

MEMORANDUM OF COVERAGE
POOLED PROPERTY PROTECTION PROGRAM
ADMINISTERED BY
CALIFORNIA FAIR SERVICES AUTHORITY
1776 TRIBUTE ROAD, SUITE 100
SACRAMENTO, CALIFORNIA 95815
(A Joint Powers Authority herein referred to as the Authority)

PARTICIPATING ENTITY: The Participating Entities listed in Attachment A are participants in the Pooled Property Protection Program, for coverages and deductibles as specified in Attachment A.

PROTECTION PERIOD: July 1, 2011 to July 1, 2012

PROTECTION AFFORDED: Protection is afforded for Real Property and for Personal Property, Contractors Equipment, and Business Interruption/Rents **as scheduled and paid by the Participating Entity** under the lead commercial property insurance policy, Lexington Insurance Company Policy No. P112695-008-9016 (hereinafter "Lead Policy"). Terms, conditions, definitions and exclusions under the Pooled Layer (see below) are identical to said Lead Policy unless expressly stated herein.

In event of a covered Real Property loss, the Participating Entity has financial responsibility up to the scheduled fair deductible for each occurrence (hereinafter "Real Property Fair Deductible"); the Pooled Property Protection Program has financial responsibility for the amount between the Real Property Fair Deductible and \$500,000 per occurrence* (hereinafter "Pooled Layer"); and commercial insurance, including the Lead Policy, shall respond in excess of \$500,000 per occurrence (hereinafter "Lead Policy Layer").

In event of a covered Personal Property, Contractors Equipment, or Business Interruption/Rents loss, the Participating Entity has financial responsibility up to the scheduled Personal Property, Contractor Equipment, and Business Interruption/Rents Fair Deductible for each occurrence; the Pooled Property Protection Program has financial responsibility for the amount between the Personal Property, Contractor Equipment, and Business Interruption/Rents Fair Deductible and \$100,000 per occurrence*; and commercial insurance, including the Lead Policy, shall respond in excess of \$100,000 per occurrence.

***Subject to Conditions below, including, but not limited to, Condition No. 4.**

REAL PROPERTY FAIR DEDUCTIBLE

For Real Property, Real Property Fair Deductible is \$50,000 per occurrence.

**PERSONAL PROPERTY,
CONTRACTORS EQUIPMENT, AND
BUSINESS INTERRUPTION/
RENTS FAIR DEDUCTIBLE**

For scheduled Personal Property, Contractors Equipment, and Business Interruption/Rents, the Personal Property, Contractors Equipment, and Business Interruption/Rents Fair Deductible is \$50,000 per occurrence.

**LISTING OF COVERAGES AND
FAIR DEDUCTIBLES**

See Attachment A for a listing of coverages and Fair Deductibles for each Participating Entity. In event of any discrepancy, the Fair Deductibles listed in Attachment A shall control.

FLOOD PROTECTION:

Flood Zone A/V - For Participating Entities located in Flood Zone A/V, there is flood protection in the Pooled Layer and Lead Policy Layer, subject to the Fair Deductible.

All Other Flood Zones - For Participating Entities located in all other Flood Zones, there is flood protection in the Pooled Layer and Lead Policy Layer, subject to the Fair Deductible.'

TERRORISM LIMITATION:

For all Participating Entities, there is terrorism protection in the Pooled Layer up to \$500,000 per occurrence and Lead Policy Layer in accordance with article 22. Terrorism Coverage in Subsection B. Extensions of Coverage of Section II Property Damage in the Lead Policy, subject to the Fair Deductible. For purposes of such Pooled Layer protection only, article 20 in Subsection B. Exclusions of Section IV General Conditions in the Lead Policy is not applicable.

MICROORGANISM LIMITATION:

For all Participating Entities, there is mold/fungus protection only in the Pooled Layer up to \$500,000 per occurrence and subject to the Fair Deductible. For purposes of such Pooled Layer protection only, article 15 in Subsection B. Exclusions of Section IV General Conditions in the Lead Policy is not applicable.

