



AGENDA ITEM
NO. **C12**

COUNTY OF HUMBOLDT

For the meeting of: February 6, 2018

Date: January 17, 2018

To: Board of Supervisors

From: Kelly Sanders, Clerk, Recorder, Registrar of Voters

Subject: Supplemental Budget for the Continuation of the Agreement with BMI Imaging Software System and Supplemental Budget (4/5 Vote)

RECOMMENDATION(S):

That the Board of Supervisors:

1. Direct the Auditor's Office to implement the attached supplemental budget. (4/5 Vote)
2. Direct the County Clerk / Recorder to approve any change orders for the project.

SOURCE OF FUNDING:

Recorders Fund 1310 Recorder Record Conversion Fund

DISCUSSION:

The county Recorder contracted with BMI Imaging Software Systems in order to create a Social Security Number Truncation Program as directed by Government code §27300 through 27307. The original Agreement with BMI Imaging Software System and Supplemental Budget, agenda item number C-11, was approved on May 23, 2017 and Supplemental Budget and Request for Transfer of Funds from Recorder's Records Conversion Trust, was approved on September 19, 2017, agenda item C-8.

Prepared by

K. Sanders by Kelly Sanders

CAO Approval

[Signature]

REVIEW:

Auditor

[Signature]

County Counsel

Human Resources

Other

TYPE OF ITEM:

- Consent
- Departmental
- Public Hearing
- Other

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT

Upon motion of Supervisor *Wilson* Seconded by Supervisor *Bass*

Ayes *Bass, Fennell, Sundberg, Bohn, Wilson*

Nays

Abstain

Absent

PREVIOUS ACTION/REFERRAL:

Board Order No. C-11, C-8

Meeting of: May 23, 2017, Sept 19, 2017

and carried by those members present, the Board hereby approves the recommended action contained in this Board report.

Dated: 2/6/18

By: *[Signature]*

Kathy Hayes, Clerk of the Board

The project began in fiscal year 2016-2017 with the scope of the project to be completed in fiscal year 2017- 2018. Initially, legislation mandating the social security truncation program permitted only those documents recorded after January 1, 1980 to be included in the program. However, newly passed legislation contained in Senate Bill 184, further authorizes the County Recorder to include those documents recorded before January 1, 1980 in redaction program.

The fees collected between 2008 and 2017, exclusively to create the social security truncation program, are adequate to cover the cost of the project. This has permitted the Recorder to stop collecting the fee and to allow it to sunset as of December 31st 2017. Therefore, the supplemental budget contained in attachment I is necessary to make these designated funds available to complete the full scope of the project which is not to exceed \$195,355.

This request meets the Board's strategic framework by ensuring sustainability of services and investing in the future.

FINANCIAL IMPACT:

To fund the project, those documents recorded 1850 thru April 1999, the Recorder is authorized to collect an additional \$1 for the first page each instrument, paper, or notice permitted to be recorded as permitted under Government Code §27361(d)(1) "...funds generated by this fee shall be used only by the county recorder collecting the fee for the purpose of implementing a social security number truncation program"

Through this legislation the County Clerk Recorder's office has collected \$195,355.00, held in trust. This supplemental budget allows for the County Clerk Recorder's office to utilize this fund collection for the purpose of the Social Security Truncation project and offset the costs of the professional services.

AGENCY INVOLVEMENT:

Auditor/Controller

ALTERNATIVES TO STAFF RECOMMENDATIONS:

None – Mandated by statute

ATTACHMENTS:

- I Supplemental Budget
- II Agenda Item C-11, Agreement with BMI Imaging Software and supplemental Budget.
- III Agenda Item C-8, Supplemental Budget and Request for Transfer of Funds from Recorder's Records Conversion Trusts

Supplemental Budget

1310267 - Recorder-Record Conversion

Revenues	Object	Increase Amt.
Transfer from Trust - Rec Mod	706130	195,355.00
Total		195,355.00
Expenditures	Object	Increase Amt.
Professional & Special Services	2118	195,355.00
Total		195,355.00



COUNTY OF HUMBOLDT

AGENDA ITEM
NO. **C-11**

For the meeting of: May 23, 2017

Date: April 11, 2017

To: Board of Supervisors

From: Kelly Sanders, Clerk, Recorder, Registrar of Voters

Subject: Agreement with BMI Imaging Software System and Supplemental Budget (4/5 Vote)

RECOMMENDATION(S):

That the Board of Supervisors:

1. Approve the attached Imaging Services Agreement to create digital images of official records and redact social security numbers as authorized by California statute.
2. Authorize the Chair of the Board of Supervisors to execute the Imaging Services Agreement by and between the county of Humboldt and BMI Imaging Systems, Inc.
3. Direct the Auditor's Office to implement the attached supplemental budget. (4/5 Vote)

SOURCE OF FUNDING:

Recorders Fund 3662 Recorder Modernization Fund
 Recorders Fund 1310 Recorder Record Conversion Fund

DISCUSSION:

The county Clerk-Recorder is responsible for recording, filing, and maintaining all real property transactions occurring within the County of Humboldt. These activities are regulated by the State of

Prepared by [Signature] CAO Approval [Signature]

REVIEW: Auditor [Signature] County Counsel [Signature] Human Resources [Signature] Other _____

TYPE OF ITEM:
 Consent
 Departmental
 Public Hearing
 Other _____

PREVIOUS ACTION/REFERRAL:
 Board Order No. _____
 Meeting of: _____

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT
 Upon motion of Supervisor Sundberg Seconded by Supervisor Fennell
 Ayes Sundberg, Fennell, Bass, Bohn, Wilson
 Nays _____
 Abstain _____
 Absent _____

and carried by those members present, the Board hereby approves the recommended action contained in this Board report.

