

**MICHIGAN COUNTY ROAD COMMISSION
SELF-INSURANCE POOL
(Hereinafter called the Pool)**

LIABILITY COVERAGE AGREEMENT

Auto Liability, General Liability & Personal Injury Liability

The declaration certificate, together with the Liability Coverage Agreement and endorsements completes this Agreement.

In consideration of the contribution paid and with reliance upon all information furnished by the Member to the Pool and subject to the terms, conditions, definitions, exclusions and limitations hereinafter provided, the Pool agrees:

To pay on behalf of the Members all sums which the Members shall become legally obligated to pay by reason of liability imposed by law, or liability assumed under an "Insured Contract", insofar as the Members may legally do so, for damages because of:

- 1) "Bodily Injury", "Property Damage" or "Personal Injury" caused by an "occurrence" during the "Coverage Period" within the "Coverage Territory".
- 2) "Wrongful Act" in the Administration of Employee Benefits for "claims" that are first made against the Member during the "Coverage Period" within the "Coverage Territory".

DEFENSE, INVESTIGATION AND SETTLEMENT OF CLAIMS

The Pool shall investigate and defend any "occurrence" to which coverage under this Agreement applies pursuant to the following provisions:

- 1) "Claim" Expenses incurred in investigating and defending such "occurrences" shall be in addition to the Limit of Liability stated in the Declarations.
- 2) The Pool shall make selection of the defense counsel.





- 3) The Member shall cooperate with the Pool in defense, investigation and settlement of any “claim”. The Member will assist the Pool in effecting any rights of indemnity, contribution or apportionment available to the Member or the Pool. Upon the Pool's request, the Member, without charge to the Pool, shall (i) submit to examination and interview by a representative of the Pool, under oath, if required; (ii) attend hearings, depositions and trials; (iii) assist in effecting settlement, securing and giving evidence, obtaining the attendance of witnesses in the conduct of the “suits”; and (iv) give a written statement or statements to the Pool's representatives and meet with representative(s) for the purpose of determining coverage and investigating and/or defending any “claim”.
- 4) The Member shall not, with respect to any “claim” covered under this Agreement, except at his own cost, make any payment, admit liability, settle “claims”, assume any obligation, agree to arbitration or any similar means of resolution to any dispute, waive any rights or incur “claim” Expenses, without prior written Pool approval. Any costs and expenses incurred by the Member prior to the Member giving written notice of the “claim” to the Pool shall be borne by the Member.
- 5) The Pool and such servicing contractors to whom the Pool has delegated “claims” settling authority shall have final authority over the disposition of any “claim” and shall have full settlement authority with respect thereto. The Member, however, shall have the right to appeal any “claim” decision to the Pool Board and the decision of the Pool Board shall be final.

POOL'S LIMIT OF LIABILITY

Regardless of the number of (1) Members under this Agreement, (2) person or organizations who sustain injury or damage, or (3) “claims” made or “suits” brought on account of “Bodily Injury”, “Property Damage”, “Personal Injury”, or “Wrongful Act” in the Administration of Employee Benefits, the Pool's liability is limited for an amount not to exceed the amount specified in Item 4. of the Declarations Certificate as a result of any one “occurrence”.

For the purpose of determining the limit of the Pool's liability, all damages arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one “occurrence”.

From the total amount of the Pool's obligations to pay damages on behalf of the Member (including any expenses incurred under the Defense, Investigation and Settlement of "claims" provisions), there shall be subtracted the retention amount specified in Item 5. of the Declarations Certificate.

MEMBERS COVERED

Each of the following is a Member under this Agreement to the extent set forth below:

- a) The Public Entity named in the Declarations Certificate;
- b) All individual board members of the Public Entity named in the Declarations Certificate, while acting on behalf of that Public Entity;
- c) All officers and employees of the Public Entity named in the Declarations Certificate, while acting on behalf of that Public Entity.

DEFINITIONS USED THROUGHOUT THIS AGREEMENT

Defined words are shown in quotation marks. The endorsements may contain additional definitions applicable to those endorsements only.

