



Excess Insurance Policy Declarations

Policy No: G24102452002	Renewal of: g24102452 001
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Item 1.	NAMED INSURED & MAILING ADDRESS
	Cities of Anaheim and Santa Monica (As Per Underlying Insurance) c/o Alliant Insurance Services 100 Pine Street, Suite 1100 San Francisco, CA 94111

Item 2.	POLICY PERIOD
	When Coverage Begins: 07/01/2010 12:01 A.M. Local Time At Named Insured's Address
	When Coverage Ends: 07/01/2011 12:01 A.M. Local Time At Named Insured's Address

Item 3.	INSURING COMPANY	Producer's Name & Address:
	Westchester Surplus Lines Insurance Co	AMWINS INSURANCE BROKERAGE OF CALIFORNIA LLC ONE BUSH STREET SUITE 1600 SAN FRANCISCO CA 94104
		Producer No. 277489

Item 4.	PREMIUM <input checked="" type="checkbox"/> FLAT (except for acquisitions)	<input type="checkbox"/> ADJUSTABLE
	Advance Premium: \$50,000.00	Rate:
	Annual Minimum Premium: \$50,000.00	
		Estimated Annual Exposure:
	Total Amount Due: \$50,000.00	

Item 5.	UNDERLYING INSURANCE
	See Schedule A - Schedule of Underlying Insurance



Excess Insurance Policy Declarations

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Renewal of: g24102452 001

Item 6.

LIMITS OF INSURANCE

\$25,000,000 Each Occurrence; \$25,000,000 Aggregate (Where Applicable) part of
\$50,000,000 Each Occurrence; \$50,000,000 Aggregate (Where Applicable)
excess of the limits indicated in Item 5 of the Declarations.

Item 7.

ATTACHED FORMS

Policy Form No. FM101.0.302 (11-93)

Endorsements as Listed on Schedule of Endorsements No. CPFS2

Item 8.

Authorization Information

Countersigned by:

Forms Schedule

SYM: HXW Policy ID: G24102452002

Company: Westchester Surplus Lines Insurance Co

Policy Period
When Coverage Begins: 07/01/2010 12:01 A.M. Standard Time At Named Insured's Address
When Coverage Ends: 07/01/2011 12:01 A.M. Standard Time At Named Insured's Address

Form Number	Form Title
WSG 039 (01/10)	Excess Insurance Policy Declarations
M60 (06/03)	Schedule A - Schedule of Underlying Insurance
LD-5S23g (02/05)	Signature Endorsement
FM101.0.302 (11/93)	Excess Insurance Policy
057 (01/93)	Pay On Behalf Of Amendment
078 (02/06)	Service Of Suit Endorsement
406 (08/05)	Defense Expense Amendatory - Follow Form Expenses
414 (10/04)	Non-Drop Down Endorsement
430 (01/08)	Exclusion Of Certified Acts of Terrorism
431 (09/08)	Bankruptcy Or Insolvency Of Any Underlying Insurer
ALL-21101 (11/06)	Trade Or Economic Sanctions Endorsement
EM14310 (06/03)	Designated Entity Limitation Endorsement
EM15234 (09/00)	Unimpaired Aggregate Endorsement
TRIA15c (01/08)	Terrorism Disclosure Notice
015 (11/88)	Excess Policy Pollution Liability Exclusion (Absolute)
217 (03/93)	Absolute Asbestos Exclusion
E121 (07/04)	Silica, Dust, And Particulate Matter Exclusion
EM15230 (09/00)	Employment-Related Practices Exclusion
EM15329 (06/01)	Designated Operations Exclusion
ACE-1	Blood Borne Pathogen Exclusion

General Endorsement

General Policy Information

Named Insured: **Cities of Anaheim and Santa Monica**

Policy Symbol: **HXW**

Policy Number: **G24102452 002**

Endorsement Number: **1**

Effective date of Endorsement: **07/01/2010**

Policy Period: **07/01/2010 to 07/01/2011**

Issued by: **Westchester Surplus Lines Insurance Company**
(Name of Insurance Company)

This Endorsement changes the policy – Please read it carefully
This endorsement modifies insurance provided under the following:

Excess Liability

COVERAGE FORM

Endorsement Information

It is hereby understood and agreed that Item 1., Named Insured & Mailing Address, of the Policy Declarations is amended to read as follows:

Item 1. **Named Insured & Mailing Address**
Cities of Anaheim and Santa Monica

c/o Alliant Insurance Services
100 Pine Street, Suite 1100
San Francisco, CA 94111

All other terms and conditions of the Policy remain unchanged.