**BIOLOGICAL OR CHEMICAL
MATERIALS LIMITATION:**

For all Participating Entities, there is biological or chemical materials protection only in the Pooled Layer up to \$500,000 per occurrence and subject to the Fair Deductible. For purposes of such Pooled Layer protection only, article 16 in Subsection B. Exclusions of Section IV General Conditions in the Lead Policy is not applicable.

EARTHQUAKE EXCLUSION:

THERE IS NO PROTECTION UNDER THE PROGRAM FOR THE PERIL OF EARTHQUAKE.

NOTICE OF LOSS:

In event of loss or damage covered by the Pooled Property Protection Program, the Participating Entity shall give immediate notice of such a loss to the Authority by telephone at (916) 921-2213 or by FAX at (916) 263-6159.



CONDITIONS

1. California Government Code Sections 990.8 and 990.4 provide that the pooling of claims or losses through a joint powers agreement shall not be considered insurance nor subject to regulation under the California Insurance Code. Any actual or alleged ambiguity herein will not be construed against the Authority or the Pooled Property Protection Program and, because the Program is not insurance, legal principles associated with the interpretation of insurance terminology will not be given effect over legal principles used to interpret contracts in general.
2. Notwithstanding the foregoing Condition No. 1, it is agreed that with respect to the Lead Policy Layer only, the terms, provisions, definitions, conditions, agreements and limitations of the above referenced Lead Policy shall be interpreted in accordance with principles of insurance law applicable to commercial insurance companies in California. Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, provisions, definitions, conditions, agreements and limitations of the Lead Policy.
3. The sole duty of the Authority is to administer the Pooled Property Protection Program in accordance with the terms of the Memorandum of Understanding between the Authority and the Division of Fairs and Expositions, California Department of Food and Agriculture and as reflected in this Memorandum of Coverage. There is no transfer of risk from the Participating Entities to the Authority and there is no assumption of risk by the Authority. The Authority's Board of Directors reserves the right to modify the Pooled Property Protection Program, including, but not limited to, this Memorandum of Coverage, the Lead Policy, or the carrier issuing the Lead Policy. The Authority's Executive Director is hereby authorized to approve non-substantive modifications to the Program, including, but not limited to, non-substantive modifications to this Memorandum. The Authority shall give Participating Entities written notice of any modification.
4. The funds available for payment of covered claims in the Pooled Layer of the Program shall be accounted for separately from funds of any other program or account of the Authority. In the event that the Authority makes a determination that the Program's funds are not adequate to pay the Pooled Layer covered claims of all Participating Entities for a given Protection Period, the Authority may take such actions it determines necessary and in the best interests of the Program. In accordance with the terms of the Memorandum of Understanding between the Authority and the Division of Fairs and Expositions, the Authority shall request additional funding from the Division to pay covered claims in the Pooled Layer. In addition, the Authority may prorate the amount payable to each Participating Entity for any Pooled Layer covered claim based on the ratio that each such claim bears to all such covered claims multiplied by the total funds available for the Protection Period. The Authority may take any reasonable action or actions to effect such proration, including but not limited to the following: (1) pay only a portion of a covered claim; (2) delay payment of a covered claim; and (3) set a schedule of payments for a covered claim.
5. No Participating Entity shall engage the services of, or enter into a contract with, a Public Insurance Adjuster in connection with any claim under the Pooled Property Protection Program, including both the Pooled Layer and the Lead Policy Layer. A Public Insurance Adjuster is a person who, for compensation, acts on behalf of or aids in any manner, a Participating Entity or an insured in negotiating for or effecting the settlement of a claim or claims for loss or damage under the Pooled Layer or the Lead Policy Layer, or any person who advertises, solicits business, or holds himself or herself out to the public as an adjuster of those claims and any person who, for compensation, investigates, settles, adjusts, advises, or assists a Participating Entity or an insured with reference to claims for those losses on behalf of any Public Insurance Adjuster.
6. Participating Entities shall, at all times, comply with the terms, conditions and obligations which are contained in the current Joint Exercise of Powers Agreement (hereafter referred to as "JEPA") creating the Authority, the bylaws, resolutions and operating memoranda of the Authority, and any emergency order of the Executive Director of the Authority or her/his designee.

