorism.

All other terms and conditions of this Policy remain unchanged.

  
**Authorized Representative**

**Endorsement No: 11 [FF-03]**

This endorsement, effective: 1<sup>st</sup> July, 2009

(at 12:01 A.M. prevailing time at the address of the Named Insured as shown in item 1(b) of the Declarations)

forms a part of Policy No: 2213949

Issued to: Members of the Catastrophic Liability Insurance Program (CLIP), as more fully defined herein

by: Lexington Insurance Company

**DUTIES IN THE EVENT OF AN OCCURRENCE, WRONGFUL ACT, CLAIM OR SUIT AMENDATORY ENDORSEMENT**

This Policy is amended to include the following:

Prompt notice shall be given by the Named Insured to the Insurer of any Occurrence, Wrongful Act, Claim or Suit which appears likely to involve this insurance. The Insurer shall have the right and be given the opportunity in association with the Named Insured and its representatives to actively participate with all CLIP member representatives and their counsel in the overall defense, including the development of defense strategies, completion of the investigation and negotiation of settlements of any Claim that may involve this insurance. No Claim shall be settled for an amount involving the Insurer's funds without the prior written consent of the Insurer. Such consent shall not be unreasonably withheld.

All other terms and conditions of this Policy remain unchanged.



**Authorized Representative**

**Endorsement No: 12 [FF-03]**

This endorsement, effective: 1<sup>st</sup> July, 2009  
(at 12:01 A.M. prevailing time at the address of the Named Insured as shown in item 1(b) of the Declarations)  
forms a part of Policy No: 2213949  
Issued to: Members of the Catastrophic Liability Insurance Program (CLIP), as more fully defined herein  
by: Lexington Insurance Company

**CLAIM REPORTING AMENDMENT ENDORSEMENT**

This Policy is amended to include the following:

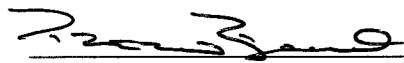
**Special Serious Claims Reporting Requirements**

It is agreed that with respect to claim reporting, the insured must provide the company with immediate written notice of any occurrence, either paid or reserved, for twenty five percent (25%) or more of the retained limit.

The insured must also give the company immediate written notice for any claims or suits which the insured becomes aware for any injury of the following types:

- a. Death;
- b. Paralysis, paraplegia, quadriplegia; and
- c. Any class action.

All other terms and conditions of this Policy remain unchanged.



**Authorized Representative**

**Endorsement No: 13 [FF-03]**

This endorsement, effective: 1<sup>st</sup> July, 2009  
(at 12:01 A.M. prevailing time at the address of the Named Insured as shown in item 1(b) of the Declarations)  
forms a part of Policy No: 2213949  
Issued to: Members of the Catastrophic Liability Insurance Program (CLIP), as more fully defined herein  
by: Lexington Insurance Company

**POLICY AMENDMENT ENDORSEMENT**

It is understood and agreed that in respect of BICEP entities only, the following exclusions are added:

This insurance does not apply to and we will not defend or pay for **Claims** or **Suits** against any insured:

- A. For any **Claim** or **Suit** arising out of or associated with a lockout, strike, picket line, replacement or other similar actions in connection with labor disputes or labor negotiations. This exclusion shall not apply to a **Claim** brought by an **Employee(s)** alleging wrongful termination or **Retaliation** as a result of strike activity or union involvement.
- B. For any liability incurred by any Insured to modify any building or property in order to make said building or property more accessible or accommodating to any disabled person.

