

SUMMARY OF INSURANCE

FOR

ABAG PLAN CORPORATION

7/1/2000 - 2001

Presented By:

Michael Smith, Area Vice President, Risk Management Division

Laurie Martin, CPCU, Area Assistant Vice President, Risk Management Division

GALLAGHER HEFFERNAN INSURANCE BROKERS

CA License #0726293

One Market, Spear Tower #200

San Francisco, California 94105

(415) 546-9300



IMPORTANT: The summary is an outline of the coverages proposed by the insurers, based on the information provided by your company. It does not include all the terms, coverages, exclusions, limitations, conditions of the actual contract language. The policies themselves must be read for those details. Policy forms for your reference will be made available upon request.

**ABAG PLAN CORPORATION
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ADDITIONAL DISCLOSURE – BROKER/CARRIER COMPENSATION

Gallagher from time to time enters into arrangements with certain insurance carriers or those carriers' reinsurers providing for compensation, in addition to commissions, to be paid by such carriers or reinsurers to Gallagher or its affiliates based on, among other things, the volume of premium and/or underwriting profitability of the insurance coverages written through Gallagher by such carriers or reinsurers. In addition, Gallagher and its affiliates provide management and other services to, and receive compensation for those services from, certain reinsurers that reinsure insurance coverages written through Gallagher by other insurance carriers. The insurance coverages you purchase through Gallagher might be issued by an insurance carrier or reinsured by a reinsurer that has such a relationship with Gallagher or its affiliates.

ABAG PLAN CORPORATION

Named Insured Schedule

2000 – 2001

Policy

Carrier/Policy Number

Summary of Insurance

Property

Travelers
KTJCMB122D773300

Boiler & Machinery

Travelers
M5JBMG992K4787-TIL-98

Schedule of Members

American Canyon, City of
Atherton, City of
Belvedere, City of
Benicia, City of
Burlingame, City of
Campbell, City of
Colma, Town of
Cupertino, City of
Dublin, City of
East Palo Alto, City of
Foster City
Gilroy, City of
Gilroy Wastewater Treatment
Half Moon Bay, City of
Los Altos, City of
Los Altos Hills
Los Gatos

Millbrae, City of
Milpitas, City of
Morgan Hill, City of
Newark, City of
Pacifica, City of
Portola Valley, City of
Ross, Town of
San Carlos, City of
San Bruno, City of
Saratoga, City of
South San Francisco, City of
Suisun City
Tiburon, City of
Woodside, City of

ABAG PLAN CORPORATION

GALLAGHER HEFFERNAN INSURANCE BROKERS, A DIVISION OF ARTHUR J. GALLAGHER & CO.	One Market Plaza, 2 nd Floor (P.O. Box 7443) San Francisco, CA 94105 (94120) (415) 546-9300	This schedule of insurance is for informational purposes only. It does not alter, amend or change your coverage. Please refer to specific policies for limits, terms, conditions and exclusions.
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CLIENT - ABAG PLAN CORPORATION
INSURANCE IN FORCE AT – July 1, 2000

COMPANY	POLICY NO.	TERM	AMOUNTS/ LIMITS	COVERAGE
The Travelers Indemnity Company of Illinois Best Rating A XV	KTJCMB 122D773-3-00	7/1/00-01	\$765,009,762 2,250,000 10,000,000 5,000 1,000,000 20,000,000 5,000,000 1,000,000 50,000,000	<p><u>Property Insurance</u> Annual Premium \$238,483</p> <p><u>Property Covered:</u> Buildings, Personal Property, Errors and Omissions, Contractors Equipment, Extra Expense, Valuable Papers and Records, Fine Arts, Business Interruption, Transit, Building Ordinance or Law, EDP Equipment/Media/Extra Expense, Auto Physical Damage on Premises and for specifically described high value vehicles on the road.</p> <p><u>Policy Limits:</u> Blanket Limit any one occurrence (liability for each building or structure and separately for the total of Business Personal Property at each location cannot exceed 130% of the value shown in the latest Statement of Values on file with the company)</p> <p style="padding-left: 20px;"><u>Sublimits -</u></p> <p style="padding-left: 20px;">Data Processing equipment and media (including mechanical breakdown)</p> <p style="padding-left: 20px;">Errors and Omissions</p> <p style="padding-left: 20px;">Personal Property of others</p> <p style="padding-left: 20px;">Builders Risk</p> <p style="padding-left: 20px;">Builders Risk at 455 Calaveras, Milpitas, CA</p> <p style="padding-left: 20px;">Newly Acquired locations</p> <p style="padding-left: 20px;">Contractors equipment</p> <p style="padding-left: 20px;">Flood (excluding Zones A and V)</p> <p>* Subject to the terms, conditions, limitations and exclusions of the policy.</p>

