



Adopted: June 4, 1999  
Amended: October 1, 2004  
Amended: June 19, 2008

## MEMORANDUM OF UNDERSTANDING PROPERTY PROGRAM

This Memorandum of Understanding is entered into by and between the CSAC Excess Insurance Authority (hereinafter referred to as the "Authority") and the participating members who are signatories to this Memorandum.

1. **Joint Powers Agreement.** Except as is otherwise provided herein, all terms used herein shall be as defined in Article 1 of the Joint Powers Agreement Creating the CSAC Excess Insurance Authority (hereinafter referred to as "Agreement"), and all other provisions of the Agreement not in conflict with this Memorandum shall also be applicable.

2. **Program Committee.** There is hereby established a Property Program Committee (hereinafter referred to as "Property Committee" or "Committee") and, except as otherwise provided herein, said Committee shall have full authority to determine all matters affecting the members including, but not limited to, approval of new members and premium/rate setting and establishment of policies regarding data submission and provisions for notice of withdrawal, as long as such policies are not in conflict with the Joint Powers Agreement.

The Property Committee shall consist of eleven (11) voting members and two (2) alternates. The Executive Committee of the Authority shall appoint the Committee members, to be selected from members in the Program as follows: Seven (7) of the Committee members are to be appointed from the members who make up the top fourteen (14) members according to the amount of annual property premium paid ("Large Members"). Two (2) of the Committee members are to be appointed from those remaining members not within the top fourteen (14) members ("Smaller Members"). One (1) of the members may be appointed from any member ("At Large"). The remaining seat shall be designated for a Public Entity member. If there are no Public Entity nominees or not enough members available from a category (Large, Smaller, At Large), the Executive Committee shall make the appointment from members participating in the Program without regard to category. The two alternates may be appointed from any member.

The terms of the members of the Committee shall be for two (2) years, except for the Public Entity representative and the alternate representatives whose terms shall be for one (1) year. The expiration dates of the two-year appointments shall be staggered so that terms of no more than five (5) members will expire at any one time. The Committee will annually, at its first meeting of the calendar year, select its officers, consisting of a Chair and Vice-Chair.

The Committee, when necessary to fulfill the purposes of this Memorandum, shall meet on the call of the Chair of the Committee as provided in Article 12 of the Agreement and Article VI of the Bylaws of the Authority (hereinafter referred to as the "Bylaws").

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A majority of the members of the Committee shall constitute a quorum for the transaction of business. Except as otherwise provided herein, all actions of the Property Committee shall require the affirmative vote of a majority of the members of the Committee. Any meeting of the Committee shall be subject to the applicable provisions of Government Code § 54950 et seq., commonly known as the "Brown Act."

3. **Premiums.** The participating members, in accordance with the provisions of Article 14 of the Agreement, shall be assessed an annual premium for the purpose of funding the Property Program. Annual premium contributions, including administrative costs associated with the Program shall be established by the Property Committee.

4. **Cost Allocation.** Each member's share of annual premium shall be determined by the Property Committee however, the Committee may delegate any or all of this authority as it deems appropriate.

5. **Application to the Program.** All applications to join the Property Program will be evaluated and subject to approval by the Committee and the underwriter. Any entity which makes application to become a participating member of the Program who is not already a participating member in the Authority must also be approved in accordance with the provisions of Article 19 of the Agreement.

New members may be added to the Program during the term of the coverage year on a pro-rata basis.

6. **Withdrawal and/or Cancellation From the Program.** Withdrawal of a member from the Program shall be in accordance with the withdrawal provisions of Article 20 or 21 of the Agreement.

7. **Late Payments.** All provisions for payments shall be in accordance with the Invoicing and Payment Policy adopted by the Board of Directors. Notwithstanding any other provision to the contrary regarding late payment of invoices or cancellation from a Program, at the discretion of the Executive Committee, any member that fails to pay an invoice when due may be given a ten (10) day written notice of cancellation.

8. **Resolution of Disputes.** Any question or dispute with respect to the rights and obligations of the parties to this Memorandum shall be determined in accordance with Article 31 of the Agreement, Dispute Resolution.

9. **Amendment.** This Memorandum may be amended by a majority vote of the Property Committee, upon ninety (90) days advance written notice to the members and county counsels. Each member shall approve of any amendment by signature on the Memorandum by a member's representative who shall have authority to execute this Memorandum. Should a member of the Program fail to execute any amendment to this Memorandum within the time provided by the Committee, the member will be deemed to have withdrawn from the Program on the next annual renewal date.

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10. **Complete Agreement.** Except as otherwise provided herein, this Memorandum constitutes the full and complete agreement of the members.

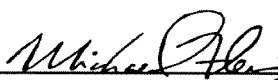
11. **Severability.** Should any provision of this Memorandum be judicially determined to be void or unenforceable, such determination shall not affect any remaining provision.

