

**PUBLIC ENTITY PROPERTY INSURANCE PROGRAM (PEPIP)
PROPERTY EVIDENCE ATTACHMENT**

NAMED INSURED: Association of Bay Area Governments Plan Corporation (ABAG)

POLICY PERIOD: July 1, 2005 to July 1, 2006

COMPANIES: See Attached List of Companies

TOTAL INSURED VALUES: \$ 1,651,498,541 as of July 1, 2005

COVERAGES & LIMITS:

- \$1,000,000,000 Per Occurrence: All Perils, Coverages and Insureds/Members combined, subject to the following sub-limits:
- \$ 25,000,000 Dedicated Flood Limit - Per Occurrence & Annual Aggregate
- Not Covered Dedicated Limit for Earthquake Shock - Per Occurrence & Annual Aggregate
- \$ 100,000,000 Combined Business Interruption, Rental Income and Tax Interruption per member except \$500,000 / \$2,500,000 maximum per occurrence limit if values are not reported by member
- \$ 40,000,000 Per Occurrence for Extra Expense
- \$ 10,000,000 Miscellaneous Unnamed Locations for existing Members Excluding Earthquake coverage for Alaska, California and Washington Members
- \$ 25,000,000 Automatic Acquisition for new locations for existing members. Additionally, there is Automatic coverage for new locations greater than \$25,000,000 and up to \$100,000,000 for 90 days from date of acquisition. If Values are not reported within 90 days, a maximum sublimit of \$25,000,000 will apply. The peril of EQ is excluded from Automatic Acquisition for the states of Alaska, California and Washington
- \$ 1,000,000 Unscheduled Landscaping, tees, sand traps, greens and athletic fields and further subject to \$25,000 / 25 gallon maximum per tree
- \$ 5,000,000 Scheduled Landscaping, tees, sand traps, greens and athletic fields and further subject to \$25,000 / 25 gallon maximum per tree. Higher limits available for members with scheduled values greater than \$5,000,000 for an additional premium with underwriting approval
- \$ 40,000,000 Errors & Omissions

COVERAGES & LIMITS:

(Cont.)

- \$ 25,000,000 Course of Construction and remodeling projects (including new) with project values not exceeding \$25,000,000. Projects valued between \$25,000,001 and \$50,000,000 can be added with underwriting approval
- \$ 2,500,000 Money & Securities
- \$ 2,500,000 Unscheduled Fine Arts
- \$ 250,000 Accidental Contamination per occurrence and annual aggregate per member with \$500,000 annual aggregate for all insureds / members
- \$ 500,000 Unscheduled Tunnels, bridges, dams, catwalks (except those not for public use), roadways, highways, streets, sidewalks, culverts, street lights and traffic signals unless a specific value has been declared (excluding Earthquake Shock and excluding F.E.M.A. and/or Office of Emergency Services declared disasters)
- \$ 25,000,000 Increased Cost of Construction due to the enforcement of building codes
- \$ 10,000,000 Transit
- \$ 1,000,000 Unscheduled Animals; not to exceed \$50,000 per Animal
- \$ 2,500,000 Watercraft under 27 feet
- \$ 2,500,000 Per acquisition for Newly Acquired Vehicles for current members with auto coverage
 - Included Per Occurrence for Vehicle Comprehensive Damage
 - Not Covered Per Occurrence for Vehicle Collision Damage
- \$ 5,000,000 Unscheduled Vehicles - on premises only
 - Included Per Occurrence - On Premises Vehicle Collision Damage for all insureds/members that report Vehicle Values
- \$ 10,000,000 Off premises services interruption including extra expense resulting from a covered peril at non-owned/operated locations
- \$ 5,000,000 Per Occurrence and Annual Aggregate for all Declarations for Earthquake shock on Licensed Vehicles, Unlicensed Vehicles, Contractor's Equipment and Fine Arts for all insured/members in the PEPiP Program combined that do not purchase Earthquake coverage
- \$ 5,000,000 Per Occurrence and Annual Aggregate for all Declarations for Flood on Licensed Vehicles, Unlicensed Vehicles, Contractor's Equipment and Fine Arts for all insured/members in the PEPiP Program combined that do not purchase Flood coverage