Authorized Agent





Named Insured Cities of Anaheim and Santa Monica			Endorsement Number
Policy Symbol HXW	Policy Number G24102452002	Policy Period 07/01/2010 TO 07/01/2011	Effective Date of Endorsement 07/01/2010
Insured By (Name of Insurance Company) Westchester Surplus Lines Insurance Co			

SCHEDULE A - SCHEDULE OF UNDERLYING INSURANCE

(A) \$25,000,000 PER OCCURRENCE
 \$25,000,000 AGGREGATE (WHERE APPLICABLE)

AS PROVIDED BY: ARCH INSURANCE COMPANY/AXIS SURPLUS INSURANCE COMPANY

IN EXCESS OF:

(B) \$25,000,000 PER OCCURRENCE
 \$25,000,000 AGGREGATE (WHERE APPLICABLE)

AS PROVIDED BY: ARCH INSURANCE COMPANY/AXIS SURPLUS INSURANCE COMPANY

IN EXCESS OF:

(C) \$25,000,000 PER OCCURRENCE
 \$25,000,000 AGGREGATE (WHERE APPLICABLE)

AS PROVIDED BY: LEXINGTON INSURANCE COMPANY

IN EXCESS OF:

(D) \$10,000,000 PER OCCURRENCE
 \$10,000,000 AGGREGATE (WHERE APPLICABLE)

AS PROVIDED BY: AMERICAN MERCHANTS CASUALTY COMPANY

IN EXCESS OF:

(E) \$10,000,000 PER OCCURRENCE
 \$10,000,000 AGGREGATE (WHERE APPLICABLE)

AS PROVIDED BY: EVEREST NATIONAL INSURANCE COMPANY

WHICH IS EXCESS OF \$5,000,000 PER OCCURRENCE SELF-INSURED RETENTION.

 Authorized Representative



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SIGNATURE ENDORSEMENT

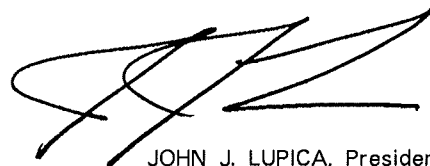
THE ONLY SIGNATURES APPLICABLE TO THIS POLICY ARE THOSE REPRESENTING THE COMPANY NAMED ON THE FIRST PAGE OF THE DECLARATIONS.

By signing and delivering the policy to you, we state that it is a valid contract when countersigned by our authorized representative.

ILLINOIS UNION INSURANCE COMPANY
525 W. Monroe Street, Suite 400, Chicago, Illinois 60661



GEORGE D. MULLIGAN, Secretary

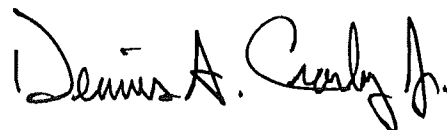


JOHN J. LUPICA, President

WESTCHESTER SURPLUS LINES INSURANCE COMPANY
500 Colonial Center Parkway, Suite 200, Roswell, GA 30076



GEORGE D. MULLIGAN, Secretary



DENNIS A. CROSBY, JR., President

Authorized Agent

EXCESS INSURANCE POLICY

In consideration of the payment of premium and in reliance upon the statements in the Declarations and subject to all the terms of this policy, the Company named in the Declarations (a capital stock company, herein called the company) agrees with the insured, also named in the Declarations, to provide coverage as follows:

INSURING AGREEMENT

To indemnify the insured for that amount of loss which exceeds the amount of loss payable by underlying policies described in the Declarations, but the Company's obligation hereunder shall not exceed the limit of liability stated in Declarations 6.

CONDITIONS

A. Application of Underlying Insurance. Except as otherwise stated herein, and except with respect to (1) any obligation to investigate or defend any claim or suit, or (2) any obligation to renew, the insurance afforded by this policy shall apply in like manner as the underlying insurance described in the Declarations.

B. Maintenance of Underlying Insurance. It is warranted by the insured that the underlying policies listed in item 5 of the declarations, or renewals or replacements thereof not more restricted, shall be maintained in force as valid and collectible during the currency of this policy, except for any reduction of the aggregate limits contained therein solely by payment of claims in respect of occurrences happening during this policy period. In the event of failure by the insured to so maintain such policies in force or to meet all conditions and warranties subsequent to loss under such policies, the insurance afforded by this policy shall apply in the same manner it would have applied had such policies been so maintained in force. Notice of exhaustion of underlying insurance shall be given the company within thirty (30) days of such exhaustion.