12. **Effective Date of Agreement.** This Memorandum shall become effective on the date of coverage for the member or upon approval by the Property Committee of any amendment, whichever is later.

13. **Execution in Counterparts.** This Memorandum may be executed in several counterparts, each of which shall be an original, all of which shall constitute but one and the same instrument.

**IN WITNESS WHEREOF**, the undersigned have executed this Memorandum as of the date set forth below.

6/19/2008  
Dated

  
\_\_\_\_\_  
CSAC Excess Insurance Authority

\_\_\_\_\_  
Dated

\_\_\_\_\_  
Member Entity: \_\_\_\_\_



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Amended: October 1, 2004  
Amended: , 2008

~~CSAC EXCESS INSURANCE AUTHORITY~~  
~~AND~~  
~~PROPERTY PROGRAM~~  
**MEMORANDUM OF UNDERSTANDING**  
PROPERTY PROGRAM

This Memorandum of Understanding is entered into by and between the CSAC ~~EIA~~ Excess Insurance Authority (hereinafter referred to as the "Authority") and the participating ~~counties~~ members who are signatories to this Memorandum.

~~1. Provisions of Joint Powers Agreement to Apply.~~ Except as is otherwise provided herein, all terms used herein shall be as defined in Article 1 of the Joint Powers Agreement Creating the CSAC Excess Insurance Authority (hereinafter referred to as "Agreement"), and all other provisions of the Agreement not in conflict with this Memorandum shall also be applicable.

~~2. Property Programs Merged.~~ This Memorandum ~~supersedes and replaces the Property II Program Memorandum of Understanding, which upon adoption of the within Memorandum by the member counties terminates Property Programs I and II and by this Memorandum there is hereby established the Property Program (hereinafter "Program"), which combines Property I and Property II Programs.~~

~~3. Establishment of Program Committee.~~ There is hereby established a Property Program Committee (hereinafter referred to as "Property Committee" or "Committee") and, except as otherwise provided herein, said Committee shall have full authority to determine all matters affecting the ~~member~~ members including, but not limited to, approval of new members and premium/rate setting and establishment of policies regarding data submission and provisions for notice of withdrawal, as long as such policies are not in conflict with the Joint Powers Agreement. ~~counties.~~ In addition, the Committee is authorized to do such acts as are reasonably necessary to further the purposes of this Memorandum and implement its provisions.

~~4. Number of Members.~~ The Property Committee shall consist of eleven (11) voting members and two (2) alternates, ~~to be selected from the members in accordance with paragraph 5.~~

~~5. Selection of Members.~~ The Executive Committee of the Authority shall appoint the Committee members, to be selected from members in the Program as follows: ~~Committee members shall be selected as follows:~~ Seven (7) of the ~~c~~ Committee members are to be appointed from the ~~members~~ counties who make up the top fourteen (14) ~~members~~ counties according to amount of annual property premium paid ("Large Members"). Two (2) of the Committee members are to be appointed from those

~~remaining counties members not within the top fourteen (14) members ("Smaller Members") counties. One (1) of the remaining two (2) committee members may be appointed from any member ("At Large"). The remaining seat shall be designated for a county, and one (1) shall be a CPEIA Public Entity member, appointed by the CPEIA Board of Directors and the EIA Executive Committee. For purposes of this paragraph and selection to the Committee, the City of San Diego shall be included within the term "member county" and may be appointed to the Committee under the same conditions as a member county. If there are no Public Entity nominees or not enough members available from a category (Large, Smaller, At Large), the Executive Committee shall make the appointment from members participating in the Program without regard to category. The two alternates may be appointed from any member.~~

~~Membership in the committee shall be determined annually with committee members serving two (2) year terms. Committee membership shall be determined at the January meeting, by the Executive Committee in accordance with Article 12 of the Agreement and Article VI.4 of the Bylaws of the Authority. If during a term of office there is a vacancy on the Committee, appointment of new members to the committee shall, to the extent feasible, comply with the provisions of paragraph 5. Non-compliance shall not affect any decision of the program members.~~

~~7. **Meetings of the Committee.** The Committee shall meet on the call of the Chair of the committee as provided in Article 12 of the Agreement and Article VI of the Bylaws of the Authority (hereinafter referred to as the "Bylaws").~~

~~8. **Quorum and Voting.** A majority of the members of the Committee shall constitute a quorum for the transaction of business. No act of the Committee shall be valid or binding unless a majority of all the members concur therein.~~

~~9. **Applicability of Brown Act** Any meeting, including any special meeting, of the Committee shall be subject to the applicable provisions of Government Code § 54950 et seq., commonly known as the "Brown Act."~~

~~The terms of the members of the Committee shall be for two (2) years, except for the Public Entity representative and the alternate representatives whose terms shall be for one (1) year. The expiration dates of the two-year appointments shall be staggered so that terms of no more than five (5) members will expire at any one time. The Committee will annually, at its first meeting of the calendar year, select its officers, consisting of a Chair and Vice-Chair.~~

~~The Committee, when necessary to fulfill the purposes of this Memorandum, shall meet on the call of the Chair of the Committee as provided in Article 12 of the Agreement and Article VI of the Bylaws of the Authority (hereinafter referred to as the "Bylaws").~~

~~A majority of the members of the Committee shall constitute a quorum for the transaction of business. Except as otherwise provided herein, all actions of the~~

Property Committee shall require the affirmative vote of a majority of the members of the Committee. Any meeting of the Committee shall be subject to the applicable provisions of Government Code § 54950 et seq., commonly known as the "Brown Act."

