

GOLDEN STATE RISK MANAGEMENT AUTHORITY

Certificate of Coverage

General Liability Insurance Program - Educational Entities

Coverage Afforded By: Golden State Risk Management Authority

Certificate Number: JPA GLA 032

Coverage Term: July 1, 2010 through June 30, 2011

Coverage Afforded: Coverage A:
\$250,000 **bodily injury** and **property damage** combined single limit per **occurrence**, including **defense costs**.

Coverage B:
\$250,000 **personal injury** combined single limit per offense, including **defense costs**.

Coverages C and D:
\$250,000 **public officials errors and omissions liability** and **employment practices liability**, combined single limit per **wrongful act**, including **defense costs**.

Coverages A, B, C and D Combined:
\$250,000 Coverages A, B, C and D combined for any one **occurrence**, offense or **wrongful act** because of **bodily injury, property damage, personal injury, public officials errors and omissions liability** or **employment practices liability**, as set forth herein, or any combination thereof.

Future Contribution Surcharges:

It is understood and agreed that if aggregate losses under the Golden State Risk Management Coverage Period stated above exceed total contribution charges collected, the Authority may assess contribution surcharges in accordance with the provisions of the Joint Exercise of Powers Agreement ("Agreement") Article 9 and Bylaws Article X.

Supplemental Information:

A complete copy of the CSAC Excess Insurance Authority (CSAC-EIA) Memorandum of Coverage, identified in more detail below, will be provided upon written request. Any question or dispute with respect to the rights and obligations of the parties to Golden State Risk Management Authority regarding coverage under this Certificate shall be determined in accordance with the Bylaws, Article XIII, Dispute Resolution.

In consideration of the payment of the Member Agency's annual contribution charge, in reliance upon the statements made in the application for coverage hereunder, and subject to all of the terms of this Certificate of Coverage and of the applicable Agreement and Bylaws, Golden State Risk Management Authority agrees with the Covered Party as follows:

The coverage afforded by this Certificate of Coverage is identical to, and follows the form of, the Memorandum of Coverage, including all endorsements appended thereto, issued by the CSAC-EIA Memorandum # EIA-PE 10 EL-65, except as to provisions that conflict with this Certificate, in which case, the provisions of this Certificate control. The coverage afforded under this Certificate will, in no event, be broader in scope than that afforded under the CSAC-EIA Memorandum.

I. Coverage Agreement:

As respects the coverage afforded by this Certificate, the provisions set forth under the CSAC-EIA Memorandum "Coverage Agreement" are deleted and replaced by the following.

Golden State Risk Management Authority will pay on behalf of the **covered party** all sums the **covered party** shall become legally obligated to pay as **damages** by reason of liability imposed by law or liability assumed by contract because of:

Coverage A. **Bodily injury** or **property damage**

to which this Certificate applies, caused by an **occurrence**.

Coverage B. **Personal injury**

to which this Certificate applies, caused by an offense.

Coverage C. **Public officials errors and omissions liability**; or

Coverage D. **Employment practices liability,**

to which this Certificate applies, caused by a **wrongful act.**

II. Defense Agreement:

As respects the coverage afforded by this Certificate, the provisions set forth under the CSAC-EIA Memorandum "Defense and Settlement Costs " are deleted and replaced by the following.

Under this Certificate, Golden State Risk Management Authority will have the right and duty to defend a **covered party** against any claim or **suit** seeking **damages** covered under the provisions of this Certificate, even if such claim or **suit** is groundless, false or fraudulent, and Golden State Risk Management Authority will have the right to make such investigation and negotiation and settlement of any claim or **suit** as may be deemed expedient by Golden State Risk Management Authority. But:

1. The amount Golden State Risk Management Authority will pay for **damages** and **defense costs** is limited as described in the Limits of Coverage section; and
2. Golden State Risk Management Authority's right and duty to defend such claims or **suits** end when Golden State Risk Management Authority has used up the applicable limit of coverage in the payment of **defense costs**, judgments or settlements, or any combination thereof, hereunder.

Golden State Risk Management Authority's right to defend claims or **suits** includes the right to select defense counsel for the **covered party** and to control the conduct of the defense of such claims or **suits**. The **covered party** shall fully cooperate with Golden State Risk Management Authority in all matters pertaining to such claims or **suits**.

III. Limits Of Coverage:

As respects the coverage afforded by this Certificate, the provisions set forth under the CSAC-EIA Memorandum "Self-Insured Retention – the Authority's Limit of Liability" are deleted and replaced by the following.

1. The Limits of Coverage shown under the "Coverage Afforded" section of the Memorandum of Coverage fix the most Golden State Risk Management Authority will pay for judgments, settlements and **defense costs**, regardless of the number of:

- a. **covered parties**;
 - b. Claims made or **suits** brought; or
 - c. Persons or organizations making claims or bringing **suits**.
2. The Limits of Coverage afforded by this Certificate apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the Coverage Term shown on this Certificate and on the corresponding Memorandum, unless the Coverage Term is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Coverage.

IV. Covered Parties:

This Certificate incorporates each and every provision contained in the CSAC-EIA Memorandum under the heading, "Covered Party, Covered Persons or Entities" and any endorsements thereto.

V. Exclusions:

This Certificate incorporates each and every exclusion contained in the CSAC-EIA Memorandum.