C. Loss Payable. Liability of the company with respect to any one occurrence shall not attach unless and until the insured, or the insured's underlying insurer, has paid the amount of underlying insurance stated in Declaration 5. The insured shall make a definite claim for loss, for which the company may be liable within twelve (12) months after the insured has paid any amount of excess loss, as stated in Declaration 6; or after the insured's liability shall have been made certain by final judgment after actual trial; or by written agreement of the insured, the claimant, and the company. Any subsequent payments made by the insured on account of the same occurrence shall be payable by the company within thirty (30) days after additional claim is made by the insured, and after the insured has shown proof in conformity with this policy.

D. Premium Computation. The premium for this policy shall be based upon the rating basis set forth in the declarations and shall be computed by applying the rate set forth in the declarations to each unit of exposure generated by the insured during the policy period. The advance premium is based upon the estimated exposures for the policy period as stated in the declarations. Upon expiration of this policy or its termination during the policy period, the earned premium shall be computed as thus defined. If the computed earned premium is more than the advance premium paid, the named insured shall immediately pay the excess to the company; if less, the company shall return the difference to the named insured; but the company shall receive and retain the annual minimum premium for each twelve (12) months of the policy period.

E. Assistance and Co-Operation. The company shall not be called upon to assume charge of the settlement or defense of any claim made or proceeding instituted against the insured; but the company shall have the right and opportunity to associate with the insured in the defense and control of any claim or proceeding reasonably likely to involve the company. In such event the insured and the company shall cooperate fully.

F. Expenses. Loss and legal expenses incurred by the insured with the consent of the company in the investigation or defense of claims, including court costs and interest, shall be borne by both the company and the insured in the proportion that each party's share of loss bears to the total amount of such loss. Salaries and expenses of the insured's employees shall not be considered as part of the above expenses. Expenses thus paid by the company shall be paid in addition to the limit of liability stated in Declaration 6.

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT

It is agreed that:

I. This policy does not apply:

(a) to injury, sickness, disease, death, destruction or loss

1. with respect to which an insured under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
2. resulting from the hazardous properties of nuclear material and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the insured is, or had its policy not been issued would be, entitled to indemnity from 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) to injury, sickness, disease, death, destruction or loss 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, an insured or (b) has been discharged or dispersed therefrom;
2. the nuclear material is contained in spent fuel or waste at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or
3. the injury, sickness, disease, death, destruction or loss arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any nuclear facility, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to injury to or destruction of or loss of property at such nuclear facility.

II. As used in this endorsement:

"hazardous properties" include radioactive, toxic or explosive properties;

"nuclear material" means source material, special nuclear material or byproduct material;

"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;

"spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a nuclear reactor;

"waste" means any waste material (1) containing byproduct material and (2) resulting from the operation by any person or organization of any nuclear facility included within the definition of nuclear facility under paragraph (1) or (2) thereof;

"nuclear facility" means

1. any nuclear reactor,



Named Insured Cities of Anaheim and Santa Monica			Endorsement Number
Policy Symbol HXW	Policy Number G24102452002	Policy Period 07/01/2010 TO 07/01/2011	Effective Date of Endorsement 07/01/2010
Insured By (Name of Insurance Company) Westchester Surplus Lines Insurance Co			

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PAY ON BEHALF OF AMENDMENT

- I. The policy Insuring Agreement is deleted and replaced by the following:

INSURING AGREEMENT

To pay on behalf of the "Insured" for that amount of loss which exceeds the amount of loss payable by "Underlying Insurance" described in the Declarations, but the company's obligation hereunder shall not exceed the limit of liability stated in Declaration 6.

- II. Condition C., Loss Payable, is amended as follows:

Liability of the company with respect to any one occurrence shall not attach unless and until the insured, or the insured's underlying insurer, has paid the amount of Underlying Insurance stated in Declarations 5. If the company is obligated to indemnify the insured, the insured must make a definite claim for loss within twelve (12) months after the insured has paid any amount of excess loss, as stated in Declaration 6; or after the insured's liability shall have been made certain by final judgment or by written agreement of the insured, the claimant, and the company. Any subsequent payments made by the insured on account of the same occurrence shall be payable by the company within thirty (30) days after additional claim is made by the insured, and after the insured has shown proof in conformity with this policy.