3. **Premiums.** The participating members, in accordance with the provisions of Article 14 of the Agreement, shall be assessed an annual premium for the purpose of funding the Property Program. Annual premium contributions, including administrative costs associated with the Program shall be established by the Property Committee.

4. **Cost Allocation.** Each member's share of annual premium shall be determined by the Property Committee however, the Committee may delegate any or all of this authority as it deems appropriate.

~~5. \_\_\_\_\_ 10. \_\_\_\_\_~~ **New Member Application to the Program.** ~~\_\_\_\_\_ Any county wishing to make application to join the Program may become a member county upon the approval by the Committee and approval of the underwriter. All applications to join the Property Program will be evaluated and subject to approval by the Committee and the underwriter. Any entity which makes application to become a participating member of the Program who is not already a participating member in the Authority must also be approved in accordance with the provisions of Article 19 of the Agreement.~~

~~\_\_\_\_\_ 11. **Approval of New Members.** \_\_\_\_\_ Any county which makes application to become a member county and who is not already a member county in the Authority must be approved by the member counties in accordance with the provisions of Article 20 of the Agreement.~~

~~\_\_\_\_\_ 12. **Members Added During Term.** \_\_\_\_\_ New members counties may be added to the Program during the term of the coverage year on a pro-rata basis.~~

~~6. \_\_\_\_\_ 13. **Withdrawal and/or Cancellation From the Program Membership.** \_\_\_\_\_~~ **Withdrawal of a member county from the Program shall be in accordance with the withdrawal provisions of Article 20 or 21 of the Agreement.**

7. **Late Payments.** All provisions for payments shall be in accordance with the Invoicing and Payment Policy adopted by the Board of Directors. Notwithstanding any other provision to the contrary regarding late payment of invoices or cancellation from a Program, at the discretion of the Executive Committee, any member that fails to pay an invoice when due may be given a ten (10) day written notice of cancellation.

~~\_\_\_\_\_ 14. **Administration Costs.** \_\_\_\_\_ Annual Authority administration costs associated with the Program shall be as determined by the Committee.~~

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8. ~~15.~~ **Resolution of Disputes.** Any question or dispute with respect to the rights and obligations of the parties to this ~~m~~Memorandum regarding coverage shall be determined in accordance with Article 31 of the Agreement, Dispute Resolution.

9. ~~16.~~ **Amendment.** ~~This Memorandum may be amended by two thirds of the CSAC Excess Insurance Authority's Board of Directors upon ninety (90) days' advance written notice to the Member Counties and their respective counsels specifying the proposed amendments. This Memorandum may be amended by a majority vote of the Property Committee, upon ninety (90) days advance written notice to the members and county counsels. Each member shall approve of any amendment by signature on the Memorandum by a member's representative who shall have authority to execute this Memorandum. Should a member of the Program fail to execute any amendment to this Memorandum within the time provided by the Committee, the member will be deemed to have withdrawn from the Program on the next annual renewal date.~~

10. ~~17.~~ **Complete Agreement.** ~~Except as otherwise provided herein, this Memorandum constitutes the full and complete agreement of the members.~~

~~18. **Unenforceable Provisions.** Should any provision of this Memorandum be judicially determined to be void or unenforceable, such determination shall not affect any remaining provision.~~

11. **Severability.** Should any provision of this Memorandum be judicially determined to be void or unenforceable, such determination shall not affect any remaining provision.

12. ~~19.~~ **Effective Date of Agreement.** ~~This ~~m~~Memorandum shall become effective upon on the date of coverage for the member or upon approval by the Property Committee of any amendment, whichever is later. approval by the Board of Directors of the Authority. Any member who is currently a member of Property Program I or II shall become a member in the Program upon execution of this memorandum.~~

~~2013.~~ **Execution in Counterparts.** ~~This Memorandum may be executed in several counterparts, each of which shall be an original, all of which shall constitute but one and the same instrument.~~

**IN WITNESS WHEREOF**, the undersigned have executed this Memorandum as of the date set forth below.

\_\_\_\_\_  
Dated

\_\_\_\_\_  
CSAC Excess Insurance Authority

\_\_\_\_\_  
Dated

\_\_\_\_\_  
County of Member Entity: \_\_\_\_\_