VI. Definitions:

As respects the coverage afforded by this Certificate, the definitions contained in the CSAC-EIA Memorandum for "Excess Defense Costs" and "Ultimate Net Loss" are deleted in their entirety. The definition of "Defense Costs" is deleted in its entirety and replaced with the following:

Defense costs means reasonable fees charged by an attorney; expenses of a claims servicing organization the **covered party** has engaged; all other reasonable fees, costs and expenses attributable to the investigation, defense, administration or appeal of a claim or **suit** within the scope of coverage afforded by this Certificate; all costs taxed against the **covered party** and any attorneys fees and costs paid to a claimant or claimant's counsel, as part of a settlement that has been approved by the Golden State Risk Management Authority, as between a **covered party** and a claimant; and post-judgment interest that accrues before Golden State Risk Management Authority has paid, offered to pay or deposited in court the amount available for the judgment under the available Limits of Coverage. **Defense costs** shall not include any allocated claims expenses, salaries, or overhead incurred by employees of the **covered party**.

VII. Primary Liability Conditions:

As respects the coverage afforded by this Certificate, provisions under the headings, "1. Premium", "4. **Covered Party's** Duties in the Event of **Occurrence**, Offense, **Wrongful Act**, Claim or **Suit**", "5. Appeals", "6. Action Against the Authority", "7. Other Coverage", "8. Subrogation", "11. Funding of Member's Self-Insured Retention", "12. Cancellation and Nonrenewal", and "13. Member", in the CSAC-EIA Memorandum are deleted in their entirety and replaced by the following provisions:

1. Duties in the Event of **Occurrence**, Offense, **Wrongful Act**, Claim or **Suit**

- a. The **covered party** must notify Golden State Risk Management Authority as soon as practicable of any **occurrence**, offense or **wrongful Act** that may result in a claim or **suit**.
- b. If a claim is made or a **suit** is brought, against any **covered party**, the **covered party** must notify Golden State Risk Management Authority immediately and send Golden State Risk Management Authority any demands, notices, summons or legal papers received in connection with the claim or **suit**.
- c. The **covered party** must assist Golden State Risk Management Authority, upon its request, in the enforcement of any right against any person or organization that may be liable to the **covered party** because of injury or damage to which this coverage may also apply.
- d. No **covered party**, except at its own cost, may make any payment, assume any obligation, or incur any expense, other than for first aid, without the consent of Golden State Risk Management Authority.

2. Other Insurance or Coverage

If other valid and collectible insurance or other coverage is available to the **covered party** for a loss covered under this Certificate, Golden State Risk Management Authority's obligations are limited as follows:

a. Primary Coverage

This coverage is primary except when b. below applies. If this coverage is primary, the obligations of Golden State Risk Management Authority are not affected unless any of

the other insurance or coverage is also primary. Then Golden State Risk Management Authority will share with all that other insurance or coverage by the method described in c. below.

b. Excess Coverage

This coverage is excess over any other primary insurance or other primary coverage available to the **covered party**, including but not limited to (1) primary insurance or primary coverage for liability for damages arising out of the premises or operations for which the **covered party** has been added as an additional insured by endorsement; and (2) primary insurance or primary coverage for liability for damages arising out of the maintenance, use or operation of any motor vehicle not owned by the **covered party**.

When this coverage is excess, the Authority will have no duty under Coverages A, B, C or D of this Certificate to defend the **covered party** against any **suit** if any other carrier has a duty to defend the **covered party** against that **suit**. If no other insurer or other covering entity defends, Golden State Risk Management Authority will undertake to do so, but Golden State Risk Management Authority will be entitled to the **covered party's** rights against all those other insurers or other covering entities.

When this coverage is excess over other insurance or coverage, Golden State Risk Management Authority will pay only its share of the amount of the loss, if any, that exceeds the sum of:

- i. The total amount that all such other insurance or coverage would pay for the loss in the absence of this coverage; and
- ii. The total of all deductible and self-insured amounts under all that other coverage.

Golden State Risk Management Authority will share the remaining loss, if any, with any other insurance or other coverage that is not described in this Excess Coverage provision and was not bought specifically to apply in excess of the Limits of Coverage shown in this Certificate and in the accompanying Memorandum.

c. Method of Sharing

If all of the other insurance or other coverage permits contribution by equal shares, Golden State Risk Management Authority will also share equally up to the Limits of Coverage hereunder or the amount of the loss, whichever is less.

If any of the other insurance or other coverage does not permit contribution by equal shares, Golden State Risk Management Authority will contribute by limits, according to the ratio of the Limit of Coverage hereunder bears to the total of all available limits of insurance and coverage from all applicable policies and memoranda.

3. Legal Action against Authority:

No person or organization has a right under this Certificate:

- a. To join Golden State Risk Management Authority as a Covered Party or otherwise bring Golden State Risk Management Authority into a **suit** asking for damages from a **covered party**; or
- b. To sue Golden State Risk Management Authority on this Certificate unless all of its terms have been fully complied with.

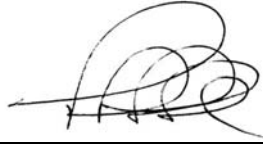
A person or organization may sue Golden State Risk Management Authority to recover on an agreed settlement or on a final judgment against an **covered party** obtained after an actual trial; but Golden State Risk Management Authority will not be liable for damages that are not payable under the terms of this Certificate or that are in excess of the applicable Limit of Coverage. An agreed settlement means a settlement and release of liability signed by Golden State Risk Management Authority, the **covered party** and the claimant or the claimant's legal representative.

4. Subrogation

Golden State Risk Management Authority shall be subrogated, to the extent of any payment hereunder, to all of the **covered party's** rights of recovery therefore; and the **covered party** shall do nothing after the loss to prejudice such rights and shall do everything necessary to secure such rights.

Date: July 1, 2010

Signed By:

A handwritten signature in black ink, consisting of several overlapping loops and a horizontal line at the bottom, positioned above a horizontal line that extends across the page.