COVERAGES & LIMITS

(Cont.):	\$ 2,500,000	Per Occurrence, per member for Contingent Business Interruption, Contingent Rental Values, and Contingent extra expense separately
	\$ 500,000	Per Occurrence, Per Member for Jewelry, Furs, Precious Metals and Stones Separately
	\$ 500,000	Per Occurrence, per Member for Claims Preparation
	\$ 40,000,000	Expediting Expenses
	\$ 500,000	Per Occurrence, per Member for Personal Property Outside of the USA
	\$ 10,000,000	Per Occurrence Per Member with an Annual Aggregate of \$70,000,000 shared by Declarations 1-7 for Terrorism (Primary Layer)

VALUATION:	<ul style="list-style-type: none">• Repair or Replacement Cost• Actual Loss Sustained for Time Element Coverages• Vehicles & Contractor's Equipment / either Replacement Cost or Actual Cash Value as declared by each member. If not declared, valuation will default to actual cash value
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EXCLUSIONS (Including but not limited to):	<ul style="list-style-type: none">• Seepage & Contamination• Cost of Clean-up for Pollution• Mold
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JPA PER OCCURRENCE DEDUCTIBLE:	\$ 100,000	Per Occurrence for each and every loss before exhaustion of the annual aggregate pool deductible where applicable (except flood, earthquake and service interruption or property/coverages specified below)
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JPA AGGREGATE POOL DEDUCTIBLE:	\$ 250,000	Annual Aggregate Pool Deductible
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The following property/coverage losses DO or DO NOT erode the Annual Aggregate:

- Earthquake losses DO erode the Annual Aggregate
- Flood losses DO erode the Annual Aggregate
- Contractors Equipment losses DO erode the Annual Aggregate
- Vehicle losses DO erode the Annual Aggregate
- Animal losses DO erode the Annual Aggregate
- Scheduled Fine Arts losses DO erode the Annual Aggregate
- Tees and Greens losses DO erode the Annual Aggregate
- Watercraft losses DO erode the Annual Aggregate
- Tax Interruption losses DO erode the Annual Aggregate

JPA MAINTENANCE DEDUCTIBLE:	\$ 10,000	Maintenance Deductible after Annual Aggregate Deductible is reached
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**DEDUCTIBLES FOR
SPECIFIC PERILS
AND COVERAGES:**

- \$ 250,000 Per Occurrence for Flood Zones A & V
- \$ 100,000 All Flood Zones Per Occurrence excluding Flood Zones A & V
- Not Covered Per occurrence for Earthquake Shock per unit of insurance (Real & Personal Property and Time Element) subject \$100,000 minimum except 10% with \$100,000 minimum for buildings constructed prior to 1940 where Earthquake Coverage is purchased
- \$ 1,000 Per Occurrence for Specially Trained Animals
- \$ 500,000 Per Occurrence for Tunnels, Bridges, Dams, Catwalks (except those not for public use), Roadways, Highways, Streets, Sidewalks, Culverts, Street Lights and Traffic Signals unless a specific value has been declared excluding Earthquake Shock, Federal Emergency Management Agency (FEMA) and/or Office of Emergency Services (OES) declared disasters
- \$ 10,000 Minimum subject to \$100,000 Maximum per Vehicle or Item for Licensed Vehicles, Unlicensed Vehicles and Contractors Equipment Per Occurrence and Annual aggregate and shared by all members of the PEPPI program for the peril of Earthquake for members who do not purchase dedicated earthquake limits
- \$ 50,000 Per Occurrence and Annual aggregate and shared by all members of the PEPPI program for Fine Arts for the peril of Earthquake for members who do not purchase dedicated Earthquake limits
- \$ 10,000 Minimum subject to \$100,000 Maximum per Vehicle or Item for Licensed Vehicles, Unlicensed Vehicles and Contractor's Equipment Per Occurrence and Annual Aggregate and shared by all members in the PEPPI program for the peril of Flood for members who do not purchase dedicated Flood limits
- \$ 50,000 Per Occurrence and Annual aggregate and shared by all members of the PEPPI program for Fine Arts for the peril of Flood for members who do not purchase dedicated Flood limits

24 Hour Waiting Period for Service Interruption for All Perils

2.5% of Annual Tax Value per Location for Tax Interruption

**DEDUCTIBLES FOR
SPECIFIC PERILS
AND COVERAGES
(Cont.):**

\$ 100,000 Vehicle Comprehensive Damage
Not Covered Vehicle Collision Damage
\$ 100,000 On Premises Vehicle Comprehensive Damage
\$ 100,000 Per Occurrence for Primary Terrorism

CONDITIONS: 25% Minimum Earned Premium and cancellations subject to 10% penalty

**NOTICE OF
CANCELLATION:** 90 days except 10 days for non-payment of premium

BROKER: **DRIVER ALLIANT INSURANCE SERVICES, INC.**
License No. 0C36861
Seth Cole
Vice President
Mary Lendaris
Account Administrator

Coverage outlined in this Evidence Attachment is subject to the terms and conditions set forth in the policy. Please refer to policy for specific terms, conditions and exclusions.