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COMPANY	POLICY NO.	TERM	COVERAGE	
			AMOUNTS/ LIMITS	
The Travelers Indemnity Company of Illinois Best Rating A XV	KTJCMB 122D773-3-00	7/1/00-01	\$ 500,000 5,000,000 1,500,000 500,000 5,000,000 250,000 1,000,000 2,500,000 5,000,000 25,000 23,615,771 10,000 10,000 5% 100,000 10 days 90 days	<u>Sublimits</u> (continued) Extra expense - Data Processing Extra Expense Valuable Papers and Records Fine Arts Business Income Transit Ordinance or Law Vehicles – on premises only Earthquake Sprinkler Leakage Outdoor Property, Trees, Plants and Shrubs are subject to a maximum per item of \$1,000 Specifically scheduled high value vehicles as per attached schedule <u>Deductibles:</u> ABAG office Police Trailer Earthquake Sprinkler Leakage, subject to a minimum per occurrence of \$100,000 Any other insured loss <u>Cancellation Clause</u> for non-payment of premium for any other reason <u>Valuation:</u> Replacement Cost, except ACV on vacant locations * Subject to the terms, conditions, limitations and exclusions of the policy.

ABAG PLAN CORPORATION
SCHEDULE OF SPECIFIC HIGH VALUE VEHICLES INSURED

COMPANY	POLICY NO.	TERM	COVERAGE	
			AMOUNTS/ LIMITS	
The Travelers Indemnity Company of Illinois Best Rating A XV	KTJCMB 122D773-3-00	7/1/00-01		<p>Property Insurance (continued) <u>Insuring Agreement:</u> Insured against risks of direct physical loss or damage to covered property commencing during the policy period.</p> <p><u>Causes of loss excluded:</u></p> <ul style="list-style-type: none"> Delay, loss of use or loss of market or interruption of business The cost of correcting or making good faulty workmanship Inherent or latent defect Damage by rodents or insects Wear, tear, deterioration, depletion, erosion, corrosion, mold, wet or dry rot Settling, cracking, shrinking, bulging or expansion of pavements, foundations, walls, floor, roofs or ceilings Shrinkage, evaporation, leakage or contents Unexplained or mysterious disappearance Shortage disclosed by audit or upon taking inventory Cumulative effects of smog, smoke, vapor, liquid or dust Electrical or magnetic injury or disturbance to electronic recording, including erasure, and exposure to light <p>* Subject to the terms, conditions, limitations and exclusions of the policy.</p>

ABAG PLAN CORPORATION
SCHEDULE OF SPECIFIC HIGH VALUE VEHICLES INSURED

COMPANY	POLICY NO.	TERM	AMOUNTS/ LIMITS	COVERAGE
The Travelers Indemnity Company of Illinois Best Rating A XV	KTJCMB 122D773-3-00	7/1/00-01		<p>Property Insurance (continued)</p> <p><u>Causes of Loss excluded:</u></p> <p>Earth movement</p> <p>Certain Computer-related losses due to dates or times</p> <p>Government action</p> <p>Nuclear Hazard</p> <p>Programming Errors or Omissions</p> <p>War and Military Action</p> <p>Off-Premises Utility Services</p> <p>Mechanical Breakdown (except as provided for EDP Equipment)</p> <p>Boiler and Machinery</p> <p>Dishonesty</p> <p>Collapse</p> <p>Pollution</p> <p>* Subject to the terms, conditions, limitations and exclusions of the policy.</p>

ABAG PLAN CORPORATION
SCHEDULE OF SPECIFIC HIGH VALUE VEHICLES INSURED

COMPANY	POLICY NO.	TERM	AMOUNTS/ LIMITS	COVERAGE
The Travelers Indemnity Company of Illinois Best Rating A XV	KTJCMB 122D773-3-00	7/1/00-01		<p>Property Insurance (continued):</p> <p><u>Property not covered:</u> Land Water Air Dams Accounts, bills, currency, deeds, evidences of debt, money, notes or securities Jewelry Tanks, flues, pipes, drains, wiring, tunnels or passageways that are buried underground Animals or birds Personal Property of insured's tenants Aircraft or watercraft. Cost of excavations, grading backfilling or filling. Bulkheads, pilings, piers, wharves, docks, dikes, dams, canals, sea walls or vehicular bridges.</p> <p><u>Territory:</u> Property located within the United States of America, Puerto Rico, or Canada</p> <p>* Subject to the terms, conditions, limitations and exclusions of the policy.</p>