ACCIDENT means something that occurs unexpectedly or unintentionally. "Accident" includes continuous or repeated exposure to the same conditions resulting in "bodily injury" or "property damage". **"Accident" also includes something that occurs as the result of actual or alleged gross negligence as defined by MCL 691.1407(2), or an actual or alleged intentional tort for which governmental immunity is preserved pursuant to MCL 691.1407(3).**

AUTO means a land motor vehicle, trailer or semi-trailer designed for land travel on public roads (including any machinery or apparatus attached thereto), but does not include "mobile equipment".

BODILY INJURY means "bodily injury", sickness or disease sustained by a person, including death resulting from any of these at any time.

CLAIM means any demand upon a Member for monetary compensation, whether formal or informal, written or oral, including, without limitation, the service of "suit" papers or arbitration proceedings against the Member for monetary





compensation alleging liability of the Member as a result of an "occurrence" which may or may not be covered by the Agreement. The term "claim" does not include reports of "accidents", or "occurrences", or any acts, errors, offenses or omissions which may give rise to a "claim" under this Agreement.

COVERAGE PERIOD means the time between the effective date and expiration date of the Coverage Agreement as shown under Item 2. of the Declarations.

COVERAGE TERRITORY means the United States of America (including its territories and possessions), Puerto Rico and Canada.

EMPLOYEE includes a "leased worker" or "temporary worker".

FUNGI means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by "fungi".

INSURED CONTRACT means:

1. A contract for a lease of premises;
2. A sidetrack agreement;
3. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
4. An elevator maintenance agreement;
5. That part of any other contract or agreement pertaining to your operations under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization.
Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

LEASED WORKER means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your operations.

LOSS means the harm or damage suffered as a result of an "occurrence" as defined herein. "Loss" includes direct and accidental "loss" or damage.

MOBILE EQUIPMENT means any of the following types of land vehicles, including any attached machinery or equipment:

1. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
2. Vehicles maintained for use solely on or next to premises you own or rent;
3. Vehicles that travel on crawler treads;
4. Vehicles, whether self-propelled or not maintained primarily to provide mobility to permanently mounted:
 - a. Power cranes, shovels, loaders, diggers or drills; or
 - b. Road construction or resurfacing equipment such as graders, scrapers or rollers.
5. Vehicles not described in 1., 2., 3. or 4. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - a. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - b. Cherry pickers and similar devices used to raise or lower workers.
6. Vehicles not described in 1., 2., 3. or 4. above maintained primarily for purposes other than the transportation of persons or cargo. However, self-propelled vehicles with the following types of permanently attached equipment are not “mobile equipment” but will be considered “autos”:
 - a. Equipment designed primarily for:
 - (1) Snow removal;
 - (2) Road maintenance, but not construction or resurfacing; or
 - (3) Street cleaning;





- b. Cherry pickers and similar devices mounted on “auto” or truck chassis and used to raise or lower workers; and
- c. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

OCCURRENCE as respects General Liability and Auto Liability, “occurrence” means an “accident.”

As respects “Personal Injury” Liability, “occurrence” means an offense or series of related offenses as defined under “Personal Injury” sustained during the “Coverage Period” by any person or organization and arising out of “personal injury” as defined herein.

As respects Employee Benefits Errors and Omission Liability, “occurrence” means any “claim” made against the Member and caused by any negligent act, error or omission by the Member or any other person for whose acts the Member is legally liable in the “administration” of the Members’ “employee benefit programs” as those terms are defined and used in Endorsement 3.

PERSONAL INJURY means (1) False arrest, detention or imprisonment; (2) Malicious prosecution; (3) Wrongful entry or eviction or invasion of the right of private occupancy; (4) Oral or written publication or utterance of a libel or slander or of other defamatory or derogatory material or material that violates a person’s right of privacy.

POLLUTANTS means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.

PROPERTY DAMAGE means (1) Physical injury or destruction of tangible property which occurs during the “Coverage Period”, including the “loss” of use thereof at any time resulting therefrom; or (2) “Loss” of use of tangible property which has not been physically injured or destroyed provided such “loss” of use is caused by an “occurrence” during the “Coverage Period”.