As used in this endorsement:

- A. **Bodily Injury** means bodily harm, sickness, disability or disease sustained by a person, including death resulting from any of these at any time. **Bodily injury** includes mental injury, mental anguish, humiliation, shock or death if resulting directly from bodily injury. **Bodily injury** shall include care, loss of services, loss of consortium, or death resulting at any time from the bodily injury.
- B. **Claim(s)** means a written demand for monetary damages.
- C. **Employee** includes a **Leased Worker** or a volunteer worker while acting within the scope of his/her duties as such and performing work in relation to your insured organization.
- D. **Employee Benefit Program** includes any employee benefit plan including, but not limited to, the following:  
  
Group life insurance, group accident or health insurance, profit sharing plans, pension plans and stock subscription plans provided that no one other than an **Employee** (not including a **Leased Worker** or volunteer worker) may subscribe to such insurance or plans, unemployment insurance, social security benefits, workers' compensation and disability benefits.
- E. **Employment benefit wrongful act** means any actual or alleged negligent act, error, or omission in the administration of the **Employee Benefit Program**.

F. **Employment practices wrongful act** shall mean any actual or alleged negligent act, error, or omission resulting in loss to:

1. A person arising out of any;
  - a. Refusal to employ that person; or
  - b. Termination of that person's employment; or
  - c. Employment related practices, policies, acts, errors, or omissions, including, but not limited to, coercion, demotion, evaluation, **Retaliation**, reassignment, discipline, defamation, harassment, failure to promote, humiliation, discrimination; or acts or omissions as described in this paragraph 1.c. directed at a whistle-blower; or
  - d. Discrimination on any basis, including, but not limited to, race, creed, religion, ethnic background, national origin, age, handicap, sex or sexual orientation; but not intentionally committed by you or at your direction.
2. The spouse, child, parent, brother or sister of that person as a consequence of loss to that person to whom any of the employment-related practices described in paragraphs. 1.a., 1.b., 1.c., or 1.d. above apply.

This coverage applies:

1. Whether you may be liable as an **Employee** or in any other capacity; and
2. To any obligation to share damages with or repay someone else who must pay damages because of the **Employment Practices Wrongful Act**.

G. **Leased worker** means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your insured organization.

H. **Personal and advertising injury** means injury, including consequential **Bodily Injury**, arising out of one or more of the following offenses:

1. False arrest, detention or imprisonment;
2. Malicious prosecution;
3. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies by or on behalf of its owner, landlord or lessor;
4. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
5. Oral or written publication of material that violates a person's right of privacy;
6. Infringing upon another's copyright, trade dress or slogan;

I. **Property damage** means:

1. Physical injury to or destruction of tangible property, including all resulting loss of use of that property. All such loss of use will be deemed to have occurred at the time of the physical injury that caused it; or
2. Loss of use of tangible property that is not physically injured or destroyed. All such loss of use will be deemed to have occurred at the time of the occurrence that caused it.

J. **Retaliation** means your **Employment Practices Wrongful Act** relating to or alleged to be in response to any of the following activities:

1. The disclosure or threat of disclosure by your **Employee** to a superior or to any governmental agency of any act by you which is alleged to be a violation of any federal, state, local, or foreign law, common or statutory, or any rule or regulation promulgated thereunder;
2. The actual or attempted exercise by your **Employee** of any right that such **Employee** has under law, including rights under workers' compensation laws, the Family and Medical Leave Act, the American with Disabilities Act or any other law relating to **Employee** rights;
3. The filing of any **Claim** or **Suit** under the Federal False Claims Act of any other federal state, local or foreign whistle-blower law; or
4. Strikes of your **Employees**.

K. **Suit** means a civil proceeding in which damages are alleged because of **Bodily Injury, Property Damage, or Personal and Advertising Injury, Wrongful Act(s), Employment Practices Wrongful Act(s), or Employment Benefit Wrongful Act(s)** to which this insurance applies. **Suit** includes:

1. An arbitration proceeding in which such damages are claimed and to which you must submit or do submit with our consent; or
2. Any other alternative dispute resolution proceeding in which such damages are claimed and to which you submit with our consent.

L. **Wrongful act** means:

Any actual or alleged error or misstatement, omission, negligent act, or breach of duty including misfeasance, malfeasance, and nonfeasance by you, including, but not limited to, those constituted by:

1. Any violation of antitrust statutes;
2. Any negligent ministerial act;
3. Any faulty preparation or approval of maps, plans, reports, surveys, designs, bid documents, bid specifications, other specifications, or inaccuracies due to estimates of probable costs, but only if any of the afore listed services are provided by any insured for another insured;

All other terms and conditions of this Policy remain unchanged.