ABAG PLAN CORPORATION
SCHEDULE OF SPECIFIC HIGH VALUE VEHICLES INSURED

BURLINGAME

YEAR	BODY TYPE	COST NEW	SUBTOTAL
1986	Rescue Squad	\$150,000	
1987	Fire Engine	425,000	
1987	Fire Engine	425,000	
1987	Fire Engine	425,000	
1995	Aerial Ladder	700,000	
1999	Fire Engine	425,000	
1975	Crane/Boom	150,000	
1985	Loader	110,000	
1988	Patcher Truck	130,000	
1997	Sweeper	110,000	
1997	Sweeper	110,000	
1983	Aerial Lift Truck	165,000	
1989	Jet Truck	225,000	
1997	Aerial Lift Truck	165,000	\$3,715,000

ABAG PLAN CORPORATION
SCHEDULE OF SPECIFIC HIGH VALUE VEHICLES INSURED

SOUTH SAN FRANCISCO

YEAR	BODY TYPE	COST NEW	SUBTOTAL
1999	Quint-LTI Ladder	\$646,416	
1996	Quint	557,310	
1990	Hi Tech Fire Pumper	308,000	
1986	KME	260,000	
1986	KME	260,000	
1983	VPELT	260,000	
1992	Hi Tech	230,000	
1996	FRT Liner	150,000	
1997	FRT Liner	150,000	
2000	FRT Liner	134,500	
1989	Ford Air	100,000	
1953	AW Grader	250,000	
1991	CAML Comb	150,000	
1995	MO Street Sweeper	140,000	
1998	Temco Street Sweeper	106,000	
1999	Pumper Fire Truck	308,000	
2000	Ambulance	136,500	
2000	Street Sweeper	127,973	\$4,274,699

ABAG PLAN CORPORATION
SCHEDULE OF SPECIFIC HIGH VALUE VEHICLES INSURED

SAN BRUNO

<u>YEAR</u>	<u>BODY TYPE</u>	<u>COST NEW</u>	<u>SUBTOTAL</u>
1992	1500 GM Pumper	\$320,000	
1988	1501 GM Pumper	320,000	
1982	1502 GM Pumper	320,000	
1982	1503 GM Pumper	320,000	
1974	1504 GM Pumper	320,000	
1988	85 Crown Snorkel	320,000	\$1,920,000
added 8/31/00	Vactor	225,000	
added 8/31/00	Sewer Flusher	135,000	
added 8/31/00	Street Sweeper	125,000	
added 8/31/00	Street Sweeper	125,000	
added 8/31/00	Aerial Truck	135,000	8/31/00 ADD:
added 8/31/00	Aerial Truck	135,000	\$880,000
		new total value:	\$2,800,000

ABAG PLAN CORPORATION
SCHEDULE OF SPECIFIC HIGH VALUE VEHICLES INSURED

GILROY

<u>YEAR</u>	<u>BODY TYPE</u>	<u>COST NEW</u>	<u>SUBTOTAL</u>
1987	Arrow	\$150,689	
1987	Arrow	150,689	
1982	Spartan	240,256	
1999	4900	227,150	
1999	Gladiator	337,175	
1999	LT8513	202,807	
1989	2554	145,199	\$1,453,965

ABAG PLAN CORPORATION
SCHEDULE OF SPECIFIC HIGH VALUE VEHICLES INSURED

MILPITAS

YEAR	BODY TYPE	COST NEW	SUBTOTAL
1999	Truck Mounted Stripper MSO 1103	\$204,528	
1999	SVI Rescue	380,000	
1998	#F-800 Trash Truck W/300	116,148	
1986	Model # QSMFHD12	117,792	
1998	Adventurer	133,166	
1990	Utility Vehicle	134,107	
1988	Sutphen 1250 GPM	158,267	
1997	FL80 Sewer Cleaner	188,354	
1978	Sutphen Platform Fire 81	195,300	
1994	Pierce Arrow Chassis & Pumper	249,357	
1993	Pierce Arrow Chassis & Pumper	250,795	\$2,127,814

ABAG PLAN CORPORATION
SCHEDULE OF SPECIFIC HIGH VALUE VEHICLES INSURED

PACIFICA

<u>YEAR</u>	<u>BODY TYPE</u>	<u>COST NEW</u>	<u>SUBTOTAL</u>
??	Fire Truck	\$250,803.34	
1986	Fire Truck	254,597.84	
1988	Fire Truck	155,172.09	
1994	Pumper (On Lease)	278,175.20	
1989	L-800 Rodder	146,639.52	\$1,085,388