SUIT means a civil proceeding in which damages because of “bodily injury”, “property damage” or “personal injury” to which this insurance applies are alleged. “Suit” includes:

- A. An arbitration proceeding in which such damages are claimed and to which the Member must submit or does submit with our consent; or
- B. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the Member submits with our consent; or
- C. An appeal of a civil proceeding.

TEMPORARY WORKER means a person who is furnished to you to substitute for a permanent "employee" on leave, or to meet seasonal or short-term workload conditions.

WRONGFUL ACT means any actual or alleged negligent act, error or omission in the "Administration" of the "Employee Benefit Programs."

EXCLUSIONS

Coverage under this Agreement does not apply to:

A. Expected or Intended Injury

“Bodily injury” or “property damage” expected or intended from the standpoint of the Member. This exclusion does not apply to “bodily injury” resulting from the use of reasonable force to protect persons or property.

B. Contractual Liability

“Bodily injury” or “property damage” for which the Member is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the Member would have in the absence of the contract or agreement; or





- (2) Assumed in a contract or agreement that is an “insured contract”, provided the “bodily injury” or “property damage” occurs subsequent to the execution of the contract or agreement.

C. Workers’ Compensation and Similar Laws

Any obligation of the Member under any workers’ compensation, disability benefits or unemployment compensation law or any similar law.

D. Employer’s Liability

“Bodily injury” to:

- (1) An “employee” of the Member arising out of and in the course of:
 - (a) Employment by the Member; or
 - (b) Performing duties related to the conduct of the Member’s business; or
- (2) The spouse, child, parent, brother or sister of that “employee” as a consequence of paragraph (1) above.

This exclusion applies:

- (1) Whether the Member may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

E. Pollution

- (1) “Bodily injury” or “property damage” arising out of the actual, alleged, or threatened discharge, dispersal, seepage, migration, release or escape of “pollutants”:
 - (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to any Member. However, this subparagraph does not apply to:

- (i) “Bodily injury” if sustained within a building and caused by smoke, fumes, vapor or soot from equipment used to heat that building;
 - (ii) “Bodily injury” or “property damage” arising out of heat, smoke or fumes from a “hostile fire”.
- (b) At or from any premises, site or location which is or was at any time used by or for any Member or others for the handling, storage, disposal, processing or treatment of waste;
- (c) Which are, or were at any time, transported, handled, stored, treated, disposed of, or processed as waste by or for:
- (i) Any Member; or
 - (ii) Any person or organization for whom you may be legally responsible.
- (d) At or from any premises, site or location on which any Member or any contractors or subcontractors working directly or indirectly on any Member's behalf are performing operations if the “pollutants” are brought on or to the premises, site or location in connection with such operations by such Member, contractor or subcontractor. However, this subparagraph does not apply to:
- (i) “Bodily injury” or “property damage” arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of “mobile equipment” or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the “bodily injury” or “property damage” arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such Member, contractor or subcontractor;





- (ii) “Bodily injury” or “property damage” sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
 - (iii) “Bodily injury” or “property damage” arising out of heat, smoke or fumes from a “hostile fire”.
 - (e) At or from any premises, site or location on which any Member or any contractors or subcontractors working directly or indirectly on any Member’s behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effect of the “pollutants”.
- (2) Any “loss”, cost or expense arising out of any:
 - (a) Request, demand, order or statutory or regulatory requirement that any Member or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, “pollutants”; or
 - (b) “Claim” or “suit” by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, “pollutants”. However, this paragraph does not apply to liability for damages because of “property damage” that the Member would have in the absence of such request, demand, order or statutory or regulatory requirement, or such “claim” or “suit” by or on behalf of a governmental authority.

F. Racing

“Bodily injury” or “property damage” arising out of the ownership, maintenance, operation, use, loading or unloading of any “mobile equipment” or “auto” while being used in any prearranged or organized racing, speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity including the operation or use of any snowmobile or trailer designed for use therewith.

