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BAY AREA SCHOOLS INSURANCE COOPERATIVE Joint Exercise of Powers Agreement

Certain Public Educational Agencies, as defined in Article I of the Bylaws of the Bay Area Schools Insurance Cooperative ("B.A.S.I.C."), enter into this First Amended and Restated Agreement for the purpose of establishing, operating and maintaining self-insurance and/or group insurance programs and related loss-control programs and services, the power to perform these acts and do these things being common to all of the parties to this Agreement.

THIS AGREEMENT is entered into pursuant to the provisions of Title I, Division 7, Chapter 5, Article 1 (Section 6500, *et seq.*) of the California Government Code, relating to the joint exercise of powers; and the provisions of Government Code section 989 *et seq.*, relating to the powers of local public entities to self-insure, purchase insurance and reinsurance, and form pools and groups for those purposes, between the public agencies signatory hereto, and also those which may hereafter become signatory hereto, for the purpose of operating an agency to be known and designated as the "Bay Area Schools Insurance Cooperative" (hereinafter referred to as "B.A.S.I.C." or "the Authority").

WITNESSETH

WHEREAS, it is to the mutual benefit of the parties herein subscribed and in the best interest of said parties to join together to establish this Joint Exercise of Powers Agreement to accomplish the purposes hereinafter set forth; and

WHEREAS, the development, organization and implementation of B.A.S.I.C. is of such magnitude that it is desirable for the aforesaid parties to join together in this Joint Exercise of Powers Agreement in order to accomplish the purposes hereinafter set forth; and

WHEREAS, the signatories hereto have determined that there is a need for a self-insurance and/or group purchase system for the insurance or other protection from risk of loss that public educational agencies either are required by law to have, or believe it to be in their best interests to have; and

WHEREAS, California Government Code Section 990.4 provides that a local public entity may self-insure, purchase insurance through an authorized carrier, or purchase insurance through a surplus lines broker, or any combination of these; and

WHEREAS, California Government Code Section 990.8 provides that two or more local agencies may, by joint powers agreement, provide insurance or reinsurance for any purpose by any one or more of the methods specified in Government Code Section 990.4; and

WHEREAS, it has been determined by the signatories hereto that self-insurance and/or group purchase of insurance programs is of value and beneficial for all signatories; and

WHEREAS, Title I, Division 7, Chapter 5, Article 1, of the California Government Code authorizes the joint exercise by two or more public agencies of any power common to them; and

WHEREAS, it is the desire of the signatories hereto to jointly provide for a self-insurance and/or group purchase system and related loss-control programs and services for their programs authorized by law for their mutual advantage and concern;

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE MUTUAL ADVANTAGES TO BE DERIVED THEREFROM, AND IN CONSIDERATION OF THE EXECUTION OF THIS AGREEMENT BY OTHER PUBLIC EDUCATIONAL AGENCIES OR JOINT POWERS AUTHORITIES, EACH OF THE PARTIES HERETO DOES HEREBY AGREE AS FOLLOWS:

1. Creation of the Joint Powers Entity

Pursuant to Title I, Division 7, Chapter 5, Article 1, of the California Government Code, there is hereby created a Joint Powers Authority, separate and apart from the public agencies signatory hereto, which shall be and is hereby created and shall hereafter be designated as the Bay Area Schools Insurance Cooperative (hereinafter referred to as "B.A.S.I.C." or "the Authority"). **B.A.S.I.C. IS NOT AN INSURANCE CARRIER, AND THE OBLIGATIONS PLACED ON INSURANCE CARRIERS BY LAW DO NOT APPLY TO B.A.S.I.C. B.A.S.I.C. IS A RISK SHARING POOL GOVERNED BY THIS AGREEMENT.**

2. Powers of B.A.S.I.C.

B.A.S.I.C. shall have the power and authority to exercise any power common to the public agencies which are parties to this Agreement, provided that the same are in furtherance of the functions and objectives of this Agreement as herein set forth. Pursuant to Section 6509 of the California Government Code, the exercise of the aforesaid powers of B.A.S.I.C. shall be subject to the restrictions upon the manner of exercising such powers by a public agency having the same status as a member agency or joint powers authority except as otherwise provided in this Agreement.

3. Purpose of B.A.S.I.C.

The purpose of B.A.S.I.C. shall be to administer this Agreement, pursuant to the Joint Exercise of Powers Act (California Government Code § 6500 *et seq.*), this Agreement, the B.A.S.I.C. Bylaws, and any other applicable law or contract, and to provide members the capabilities of self-insurance, pooling, and/or joint purchase of insurance and/or re-insurance, and to provide a forum for discussion, study, development and implementation of recommendations of mutual interest regarding insurance and insurance-related issues. The debts, liabilities and obligations of B.A.S.I.C. shall not constitute debts, liabilities, or obligations of any party to this Agreement.