Authorized Representative



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SERVICE OF SUIT ENDORSEMENT

Information about service of "suits" upon us is given below. Service of process of "suits" against us may be made upon the following person, or another person we may designate:

**Saverio Rocca, Assistant General Counsel
ACE USA Companies
P.O. Box 1000
436 Walnut Street - WA04K
Philadelphia, PA 19106**

The person named above is authorized and directed to accept service of process on our behalf in any action, "suit" or proceeding instituted against us. If you request, we will give you a written promise that a general appearance will be entered on our behalf if a "suit" is brought.

If you request, we will submit to the jurisdiction of any court of competent jurisdiction. We will accept the final decision of that court or any Appellate Court in the event of an appeal.

The law of some jurisdictions of the United States of America require that the Superintendent, Commissioner or Director of Insurance (or their successor in office) be designated as our agent for service of process. In these jurisdictions, we designate the Director of Insurance as our true and lawful attorney upon whom service of process on our behalf may be made. We also authorize the Director of Insurance to mail process received on our behalf to the company person named above.

If you are a resident of Canada, you may also serve "suit" upon us by serving the government official designated by the law of your province:

NOTHING HEREIN CONTAINED SHALL BE HELD TO VARY, ALTER, WAIVE OR EXTEND ANY OF THE TERMS, CONDITIONS, OR LIMITATIONS OF THE POLICY TO WHICH THIS ENDORSEMENT IS ATTACHED OTHER THAN AS ABOVE STATED.

Authorized Representative



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DEFENSE EXPENSE AMENDATORY – FOLLOW FORM EXPENSES

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

EXCESS INSURANCE POLICY

Condition F. Expenses is deleted in its entirety and replaced with the following:

- F. Expenses. Loss and legal expenses incurred by the company or by the insured with the consent of the company in the investigation or defense of claims, including court costs and interest, shall be paid in addition to the limits of insurance, except when such expenses reduce the limits of liability of any underlying insurance listed in Schedule A of this policy, in which case expenses will reduce the company's Limits of Liability stated in Item Six of the Declarations.



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NON-DROP DOWN ENDORSEMENT

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

EXCESS INSURANCE POLICY

In the event of the reduction or exhaustion of the aggregate limits of liability of the underlying insurance by reason of payment of losses not covered by this policy, this policy shall apply in the same manner it would have applied had such aggregate limit not been reduced or exhausted.



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Policy Symbol HXW	Policy Number G24102452 002	Policy Period 07/01/2010 TO 07/01/2011	Effective Date of Endorsement 07/01/2010
Insured By (Name of Insurance Company) Westchester Surplus Lines Insurance Co			

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

EXCESS INSURANCE POLICY

EXCLUSION OF CERTIFIED ACTS OF TERRORISM

A. The following exclusion is added:

This insurance does not apply to:

TERRORISM

"Any injury or damage" arising, directly or indirectly, out of a "Certified Act of Terrorism."

B. The following definitions are added:

1. For the purposes of this endorsement, "any injury or damage" means any injury or damage covered under this policy or Coverage Part or underlying insurance to which this endorsement is applicable, and includes but is not limited to "bodily injury," "property damage," "personal and advertising injury," "injury" or "environmental damage" as may be defined in this policy or in any applicable Coverage Part or underlying insurance.

2. "Certified Act of Terrorism" means an 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 pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a "Certified Act of Terrorism" include the following:

- a. 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
- b. 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.



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BANKRUPTCY OR INSOLVENCY OF ANY UNDERLYING INSURER

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

EXCESS INSURANCE POLICY

The following Condition is added to CONDITIONS:

L. Bankruptcy or Insolvency of Any Underlying Insurer. Bankruptcy or insolvency of any underlying insurer will not relieve us of our obligations under this policy.

However, insurance provided under this policy will not replace any underlying insurance in the event of bankruptcy or insolvency of any underlying insurer. The insurance provided under this policy will apply as if the underlying insurance were in full effect and recoverable.



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TRADE OR ECONOMIC SANCTIONS ENDORSEMENT

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

Authorized Agent



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Designated Entity Limitation Endorsement

THIS POLICY APPLIES ONLY TO LOSSES ARISING FROM THE OPERATIONS OF THE CITIES OF ANAHEIM AND SANTA MONICA

UNDER NO CIRCUMSTANCES WILL THIS POLICY APPLY TO LOSSES ARISING FROM THE OPERATIONS OF ANY ENTITY OTHER THAN THE CITIES OF ANAHEIM AND SANTA MONICA.