G. Aircraft

Liability arising out of the ownership, maintenance, loading or unloading, use or operation of any such aircraft, airfields, runways, hangers, buildings or other properties in connection with aviation activities, but this exclusion does not apply to ordinary road **or runway** maintenance performed at airports by Members.

H. Care, Custody, Control

Injury to or destruction of (1) property owned by the Member, or (2) property rented to or leased to the Member where the Member has assumed liability for damage to or destruction of such property unless the Member would have been liable in the absence of such assumption of liability, or (3) aircraft or watercraft in the care, custody or control of any Member.

I. Eminent Domain

Any liability arising out of, or in any way connected with, the operation of the principles of eminent domain, condemnation proceedings, or inverse condemnation, by whatever name called, whether such liability accrues directly against the Member or by virtue of any agreement entered into by or on behalf of the Member.

J. Failure to Supply Water

Liability arising out of the failure to supply water, unless accidental.

K. Failure to Supply Electric or Fuel

Liability arising out of the failure to supply electricity, fuel, or biofuel.

L. ERISA

Any “claim” or “claims” based upon the provisions of the Employment Retirement Income Security Act of 1974 (ERISA); Public Law 93-406, commonly referred to as the Pension Reform Act of 1974; or to any “claim” or “claims” based upon the provisions of the Securities Act of 1933 or the Securities Exchange Act of 1934; and any amendments thereto, or the provisions of any similar Federal, State or Local statute or common law.





M. Public Acts

Any damages based upon or arising out of any Member's activities which would not be covered under customary and usual policies of insurance which cover "bodily injury", "property damage" and "personal injury" liability, including, without limitation, any claim arising out of the exercise of authority, or failure to exercise authority, by a Member or Covered Person with respect to the existence of, ownership of, location of, or access to or from, a road or easement; abandonment of a road or failure to abandon a road; or dedication of or failure to dedicate a roadway to public use; or similar activity; it is the intent of this exception to specifically restrict coverage provided to the Members to those coverages which may lawfully be provided pursuant to Act #35 of the Public Acts of 1951, as amended by Act #138 of the Public Acts of 1982.

N. Silica, Dust and Particulate Matter

Any injury, damage, expense, cost, "loss", liability or legal obligation arising out of, resulting from, or in any way related to, in whole or in part, the respiration, inspiration, inhalation or breathing in of dust or particulate matter. Dust or particulate matter may include, but is not limited to: dust, particulate matter, inspirable dust, respirable dust, smoke, mist, dirt, fibers, grit, soot, salt, acids, bases, metals, aerosols, crystals, minerals, sand silicates or silica.

O. Lead Contamination

"Bodily injury", "property damage" or "personal injury" arising out of lead in any form.

P. Asbestos

"Bodily injury", "property damage" or "personal injury" arising out of the actual or alleged presence of asbestos, asbestos fibers or products containing asbestos, provided that the injury or damage is caused or contributed to by the hazardous properties of asbestos. This includes:

- (1) Any supervision, instructions, recommendations, warnings or advice given or, which should have been given, in connection with the above; and

- (2) Any obligation to share damages with, or repay someone else who must pay damages because of such injury or damage.

Q. Fungi or Bacteria

- (1) “Bodily injury” or “property damage” which would have not occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any “fungi” or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.
- (2) Any “loss”, cost or expense arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effect of, “fungi” or bacteria, by any Member or by any other person or entity.

R. Discrimination

“Bodily injury” or “personal injury” resulting from, or as a consequence of, discrimination, whether intentional or unintentional, based upon a person’s sex, sexual preference, marital status, race, creed, religion, national origin, age, physical capabilities, characteristics or condition, or mental capabilities or condition.

S. Unsolicited Communications

“Bodily injury”, “property damage”, or “personal injury” arising out of unsolicited communications by or on behalf of any Member. Unsolicited communications means any form of communication, including, but not limited to, facsimile, electronic mail, posted mail or telephone, in which the recipient has not specifically requested the communication. Unsolicited communications also include, but are not limited to, communications which are made or allegedly made in violation of the Telephone Consumer Protection Act and the CAN-SPAM Act of 2003 and any amendments thereto, or similar Acts and/or local or state statutes that bar, prohibit or penalize such communications.