Operating Memoranda means memoranda issued by the Board of Directors of the Authority establishing policies and procedures for a Participating Entity's operations which affect risks of loss or damage to property protected by the Pooled Property Protection Program. Operating Memoranda shall become effective thirty (30) days after issuance.

The protection afforded by the Pooled Property Protection Program is conditioned upon the Participating Entity's compliance with Operating Memoranda issued by the Board of Directors of the Authority and any emergency order of the Executive Director of the Authority or her/his designee.

This Memorandum is subject to and subordinate to the JEPA of the Authority. In the event of any conflict between the terms of the JEPA and this Program, the terms of the JEPA shall control.

California Fair Services Authority

By: 
Executive Director

ATTACHMENT A TO MEMORANDUM OF COVERAGE

POOLED PROPERTY PROTECTION PROGRAM

The Protection Schedule, attached hereto, specifies the following as respects to each Participating Entity covered under this Program:

- (A) Name of Participating Entity
- (B) Effective Date of Protection
- (C) Fair Deductible for each Protection

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As respects Protection Schedule, the abbreviations used therein mean the following:

- (A) "RP" means Real Property
- (B) "PP" means Personal Property
- (C) "CE" means Contractors Equipment
- (D) "BI/R" means Business Interruption/Rents

Protection only applies to each Participating Entity of the Program where an "X" is placed next to the abbreviated Protection symbol.

**Pooled Property Protection Program
PROTECTION SCHEDULE**

Attachment A

Effective Date of Protection - July 1, 2011 12:01 AM to July 1, 2012 12:01 AM, except as noted below

Participating Entity	Real Prop. (RP)	RP Fair Deductible	Pers. Prop. (PP)	PP Fair Deductible	Contr. Equip. (CE)	CE Fair Deductible	BI/Rents (BI/R)	BI/R Fair Deductible
1-A DAA Grand National Rodeo Horse & Stock Show	X	\$50,000	X	\$50,000				
2 nd DAA San Joaquin County Fair	X	\$50,000	X	\$50,000	X	\$50,000	X	\$50,000
3 rd DAA Silver Dollar Fair	X	\$50,000	X	\$50,000	X	\$50,000		
4 th DAA Sonoma-Marin Fair	X	\$50,000	X	\$50,000	X	\$50,000	X	\$50,000
7 th DAA Monterey County Fair	X	\$50,000	X	\$50,000				
9 th DAA Redwood Acres Fair	X	\$50,000	X	\$50,000			X	\$50,000
10 th DAA Siskiyou Golden Fair	X	\$50,000	X	\$50,000	X	\$50,000	X	\$50,000
10-A DAA Tulelake-Butte Valley Fair	X	\$50,000	X	\$50,000				
12 th DAA Redwood Empire Fair	X	\$50,000	X	\$50,000				
13 th DAA Yuba-Sutter Fair	X	\$50,000	X	\$50,000	X	\$50,000	X	\$50,000
14 th DAA Santa Cruz County Fair	X	\$50,000	X	\$50,000				
15 th DAA Kern County Fair	X	\$50,000	X	\$50,000				
16 th DAA California Mid-State Fair	X	\$50,000	X	\$50,000				
17 th DAA Nevada County Fair	X	\$50,000	X	\$50,000	X	\$50,000		
18 th DAA Eastern Sierra Tri-County Fair	X	\$50,000	X	\$50,000				