Authorized Representative



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UNIMPAIRED AGGREGATE ENDORSEMENT

It is understood and agreed by the insured that the underlying aggregate limits, where applicable, of the underlying insurance, shall be unimpaired at the attachment date of this policy and for the purpose of this insurance only, an occurrence taking place during the term of this policy shall be considered in determining the extent of any exhaustion of the underlying aggregate limits.



Westchester Surplus Lines Insurance Company

Insurance Company

Cities of Anaheim and Santa Monica

Policyholder

G24102452002

Policy Number

AMWINS INSURANCE BROKERAGE OF CALIFORNIA LLC

Broker/Producer

POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

You were notified that under the Terrorism Risk Insurance Act, as amended, that you have the 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.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, SUCH POLICIES MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT 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 PREMIUM FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT 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 IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, COVERAGE MAY BE REDUCED.

You elected **NOT** to purchase terrorism coverage under the Act at the price indicated. ACCORDINGLY, WE WILL **NOT** PROVIDE THIS COVERAGE AND YOU DO NOT OWE THE ADDITIONAL PREMIUM FOR THAT COVERAGE INDICATED BELOW.

Terrorism coverage described by the Act under your policy was made available to you for additional premium in the amount of **\$6,250.00**, however you elected to decline such coverage.



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**EXCESS POLICY
POLLUTION LIABILITY EXCLUSION
(ABSOLUTE)**

This policy does not apply to any loss.

- A) Arising out of the actual, alleged or threatened discharge, dispersal, release or escape of pollutants:
 - 1) At or from premises owned, rented or occupied by the insured;
 - 2) At or from any site or location used by or for the insured or others for the handling, storage, disposal, processing or treatment of waste;
 - 3) Which are at any time transported, handled, stored, treated, disposed of, or processed as waste by or for the insured or any person or organization for whom the insured may be legally responsible; or
 - 4) At or from any site or location on which the insured or any contractors or subcontractors working directly or indirectly on behalf of the insured are performing operations;
 - a) If the pollutants are brought on or to the site or location in connection with such operations; or
 - b) If the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants;
- B) Or to any loss, cost or expense arising out of any governmental direction or request that the insured test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, oil and/or oil derivatives, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

Authorized Representative



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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ABSOLUTE ASBESTOS EXCLUSION

This policy does not apply to any liability caused by, resulting from, or arising out of:

- 1) Asbestos, asbestos fibers or any product containing asbestos or asbestos fibers.
- 2) "Economic Loss", "Diminution Of Property", "Abatement Costs" or any other loss, cost or expense including "Equitable Relief" in any way or to any extent arising out of or involving asbestos, asbestos fibers or any product containing asbestos or asbestos fibers.
- 3) Any fees, costs or expenses of any nature whatsoever in the investigation or defense of any "Claim" or "Suit" arising out of or involving asbestos, asbestos fibers or any product containing asbestos or asbestos fibers.

For the purpose of this exclusion only, the following terms are defined:

"Abatement Costs" mean any actual or potential damages, costs, fees or expenses, including the costs of inspection, removal or replacement.

"Diminution Of Property" means the diminishing or lessening in value of property.

"Economic Loss" means any actual or potential damages, costs, fees, expenses or lost profits arising out of or involving the manufacture or utilization of a good or product.

"Equitable Relief" means any remedy or relief, including restitution or injunctive relief, sought in a court with equitable powers.

Authorized Representative



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SILICA, DUST, AND PARTICULATE MATTER EXCLUSION

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL UMBRELLA POLICY EXCESS INSURANCE POLICY

This insurance does not apply to any injury, damage, expense, cost, loss, liability or legal obligation arising out of, resulting from, or in any way related to, in whole or in part, the respiration, inspiration, inhalation or breathing in of dust or particulate matter. Dust or particulate matter may include, but is not limited to: dust, particulate matter, inspirable dust, respirable dust, smoke, mist, dirt, fibers, grit, soot, salt, acids, bases, metals, aerosols, crystals, minerals, sand, silicates, or silica.

The addition of this endorsement does not imply that other policy provisions, including but not limited to any pollution exclusion or asbestos exclusion, do not also exclude coverage for dust or particulate matter related injury, damage, expense, cost, loss, liability, or legal obligation.