T. Employment Related Practices

“Bodily injury” or “personal injury” to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person’s employment; or
 - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person.
- (2) The spouse, child, parent, brother or sister of that person as a consequence of “bodily injury” or “personal injury” to that person at whom any of the employment-related practices described above in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies whether the injury causing event described in Paragraphs (a), (b) or (c) above occurs before employment, during employment or after employment of that person.

This exclusion applies whether the Member may be liable as an employer or in any other capacity, and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

U. Terrorism

“Loss”, damage, injury, expense, cost or legal obligations directly or indirectly resulting from or arising out of, or in any way related to any acts of “terrorism”:

- (1) “Terrorism” means activities against persons, organizations or property of any nature.
 - (a) That involves the following, or preparation for, the following:
 - (i) Use or threat of force or violence; or

- (ii) Commission or threat of a dangerous act; or
- (iii) Commission or threat of an act that interferes with or disrupts an electronic, communication, information or mechanical system.

(b) When one or both of the following applies:

- (i) The effect of such activities is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
- (ii) It appears that the intent of such activities is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.

V. Fines or Penalties

Liability for civil or criminal fines or penalties.

W. Miss Dig

Any claim or claims, of any nature, arising from an actual or alleged violation or violations of the MISS DIG Underground Facility Damage Prevention and Safety Act, **MCL 460.721 et seq., or any successor statute; provided, this Exclusion shall not apply where the Member substantially complied with the provisions of the Act.**

X. Gross Negligence

“Bodily injury,” “property damage,” “personal injury,” or any other damages arising from a claim of gross negligence as defined by MCL 691.1407(2); provided, this Exclusion shall not apply to any expenses incurred under the Defense, Investigation and Settlement of Claims provisions.





Y. Intentional Torts

“Bodily injury,” “property damage,” “personal injury,” or any other damages arising out of an intentional tort; provided, this Exclusion shall not apply to any expenses incurred under the Defense, Investigation and Settlement of Claims provisions.

CONDITIONS

CONTRIBUTIONS

All contributions for this Agreement shall be computed in accordance with the Pool's rules, rates, rating plans, contributions and minimum contributions applicable to the coverage afforded herein.

INSPECTION AND AUDIT

The Pool shall be permitted to inspect the Member's property and operations at any time. Neither the Pool's right to make inspections, nor the making thereof, nor any report thereon shall constitute an undertaking on behalf of or for the benefit of the Members or others, to determine or warrant that such property or operations are safe or healthful, or are in compliance with any law, rule or regulations.

FINANCIAL RESPONSIBILITY LAWS

When this Agreement is certified as proof of financial responsibility for the future under the provisions of any motor vehicle financial responsibility law, such coverage as is afforded by this Agreement for “bodily injury” liability or for “property damage” liability shall comply with the provisions of such law to the extent of the coverage and limits of liability required by such law. The Member agrees to reimburse the Pool for any payment made by the Pool which it would not have been obligated to make under the terms of this Agreement except for the terms contained in this paragraph.

MEMBER'S DUTIES IN THE EVENT OF OCCURRENCE, CLAIM OR SUIT

1. In the event of an "occurrence", written notice containing particulars sufficient to identify the Member and all reasonably obtainable information with respect to the time, place or circumstance thereof, and the names and addresses of the injured and of available witnesses, shall be given by or for the Member to the Pool or any of its authorized agents as soon as practicable.
2. If "claim" is made or "suit" is brought against the Member, the Member shall immediately forward to the Pool every demand, notice, summons or other process received by him or his representative.
3. The Member shall cooperate with the Pool and, upon the Pool's request, assist in making settlements, in the conduct of "suit" and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the Member because of injury or damage with respect to which coverage is afforded under this Agreement; and the Member shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. The Member shall not, except at his own cost, voluntarily make any payment, assume any obligation or incur any expense other than for first aid to others at the time of the "occurrence".