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19 th DAA Santa Barbara Fair & Expo	X	\$50,000	X	\$50,000	X	\$50,000	X	\$50,000
20 th DAA Gold Country Fair	X	\$50,000	X	\$50,000				
21 st DAA Big Fresno Fair	X	\$50,000	X	\$50,000	X	\$50,000		
21-A DAA Madera District Fair	X	\$50,000	X	\$50,000				
23 rd DAA Contra Costa County Fair	X	\$50,000	X	\$50,000				
24 th DAA Tulare County Fair	X	\$50,000	X	\$50,000				
24-A DAA Kings Fair	X	\$50,000	X	\$50,000	X	\$50,000		
25 th DAA Napa Town & Country Fair	X	\$50,000	X	\$50,000				
26 th DAA Amador County Fair	X	\$50,000	X	\$50,000	X	\$50,000	X	\$50,000
27 th DAA Shasta District Fair	X	\$50,000	X	\$50,000				
28 th DAA San Bernardino County Fair	X	\$50,000	X	\$50,000				
29 th DAA Mother Lode Fair	X	\$50,000	X	\$50,000	X	\$50,000	X	\$50,000
30 th DAA Tehama District Fair	X	\$50,000	X	\$50,000				
31 st DAA Ventura County Fair	X	\$50,000	X	\$50,000				
32 nd DAA Orange County Fair	X	\$50,000	X	\$50,000	X	\$50,000		
33 rd DAA San Benito County Fair	X	\$50,000	X	\$50,000	X	\$50,000		

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34 th DAA Modoc District Fair	X	\$50,000	X	\$50,000	X	\$50,000		
35 th DAA Merced County Fair	X	\$50,000	X	\$50,000				
35-A DAA Mariposa County Fair	X	\$50,000	X	\$50,000				
36 th DAA Dixon May Fair	X	\$50,000	X	\$50,000			X	\$50,000
37 th DAA Santa Maria Fairpark	X	\$50,000	X	\$50,000			X	\$50,000
38 th DAA Stanislaus County Fair	X	\$50,000	X	\$50,000				
39 th DAA Calaveras County Fair	X	\$50,000	X	\$50,000				
40 th DAA Yolo County Fair	X	\$50,000	X	\$50,000				
41 st DAA Del Norte County Fair	X	\$50,000	X	\$50,000				
42 nd DAA Glenn County Fair	X	\$50,000	X	\$50,000	X	\$50,000		
44 th DAA Colusa County Fair	X	\$50,000	X	\$50,000	X	\$50,000		
45 th DAA California Mid-Winter Fair & Fiesta	X	\$50,000	X	\$50,000				
46 th DAA Southern California Fair	X	\$50,000	X	\$50,000	X	\$50,000	X	\$50,000
48 th DAA Schools' Agricultural and Nutrition Fair	X	\$50,000	X	\$50,000				
49 th DAA Lake County Fair	X	\$50,000	X	\$50,000				

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50 th DAA Antelope Valley Fair & Alfalfa Festival	X	\$50,000	X	\$50,000				
51 st DAA San Fernando Valley Fair								
52 nd DAA Sacramento County Fair	X	\$50,000	X	\$50,000				
53 rd DAA Desert Empire Fair	X	\$50,000	X	\$50,000				
54 th DAA Colorado River Fair	X	\$50,000	X	\$50,000			X	\$50,000
Alameda County Agricultural Fair Association (CF)	X	\$50,000	X	\$50,000	X	\$50,000		
Lassen County Fair (CF)	X	\$50,000	X	\$50,000				
Madera County Livestock Association, Inc. DBA Chowchilla-Madera County (CF)	X	\$50,000	X	\$50,000				
Anderson Valley Apple Show & Fair DBA Mendocino County Fair & Apple Show (CF)			X	\$50,000				
Salinas Valley Fair, Inc. (CF)	X	\$50,000	X	\$50,000	X	\$50,000		
Napa County Fair Association (CF)			X	\$50,000	X	\$50,000		
Placer County Fair Association (CF)			X	\$50,000				

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San Mateo County Exposition & Fair Association DBA San Mateo County Expo Center (CF)			X	\$50,000	X	\$50,000	X	\$50,000
Santa Clara County Fair Management Corporation (CF)	X	\$50,000	X	\$50,000				
Solano County Fair Association (CF)			X	\$50,000				
Cloverdale Citrus Fair Association	X	\$50,000	X	\$50,000	X	\$50,000	X	\$50,000
National Orange Show	X	\$50,000	X	\$50,000	X	\$50,000	X	\$50,000
California Exposition & State Fair	X	\$50,000	X	\$50,000	X	\$50,000	X	\$50,000