  
**Authorized Representative**

**Endorsement No: 14 [FF-03]**This endorsement, effective: 1<sup>st</sup> July, 2009

(at 12:01 A.M. prevailing time at the address of the Named Insured as shown in item 1(b) of the Declarations)

forms a part of Policy No: 2213949

Issued to: Members of the Catastrophic Liability Insurance Program (CLIP), as more fully defined herein

by: Lexington Insurance Company

**LIMIT AND PREMIUM ENDORSEMENT**

It is hereby understood and agreed that limits and premiums are allocated as follows:

<u>Pool</u>	<u>Member</u>	<u>Underlying Limit</u>	<u>CLIP Limit</u>	<u>CLIP Premium</u>
ABAG	City of San Bruno	US\$ 25,000,000	US\$ 25,000,000	}
ABAG	Los Altos Hills, Town	US\$ 25,000,000	US\$ 25,000,000	} US\$ 25,000
ABAG	City of Millbrae	US\$ 25,000,000	US\$ 25,000,000	}
ACCEL	City of Anaheim	US\$ 25,000,000	US\$ 25,000,000	US\$ 169,162
ACCEL	City of Bakersfield	US\$ 25,000,000	US\$ 25,000,000	US\$ 60,457
ACCEL	City of Burbank	US\$ 25,000,000	US\$ 25,000,000	US\$ 78,587
ACCEL	City of Modesto	US\$ 25,000,000	US\$ 10,000,000	US\$ 26,778
ACCEL	City of Monterey	US\$ 25,000,000	US\$ 10,000,000	US\$ 11,949
ACCEL	City of Mountain View	US\$ 25,000,000	US\$ 25,000,000	US\$ 41,498
ACCEL	City of Ontario	US\$ 25,000,000	US\$ 25,000,000	US\$ 56,495
ACCEL	City of Palo Alto	US\$ 25,000,000	US\$ 25,000,000	US\$ 64,737
ACCEL	City of Santa Barbara	US\$ 25,000,000	US\$ 25,000,000	US\$ 58,274
ACCEL	City of Santa Cruz	US\$ 25,000,000	US\$ 25,000,000	US\$ 35,476
ACCEL	City of Santa Monica	US\$ 25,000,000	US\$ 25,000,000	US\$ 109,717
ACCEL	City of Visalia	US\$ 25,000,000	US\$ 10,000,000	US\$ 11,392
BICEP	Huntington Beach	US\$ 27,000,000	US\$ 10,000,000	US\$ 37,100
BICEP	Santa Ana	US\$ 27,000,000	US\$ 25,000,000	US\$ 109,102
CSAC EIA	Contra Costa County IHSS Public Authority	US\$ 35,000,000	US\$ 15,000,000	US\$ 500
CSAC EIA	GSRMA	US\$ 35,000,000	US\$ 15,000,000	US\$ 11,484
CSAC EIA	GSRMA JPA	US\$ 35,000,000	US\$ 15,000,000	US\$ 500
CSAC EIA	Contra Costa County	US\$ 38,000,000	US\$ 15,000,000	US\$ 195,461
CSAC EIA	Ridgecrest	US\$ 35,000,000	US\$ 15,000,000	US\$ 3,796
CSAC EIA	Santa Cruz County	US\$ 38,000,000	US\$ 15,000,000	US\$ 49,817
CSAC EIA	Sacramento Area Flood Control Agency (SAFCA)	US\$ 35,000,000	US\$ 15,000,000	US\$ 567
CSAC EIA	City of Napa	US\$ 35,000,000	US\$ 15,000,000	US\$ 20,982
CSAC EIA	City of Pomona	US\$ 35,000,000	US\$ 15,000,000	US\$ 16,302
			<b>TOTAL</b>	US\$ 1,195,135

All other terms and conditions of this Policy remain unchanged.


**Authorized Representative**