ACTION AGAINST POOL

No action shall lie against the Pool unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of this Agreement, nor until the amount of the Member's obligation to pay shall have been fully determined either by judgment against the Member after actual trial or written agreement of the Member, the claimant and the Pool.

Any person or organization, or the legal representative thereof, who has secured such judgment or written agreement shall thereafter be entitled to recover under this Agreement to the extent of the coverage afforded by this Agreement. No person or organization shall have any right under this Agreement to join the Pool as a party to any action against the Member to determine the Member's liability, nor shall the Pool be impleaded by the Member or his legal representative. Bankruptcy or insolvency of the Member shall not relieve the Pool of any of its obligations hereunder.





OTHER COVERAGE

The coverage afforded by this Agreement is primary coverage, except when stated to apply in excess of or contingent upon the absence of other coverage. When this coverage is primary and the Member has other coverage which is stated to be applicable to the "loss" on an excess or contingent basis, the amount of the Pool's liability under this Agreement shall not be reduced by the existence of such other coverage.

When both this coverage and other coverage apply to the "loss" on the same basis, whether primary, excess or contingent, the Pool shall not be liable under this Agreement for a greater proportion of the "loss" than that stated in the applicable contribution provision below:

1. **Contribution by Equal Shares.** If all such valid collectible coverage provides for contribution by equal shares, the Pool shall not be liable for a greater proportion of such loss than would be payable if such Member contributes an equal share until the share of each provider equals the lowest applicable limit of liability under any one agreement or the full amount of the "loss" is paid and with respect to any amount of "loss" not so paid, the remaining providers then continue to contribute equal shares of the remaining amount of the "loss" until each such provider has paid its limit in full or the full amount of the "loss" is paid.
2. **Contribution by Limits.** If any such coverage does not provide for contribution by equal shares, the Pool shall not be liable for a greater proportion of such "loss" than the applicable limit of liability under this Agreement for such "loss" to the total applicable limit of liability of all valid and collectible coverage against such "loss".

SUBROGATION

In the event of any payment under this Agreement, the Pool shall be subrogated to all Member's rights of recovery therefore against any person or organization and the Member shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The Member shall do nothing after loss to prejudice such rights.

CHANGES

Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this Agreement or stop the Pool from asserting any right under the terms of this Agreement, nor shall the terms of this Agreement be waived or changed, except by endorsement issued to form a part of this Agreement.

CANCELLATION

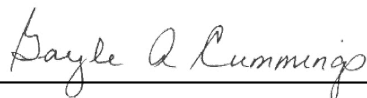
This Agreement may be cancelled by the Member by giving at least sixty (60) - days written notice to the Pool. This Agreement may be cancelled by the Pool by mailing to the Member at the address last known to the Pool, or its authorized agent, written notice stating when, not less than sixty (60) calendar days thereafter such cancellation shall be effective. The mailing of the notice, as aforesaid, shall be sufficient notice, and the effective date of cancellation stated therein shall become the expiration date of the "Coverage Period". Delivery of such written notice either by the Member or the Pool, shall be equivalent to mailing.

This Agreement may be cancelled by the Pool for non-payment of contribution by mailing to the Member, at the last mailing address known by the Pool, written notice stating when, not less than ten (10) days thereafter, such cancellation shall be effective.

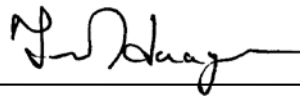
Contribution adjustment may be made either at the time cancellation is effective or as soon as practicable thereafter, but payment or tender of unearned contribution is not a condition precedent to cancellation.

The Pool shall continue servicing any of the Member's pending "claims", unless the Member specifically assumes the liability and makes provisions to indemnify the Pool from "loss" by taking over the servicing of any such "claim(s)". The Member shall reimburse the Pool for all "claims" expenses incurred after the cancellation.

This Agreement shall not be valid unless signed by authorized representatives of the Pool.



Gayle A. Cummings, Administrator



Timothy J. Haagsma, Chairman