PUBLIC ENTITY PROPERTY INSURANCE PROGRAM (PEPIP)

BOILER & MACHINERY EVIDENCE ATTACHMENT

NAMED INSURED: Association of Bay Area Governments Plan Corporation (ABAG)

POLICY PERIOD: July 1, 2005 to July 1, 2006

COMPANIES: Lexington Insurance Company 100% of \$10,000,000 Primary
CNA Insurance Company 50% of \$90,000,000 Excess of \$10,000,000
Foreign Excess Ins. Companies 50% of \$90,000,000 Excess of \$10,000,000
(See attached list of Companies)

TOTAL INSURED VALUES: \$ 1,651,498,541 as of July 1, 2005

COVERAGES & LIMITS: \$ 100,000,000 Boiler & Machinery, Breakdown, Combined Property Damage and Business Interruption/Extra Expense (Including Bond Revenue Interest Payments where Values Reported and excluding Business Coverage for power generating facilities). Limit includes loss adjustment agreement, defense costs outside of limits and electronic computer or electronic data processing equipment with the following sub-limits:

- Included Inspection Services
- \$ 10,000,000 Per Occurrence for Utility Interruption for Utilities owned by others
- \$ 10,000,000 Per Occurrence for Ammonia Contamination
- \$ 10,000,000 Per Occurrence for Water Damage
- \$ 10,000,000 Per Occurrence for Consequential Damage
- \$ 2,000,000 Per Occurrence for Electronic Data Processing Media
- \$ 2,000,000 Per Occurrence for Annual Aggregate for Earthquake Resultant Damage for Members who purchase Dedicated Earthquake Coverage
- \$ 10,000,000 Per Occurrence for Demolition and Increased Cost of Construction
- \$ 1,000,000 Per Occurrence for Hazardous Substance
- \$ 1,000,000 Per Occurrence for Building Ordinance Coverages
- \$ Included Per Occurrence for Machine or Apparatus used for Research, Diagnosis, Medication, Surgical, Therapeutic, Dental or Pathological Purposes

NAMED INSURED CLAUSE: Named Insured covers entities you acquire or in which you have 50% or more ownership or contractual control prior to loss

NEWLY ACQUIRED

LOCATIONS: \$ 25,000,000 Automatic Acquisition for Boiler & Machinery values at newly acquired locations. Values greater than \$25,000,000 or Power Generating Facilities must be reported within 90 days and must have prior underwriting approval prior to binding

VALUATION: Repair or Replacement except Actual Loss sustained for all Time Element coverages

EXCLUSIONS

(Including but not limited to):

- Testing
- Explosion, except for steam or centrifugal explosion
- Explosion of gas or unconsumed fuel from furnace of the boiler

OBJECTS EXCLUDED:

(Including but not limited to):

- Insulating or refractory material
- Buried Vessels or Piping
- Furnace, Oven, Stove, Incinerator, Pot Kiln

NOTICE OF

CANCELLATION: 90 days except 10 days for non-payment of premium

DEDUCTIBLES:

\$ 10,000 Except as shown for Specific Objects or Perils

\$ 10,000 Electronic Data Processing Media

\$ 10,000 Consequential Damage

\$ 10,000 Objects over 200 hp, 1,000 KW/KVA/Amps or Boilers over 5,000 square feet of heating surface

\$ 50,000 Objects over 350 hp, 2,500 KW/KVA/Amps or Boilers over 10,000 square feet of heating surface

\$ 100,000 Objects over 500 hp, 5,000 KW/KVA/Amps or Boilers over 25,000 square feet of heating surface

\$ 250,000 Objects over 750 hp, 10,000 KW/KVA/Amps or Boilers over 75,000 square feet of heating surface

\$ 350,000 Objects over 25,000 hp, 25,000 KW/KVA/Amps or Boilers over 250,000 square feet of heating surface

\$10 per foot / \$ 2,500 Minimum Deep Water Wells

24 Hours Business Interruption/Extra Expense Except as noted below

30 Days Business Interruption – Revenue Bond

24 Hour Waiting Period – Utility Interruption

5 x 100% of Daily Value – Business Interruption – All Objects over 750 hp or 10,000 KW/KVA/Amps or 10,000 Square feet Heating Surface