ABAG PLAN CORPORATION
SCHEDULE OF SPECIFIC HIGH VALUE VEHICLES INSURED

FOSTER CITY

<u>YEAR</u>	<u>BODY TYPE</u>	<u>COST NEW</u>	<u>SUBTOTAL</u>
1997	Fire Rescue Truck	\$325,000	
1994	Fire Rescue Truck	275,000	
1980	Fire Rescue Truck	200,000	
1988	Fire Rescue Truck	301,285	
1998	Fire Rescue Truck	600,000	
1992	Sewer Jet	110,000	
1999	Hoist Lift Truck	112,643	
1999	Camera Van	112,000	
1991	Vac/Jet Combo	175,000	\$2,210,928

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SCHEDULE OF SPECIFIC HIGH VALUE VEHICLES INSURED

DUBLIN

<u>YEAR</u>	<u>BODY TYPE</u>	<u>COST NEW</u>	<u>SUBTOTAL</u>
1991	Type 1 Engine	\$311,572	
1998	Type 1 Engine	317,500	
1999	Fire Truck	689,735	
1991	Patrol (1)	187,514	
1995	Type 3 Engine	235,200	\$1,741,521

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SCHEDULE OF SPECIFIC HIGH VALUE VEHICLES INSURED

MORGAN HILL

<u>YEAR</u>	<u>BODY TYPE</u>	<u>COST NEW</u>	<u>SUBTOTAL</u>
1987	Vactor Flusher	\$231,493	
1995	Vactor Flusher	332,918	
1984	Vactor Flusher	250,828	
			\$815,239

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NEWARK

<u>YEAR</u>	<u>BODY TYPE</u>	<u>COST NEW</u>	<u>SUBTOTAL</u>
1985	Fire Truck	\$300,000	
1988	Fire Truck	300,000	
1980	Fire Truck	300,000	
1994	Fire Truck	315,000	
1996	Fire Truck	480,000	
1980	--	100,000	
1980	--	110,000	
1986	Sweeper	170,000	\$2,075,000

ABAG PLAN CORPORATION
SCHEDULE OF SPECIFIC HIGH VALUE VEHICLES INSURED

SUISUN CITY

<u>YEAR</u>	<u>BODY TYPE</u>	<u>COST NEW</u>	<u>SUBTOTAL</u>
1998	Engine 1	\$197,640	
1999	Engine 2	202,350	
1986	Engine 3	137,500	
1989	Ladder Truck 1	354,000	\$891,490

ABAG PLAN CORPORATION
SCHEDULE OF SPECIFIC HIGH VALUE VEHICLES INSURED

BENICIA

YEAR	BODY TYPE	COST NEW	SUBTOTAL
1992	Fire Engine	\$109,639	
1984	Emergency Ladder	353,000	
1992	Fire Engine	135,325	
2000	Bus	264,718	
2000	Bus	264,718	
1999	Sewer Cleaner	177,327	\$1,304,727
			\$23,615,771
		Add 8/31/00	<u>880,000</u>
		Total Insured Values To Date	\$24,495,771

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INSURANCE IN FORCE AT – July 1, 2000

COMPANY	POLICY NO.	TERM	AMOUNTS/ LIMITS	COVERAGE
The Travelers Indemnity Company of Illinois Best Rating A XV	M5J-BMG- 992K4787-TIL-98	7/1/98-01	\$50,000,000 2,000,000 1,000,000 500,000	<p>Boiler and Machinery Annual Premium</p> <p style="text-align: right;">\$48,913</p> <p><u>Comprehensive Equipment Coverage:</u> Definition of Object includes production machines</p> <p><u>Coverages and Limits:</u></p> <p>Limit per accident</p> <p>Expediting Expenses – combined with/PD</p> <p>Business Income – combed with/PD</p> <p>Extra Expense – combined with/BII</p> <p>Spoilage – combined with/PD</p> <p>Off-Premises Service Interruption – Combined with/PD</p> <p>Ammonia Contamination – combined with/PD</p> <p>Water Damage – combined with/PD</p> <p>Hazardous Substances</p> <p>Ordinance or Law</p> <p>“Media”</p> <p>* Subject to the terms, conditions, limitations and exclusions of the policy.</p>

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The Travelers Indemnity Company of Illinois Best Rating A XV	M5J-BMG- 992K4787-TIL-98	7/1/98-01	5,000 4 hours 90 days 365 days	Boiler and Machinery (continued) Brands and Labels – combined with/PD Newly Acquired Locations – combined with/PD Error in Description – combined with/PD <u>Deductibles:</u> Damage to covered property Business Income – combined with/PD Extra Expense – combined with/BII Spoilage – combined with/PD Off-Premises Service Interruption Ammonia Contamination – combined with/PD <u>Conditions:</u> notice of cancellation maximum newly acquired locations * Subject to the terms, conditions, limitations and exclusions of the policy.

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