4. Governing Board of B.A.S.I.C.

B.A.S.I.C. shall be governed by a Board of Directors (the "Board"), which shall have the authority to carry out all functions of B.A.S.I.C. and to establish and amend the Bylaws therefor. The representation, duties and powers of the Board of Directors shall be as set forth from time to time in the Bylaws. The Board shall be comprised of at least one (1) representative from each member agency that belongs to B.A.S.I.C. and has not given notice of intent to withdraw from B.A.S.I.C., all as more specifically provided from time to time in the Bylaws. The Bylaws may also provide for the establishment of an Executive Committee composed of fewer members than the Board.

5. Manner and Method of Exercise of B.A.S.I.C.'s Powers

The Board shall, either directly, through its Executive Committee, or by contract, perform any or all of the following acts:

- A. Establish and maintain funds to pay self-insured losses, which shall include the power to levy assessments for additional contributions of funds against, and the power to collect payment of such assessments from, both current and former B.A.S.I.C. members and B.A.S.I.C. Program participants when, in the sole discretion of the B.A.S.I.C. Board, such additional funds are needed in order to maintain or restore the financial integrity of any fund established for this purpose.
- B. Establish and maintain funds to pay for desired insurance coverages.
- C. Perform, or contract for the performance of, the financial administration, claim service, legal representation, safety services and other services as necessary for the payment and handling of claims against Members.
- D. Make and enter into contracts.
- E. Pursue the Member's right of subrogation against a third party when appropriate as set forth in the Bylaws.
- F. Acquire, hold and dispose of property, real and personal, including but not limited to, the acquisition of facilities and equipment.
- G. Employ agents and employees for the operation and maintenance of the programs.
- H. Incur debts, liabilities and obligations necessary to accomplish the purposes of this Agreement.
- I. Receive gifts, contributions, and donations of property, funds, services, and other forms of assistance from persons, firms, corporations, associations, and any governmental entity.
- J. Invest funds in accordance with policies and procedures as approved by the B.A.S.I.C. Board of Directors, and as subject to law.
- K. Sue and be sued in its own name.
- L. Join other joint powers authorities to provide services and coverages to B.A.S.I.C.
- M. Provide or contract for educational workshops on related insurance topics.

N. Perform any and all functions as, in the Board's sole discretion, may be necessary or appropriate to carry out this Agreement, so long as such other functions so performed are not prohibited by any provision of law.

6. Bylaws of B.A.S.I.C.

B.A.S.I.C. shall be governed pursuant to Bylaws adopted by the Board of Directors, and pursuant to such amendments to the Bylaws as may from time to time be adopted by the Board of Directors. Each party to this Agreement agrees to fully comply with, and be bound by, the provisions of said Bylaws, and further agrees that B.A.S.I.C. shall be operated pursuant to this Agreement and said Bylaws.

7. Program Addendums

The rules governing the operation of each Program within B.A.S.I.C. shall be contained in the Bylaws and/or in the Program Addendums to the Bylaws. Each Program will have a separate Addendum which will govern the operation of said Program.

8. B.A.S.I.C. Membership

Each party to this Agreement must satisfy all of the criteria for eligibility for membership in B.A.S.I.C. as those eligibility criteria are set forth from time to time in the Bylaws. Those entities that are Members at the establishment of B.A.S.I.C. become Members on the effective date of this Agreement, and are entitled to the rights and privileges, and are subject to the obligations, of membership, as are provided in this Agreement, in the Bylaws, and in any applicable Program Addendum(s). Public educational agencies, as defined in Article I of the Bylaws, that desire membership after initial operation has begun shall apply under the provisions of Article I of the Bylaws and the provisions of the relevant Program Addendum(s).

9. Withdrawal or Termination of Membership

A Member may terminate its membership or be involuntarily terminated as set forth in the Bylaws and in the relevant Program Addendum(s) which are in effect at the time of the Member's termination. Unless the Bylaws and the relevant Program Addendum in effect at the time of the Member's termination provide otherwise, a Member's termination shall not be construed as a completion of the purpose of this Agreement, and shall not require the return, to any party, of any part of any contribution(s), payment(s), or advance(s) made by any party.

10. Finances

B.A.S.I.C. shall be strictly accountable for all funds received and disbursed by it and, to that end, shall establish and maintain such funds and accounts as may be required by generally accepted accounting principles, or by any provision of law or any resolution of B.A.S.I.C.

Pursuant to Government Code Section 6505.6, the Board of Directors shall name a Treasurer and an Auditor for B.A.S.I.C., which offices may, in the discretion of the Board, be held by

the same person. The Treasurer and the Auditor shall have the duties described in the B.A.S.I.C. Bylaws.