5 x 100% of Daily Value – Business Interruption – All Objects at Waste Water Treatment Facilities and All Utilities

2005-2006 PEPPIP Boiler & Machinery Evidence Attachment
Association of Bay Area Governments Plan Corporation (ABAG)

BROKER: **DRIVER ALLIANT INSURANCE SERVICES, INC.**
License No. 0C36861

Seth Cole
Vice President

Mary Lendaris
Account Administrator

Coverage outlined in this Evidence Attachment is subject to the terms and conditions set forth in the policy(ies). Please refer to policy(ies) for specific terms, conditions and exclusions.

Commissions are customarily paid by the insurance carriers to their agents and to brokers as a percentage of premiums. In addition to the commissions that Driver Alliant receives, its related entity, Alliant Specialty Insurance Services, Inc. ("ASIS") may receive compensation from Driver Alliant and/or the carrier for providing underwriting services. The financial impact of the compensation received by ASIS is a cost included in the premium. Additionally, the related entities of Driver Signature Services and/or Strategic HR may receive compensation from Driver Alliant and/or the carrier for providing designated, value-added services. Services contracted for by the client directly will be invoiced accordingly. Otherwise, services will be provided at the expense of Driver Alliant and/or the carrier. Further information is available upon written request directed to: Driver Alliant Insurance Services, Attention: Chief Operating Officer, 1620 Fifth Avenue, San Diego, CA 92101.

ABAG Plan Corporation
July 1, 2005 - July 1, 2006
Named Insured Listing

Member

- 1 City of American Canyon
- 2 Town of Atherton
- 3 City of Belvedere
- 4 City of Benicia
- 5 City of Burlingame
- 6 City of Campbell
- 7 Town of Colma
- 8 City of Cupertino
- 9 City of Dublin
- 10 City of East Palo Alto
- 11 City of Foster City
- 12 City of Gilroy
- 13 Gilroy Water District
- 14 City of Half Moon Bay
- 15 Town of Hillsborough
- 16 City of Los Altos
- 17 Town of Los Altos Hills
- 18 Town of Los Gatos
- 19 City of Millbrae
- 20 City of Milpitas
- 21 City of Morgan Hill
- 22 City of Newark
- 23 City of Pacifica
- 24 Town of Portola Valley
- 25 Town of Ross
- 26 City of San Bruno
- 27 City of San Carlos
- 28 City of San Mateo
- 29 City of Saratoga
- 30 City of South San Francisco
- 31 City of Suisun City
- 32 Town of Tiburon
- 33 Town of Woodside

**Public Entity Property Insurance Program (PEPIP)
2005-2006 Policy Year
Schedule of Insurers – Property**

Company	A.M. Best's I.D. #	A.M. Best's Guide Rating	Standard and Poor's	California Status
Allied World Assurance Company Ltd.	84808	A+, Superior; Financial Size Category 14; \$1,500,000,000 to \$2,000,000,000 (As of 4/29/05)	Not Rated (As of 4/29/05)	Non-Admitted
Arch Specialty Ins. Co.	12523	A-, Excellent; Financial Size Category 13; \$1,250,000,000 to \$1,500,000,000 (As of 4/29/05)	Not Rated (As of 4/29/05)	Non-Admitted
Axis Specialty Ins. Co.	12558	A, Excellent; Financial Size Category 14; \$1,500,000,000 to \$2,000,000,000 (As of 4/29/05)	A (As of 4/29/05)	Non-Admitted
Axis Specialty Europe Ltd.	83007	A, Excellent; Financial Size Category 14; \$1,500,000,000 to \$2,000,000,000 (As of 4/29/05)	A (As of 4/29/05)	Non-Admitted
Clarendon America Ins. Co.	01845	A-, Excellent; Financial Size Category 10; \$500,000,000 to \$750,000,000 (As of 4/29/05)	A+ (As of 4/29/05)	Non-Admitted
Commonwealth Ins. Co.	85730	A-, Excellent; Financial Size Category 9; \$250,000,000 to \$500,000,000 (As of 4/29/05)	Not Rated (As of 4/29/05)	Non-Admitted
Empire Indemnity Ins. Co.	02148	A, Excellent; Financial Size Category 15; \$2,000,000,000 or more (As of 4/29/05)	A+ (As of 4/29/05)	Non-Admitted
Endurance Specialty Ins. Ltd.	84835	A, Excellent; Financial Size Category 14; \$1,500,000,000 to \$2,000,000,000 (As of 4/29/05)	A- (As of 4/29/05)	Non-Admitted
Essex Ins. Co.	02732	A, Excellent; Financial Size Category 12; \$1,000,000,000 to \$1,250,000,000 (As of 4/29/05)	Not Rated (As of 4/29/05)	Non-Admitted