Named Insured Cities of Anaheim and Santa Monica			Endorsement Number
Policy Symbol HXW	Policy Number G24102452002	Policy Period 07/01/2010 TO 07/01/2011	Effective Date of Endorsement 07/01/2010
Insured By (Name of Insurance Company) Westchester Surplus Lines Insurance Co			

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EMPLOYMENT-RELATED PRACTICES EXCLUSION

- A. This policy does not apply to any liability or damage arising out of any:
1. Refusal to employ;
 2. Termination of employment;
 3. Coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or other employment-related practices, policies, act or omissions;
 4. "Sexual Harassment"; or
 5. Consequential liability or damage as a result of 1. through 4. above.
- B. "Sexual Harassment" as used in this exclusion means unwelcome sexual advances, requests for sexual favors, verbal or physical conduct of a sexual nature that:
1. Are made a condition of employment;
 2. Are used as a basis for employment decisions;
 3. Create a hostile work environment; and/or
 4. Create a work environment that interferes with performance.
- C. This exclusion applies whether the insured may be held liable as an employer or in any other capacity and to any obligation to share damages with or to repay someone else who must pay damages.

Authorized Representative



Named Insured Cities of Anaheim and Santa Monica			Endorsement Number
Policy Symbol HXW	Policy Number G24102452002	Policy Period 07/01/2010 TO 07/01/2011	Effective Date of Endorsement 07/01/2010
Insured By (Name of Insurance Company) Westchester Surplus Lines Insurance Co			

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DESIGNATED OPERATIONS EXCLUSION

This policy does not apply to any liability or damage arising out of the operations designated below:

Landfills

Authorized Representative

Named Insured City of Anaheim and Santa Monica			Endorsement Number
Policy Symbol HXW	Policy Number G24102452002	Policy Period 12/07/2010 TO 1207/2011	Effective Date of Endorsement 12/07/2010
Issued By (Name of Insurance Company) Westchester Surplus Lines Insurance Company			

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BLOOD BORNE PATHOGEN EXCLUSION

It is agreed that this Policy does not apply to Bodily Injury, Personal Injury, Property Damage or Advertising Injury arising out of:

- (1) The "transmission" of Acquired Immune Deficiency Syndrome (AIDS) or AIDS Related Complex (ARC) by the Insured's "blood products" as herein defined; or
- (2) The "transmission" of or any "infection", as herein defined, caused by the "transmission" of, or the testing or the failure to test for the presence of, or the counseling as a result of any of the foregoing relating to one or more of the following viruses:

HBV	Hepatitis B Virus
HCV	Hepatitis C Virus
HTLV I	Human T Lymphotropic Virus I
HTLV II	Human T Lymphotropic Virus II
HTLV III	Human T Lymphotropic Virus III
	Also known as LAV – Lymphadenopathy Associated Virus
	also known as HIV I – Human Immunodeficiency Virus 1
HTLV IV	Human T Lymphotropic Virus IV
	also known as HIV II – Human Immunodeficiency Virus 2

- (3) For purposes of this Endorsement, the following Definitions apply:
 - (a) "Blood products" means a unit or units of whole blood or its derivatives, including but not limited to red blood cells, plasma, platelet concentrate, leukocyte concentrate, albumin, gamma globulin, cryoprecipitate or Factor IX concentrate.
 - (b) "Transmission" means the transfer or carrying of a thing or conditions, such as a signal from the brain, or infectious or inborn disease, or an inborn trait, from one person or place to another.
 - (c) "Infection" means:
 - (i) the invasion of the body by germs or viruses that reproduce and multiply, causing disease or local injury, release or poison, germ antibody reaction, or virus antibody reaction in the cells.
 - (ii) a disease caused by the invasion of the body by germs or viruses.

All other terms and conditions of this Policy remain unchanged.



Claims Directory

Umbrella/Excess Casualty/Environmental

Claims or Loss Notices related to this policy should be reported to the following:

Claim Office	Email and Fax	Location
ACE Westchester Claims	First Notices Email: <u>WSGUMB-LTECLAIMS@ACEGROUP.COM</u> First Notices Fax: 215.640.5055 or 1.877.518.3494 General Correspondence Fax: 1-866-635-5688	P.O. Box 5119 Scranton, PA 18505-0549

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

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.

CALIFORNIA

NOTICE TO INSURED:

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. CALIFORNIA MAINTAINS A LIST OF ELIGIBLE SURPLUS LINE INSURERS APPROVED BY THE INSURANCE COMMISSIONER. ASK YOUR AGENT OR BROKER IF THE INSURER IS ON THAT LIST, OR VIEW THAT LIST AT THE WEB SITE OF THE CALIFORNIA DEPARTMENT OF INSURANCE: www.insurance.ca.gov.**
- 5. FOR ADDITIONAL INFORMATION ABOUT THE 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.**
- 6. 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**