A bond or some other instrument satisfactory to the Board in the amount determined adequate by the Board of Directors shall be required of all officers and personnel that have charge of, handle, or have access to any funds of B.A.S.I.C. The bond or other instrument shall be paid for by B.A.S.I.C.

11. Limitation on Coverage for Claims Spanning More Than B.A.S.I.C.'s Coverage Period

Except as otherwise expressly agreed to in writing by an individual Member and the Board of Directors, B.A.S.I.C.'s payment and handling of claims against Members shall be only for claims arising out of facts occurring during the period of membership in B.A.S.I.C., and only for those Programs which the Member joined during its membership in B.A.S.I.C. Further, except as otherwise expressly agreed to in writing, B.A.S.I.C. shall not pay any defense expense or indemnity for, or handle or incur any claims-administration expense for, any claim or portion of a claim that arises out of facts which occurred before a member's membership in B.A.S.I.C., nor any claim or portion of a claim that arises out of facts occurring after the termination of a member's membership in B.A.S.I.C.

12. Dissolution of B.A.S.I.C.

If B.A.S.I.C.'s Members determine that the purpose of this Agreement has been completed and that B.A.S.I.C. shall therefore be dissolved, B.A.S.I.C. may be dissolved upon the consent of all parties hereto; provided that in the event of dissolution, B.A.S.I.C. shall continue to be responsible for all of its existing assets and liabilities. No property or surplus money may be divided or returned to any member or former member of B.A.S.I.C. until all outstanding obligations of B.A.S.I.C. have been resolved or a paid-up contract has been obtained which will remove all further obligation from B.A.S.I.C. It shall be permissible, upon dissolution of B.A.S.I.C, for the Members to accept responsibility for their outstanding claims through a contract with B.A.S.I.C. Disposition of any property acquired as a result of the joint exercise of powers, and any surplus money on hand, if any, will be made in proportion to the contributions made by participating Members. Upon final disposition of the assets, B.A.S.I.C. will thereupon be terminated and dissolved.

13. Affirmative Action Policy Statement

It shall be B.A.S.I.C.'s policy to exercise fair and impartial practices in employment and program administration, recognizing applicants, employees, and contractors on the basis of personal and professional merit and claimants on the basis of merit, and thereby reaffirming the dignity of individuals without regard to race, color, creed, religion, national origin, ancestry, age, sex, marital status, or physical handicap.

14. Enforcement of the Joint Powers Agreement

The Board of Directors shall have full authority to enforce this Agreement. Any and all disputes between B.A.S.I.C. and any Member agency in any way arising out of or regarding this Agreement, the B.A.S.I.C. Bylaws, or any B.A.S.I.C. Program Addendum(s), including

any dispute relative to claims-handling or coverage for any claim, shall be resolved by binding arbitration pursuant to the provisions of California Code of Civil Procedure Section 1280 *et seq.*, as amended from time to time; except that if a more specific provision is made in the Bylaws or in any Program Addendum, for the resolution of any disputes arising thereunder, the terms of that document shall govern. In the event of arbitration hereunder, each party shall pay its own attorney's fees and costs, but B.A.S.I.C. and the Member shall each share equally the cost of the arbitrator, the cost of the court reporter, if any, and any incidental costs of arbitration.

15. Notice and Service

Any notice given to the Authority pursuant to this Agreement shall be in writing, shall be dated and signed, and shall be effective when received by the Authority at its current office address for the purpose of receiving such notices.

16. Amendments to Agreement

This Agreement may be amended by a two-thirds vote of the Member agencies present at a lawfully convened meeting of the representatives of all B.A.S.I.C. Member agencies, provided a quorum is present at said meeting.

17. Term of the Agreement

This Agreement shall be effective and binding on any signatory thereto upon execution. This Agreement is for an unlimited term, and shall continue in effect unless and until lawfully terminated as provided herein.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their authorized officers thereunto duly authorized as set forth hereinbelow.

Member Entity: Butte Schools Self-Funded Programs
Date: 6/2/2009
By: [Signature]
Title: Executive Director

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their authorized officers thereunto duly authorized as set forth hereinbelow.

Member Entity: NORTH BAY SCHOOLS INSURANCE AUTHORITY
Date: 9-2-07
By: 
Title: PRESIDENT

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their authorized officers thereunto duly authorized as set forth hereinbelow.

Member Entity: Redwood Empire Schools' Insurance Group
Date: June 9, 2009
By: [Signature]
Title: Executive Director

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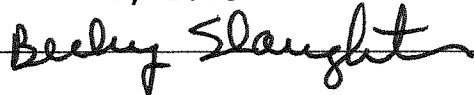
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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their authorized officers thereunto duly authorized as set forth hereinbelow.

Member Entity: Central Region School Insurance Group
Date: June 6, 2013
By: 
Title: Executive Director