**Public Entity Property Insurance Program (PEPIP)
2005-2006 Policy Year
Schedule of Insurers – Property**

Company	A.M. Best's I.D. #	A.M. Best's Guide Rating	Standard and Poor's	California Status
Glencoe Ins. Ltd.	86548	A u, Excellent; Financial Size Category 9; \$250,000,000 to \$500,000,000 (As of 4/29/05)	Not Rated (As of 4/29/05)	Non-Admitted
Great American Assurance Company	02004	A, Excellent; Financial Size Category 14; \$1,500,000,000 to \$2,000,000,000 (As of 4/29/05)	A (As of 4/29/05)	Admitted
Great Lakes Reinsurance (UK) PLC	86160	A+, Superior; Financial Size Category 15; Greater Than \$2,000,000,000 (As of 4/29/05)	A+ (As of 4/29/05)	Non-Admitted
Greenwich Insurance Co.	11095	A+, Superior; Financial Size Category 15; Greater Than \$2,000,000,000 (As of 4/29/05)	AA- (As of 4/29/05)	Admitted
Insurance Co. of the West	04667	A-, Excellent; Financial Size Category 9; \$250,000,000 to \$500,000,000 (As of 4/29/05)	Not Rated (As of 4/29/05)	Admitted
Lexington Ins. Co.	02350	A++u, Superior; Financial Size Category 15; Greater Than \$2,000,000,000 (As of 4/29/05)	AA+ (As of 4/29/05)	Non-Admitted
Lloyds of London	85202	A, Excellent; Financial Size Category 15; Greater Than \$2,000,000,000 (As of 4/29/05)	A (As of 4/29/05)	Non-Admitted
Montpelier Reinsurance Ltd.	84809	A, Excellent; Financial Size Category 14; \$1,500,000,000 to \$2,000,000,000 (As of 4/29/05)	A- (As of 4/29/05)	Non-Admitted

Public Entity Property Insurance Program (PEPIP)
2005-2006 Policy Year
Schedule of Insurers - Boiler and Machinery

Company	A.M. Best's I.D. #	A.M. Best's Guide Rating	Standard and Poor's	California Status
Allied World Assurance Company Ltd.	84808	A+, Superior; Financial Size Category 14; \$1,500,000,000 to \$2,000,000,000 (As of 4/29/05)	Not Rated (As of 4/29/05)	Non-Admitted
Arch Specialty Ins. Co.	12523	A-, Excellent; Financial Size Category 13; \$1,250,000,000 to \$1,500,000,000 (As of 4/29/05)	Not Rated (As of 4/29/05)	Non-Admitted
Axis Specialty Europe Ltd.	83007	A, Excellent; Financial Size Category 14; \$1,500,000,000 to \$2,000,000,000 (As of 4/29/05)	A (As of 4/29/05)	Non-Admitted
CNA	18313	A, Excellent; Financial Size Category 15; \$2,000,000,000 or more (As of 4/29/05)	A- (As of 4/29/05)	Admitted
Endurance Specialty Ins. Ltd.	84835	A, Excellent; Financial Size Category 14; \$1,500,000,000 to \$2,000,000,000 (As of 4/29/05)	A- (As of 4/29/05)	Non-Admitted
Great Lakes Reinsurance (UK) PLC	86160	A+, Superior; Financial Size Category 15; Greater Than \$2,000,000,000 (As of 4/29/05)	A+ (As of 4/29/05)	Non-Admitted
Lexington Ins. Co.	02350	A+++u, Superior; Financial Size Category 15; Greater Than \$2,000,000,000 (As of 4/29/05)	AA+ (As of 4/29/05)	Non-Admitted
Lloyds of London	85202	A, Excellent; Financial Size Category 15; Greater Than \$2,000,000,000 (As of 4/29/05)	A (As of 4/29/05)	Non-Admitted
Montpelier Reinsurance Ltd.	84809	A, Excellent; Financial Size Category 14; \$1,500,000,000 to \$2,000,000,000 (As of 4/29/05)	A- (As of 4/29/05)	Non-Admitted