Dated: May 23, 2017
 By: [Signature]
 Kathy Hayes, Clerk of the Board

California which stipulates county Recorders' responsibilities and other activities related to the recording and filing of real property transactions throughout the state

Responding to the increasing risk of identity theft, the California Legislature passed AB 1168, Chapter 627 of 2007, in an effort to protect citizens. The legislation requires the implementation of a social security truncation program, and crafted California Government Code §27301(a) "for each official record recorded between January 1, 1980 and December 31, 2008, the recorder shall create in an electronic format an exact copy of the record except that any social security number contained in the copied record shall be truncated. In order to create a public record copy, the recorder shall first truncate the social security numbers in all records that already exist in an electronic format and then create an electronic version of all other records and truncate social security numbers contained in those records. Each group of records shall be handled in descending chronological order."

In accordance with this mandate, following the installation of necessary software provided by Harris Computer System in 2012, the Recorder began manually redacting the official record in reverse chronological order. In 2016 the Recorder continued redaction for the remainder of records existing in electronic format using a more automated method acquired with Tyler Technologies operating systems' software.

In order to complete the redaction process for approximately one million images recorded between 1980 and April 1999, the records must first be converted from microfiche and microfilm into a digital reel format, which will be accomplished in part 1 of the project. Then, in the effort to create greater accessibility, redundancy, modernization, and a more comprehensive search of the historical records, part 2 of the project will complete conversion to digital reel for the remainder of the official records recorded between 1850 and December 1979 currently contained in microfilm and hardcover books formats.

BMI Imaging Software Systems will provide the necessary conversion from all official record formats to the required digital reel then redact the first five digits of any social security numbers contained in records created 1980 through 2008. Upon completion of part 1, BMI will provide the Recorder with the necessary software capable of performing a comprehensive search of the data, system support, and external hard drives containing the converted data.

This purchase is "piggy-backing" on the Request for Proposals (RFP) done by Merced County Superior Court. The pricing and technology in the Merced contract is reflective of the pricing and technology indicated in the Imaging Services Agreement.

FINANCIAL IMPACT

To fund part 1 of the project, those documents recorded 1980 thru April 1999, the Recorder is authorized to collect an additional \$1 for the first page each instrument, paper, or notice permitted to be recorded as permitted under Government Code §27361(d)(1) "funds generated by this fee shall be used only by the county recorder collecting the fee for the purpose of implementing a social security number truncation program."

To fund part 2 of the project, those documents recorded 1850 thru December 1979, the Recorder is authorized to collect \$1 for recording the first page and \$1 for each additional page as permitted under Government Code §27361(a) and (c) "solely to support, maintain, improve, and provide for the full operation for modernized creation, retention, and retrieval of information in each county's system of recorded documents."

The cost for the above items total \$140,549 This project will begin in fiscal year 2016-2017 with the majority of the project to be completed in the fiscal year 2017- 2018 requiring a carryover of funds between fiscal years Included with this contract is one year of hosted services Following the one year period, an ongoing annual hosting fee of \$7,000 will be assessed There are adequate funds available in the modernization and conversion fund accounts to cover the expense of the project As such, the supplemental budget contained in attachment II is necessary This request meets the Board's strategic framework by ensuring sustainability of services and investing in the future

OTHER AGENCY INVOLVEMENT

County IT
Purchasing
County Counsel
Auditor/Controller
Risk Management

ALTERNATIVES TO STAFF RECOMMENDATIONS

None – Mandated by statute

ATTACHMENTS

- I Imaging Services Agreement by and Between County of Humboldt and BMI Imaging Systems, Inc
- II Supplemental Budget

Attachment I

**IMAGING SERVICES AGREEMENT
BY AND BETWEEN
COUNTY OF HUMBOLDT
AND
BMI IMAGING SYSTEMS INC
FOR FISCAL YEARS 2016-2017 THROUGH 2018-2019**

This Agreement, entered into this 23 day of May, 2017, by and between the County of Humboldt, a political subdivision of the State of California, hereinafter referred to as "COUNTY," and BMI Imaging Systems, Inc., a California Corporation, hereinafter referred to as "CONTRACTOR," is made upon the following considerations:

WHEREAS, COUNTY, by and through its Clerk Recorder, desires to retain the services of a qualified vendor to convert official record to digital images, redact social security numbers, provide software, and hosting with maintenance support; and

WHEREAS, such work involves the performance of expert and technical services of a temporary and occasional character; and

WHEREAS, COUNTY has no employees available to perform such services and is unable to hire employees for the performance thereof for the temporary period; and

WHEREAS, CONTRACTOR represents that it is specially trained, skilled, experienced and qualified to perform the special services required by COUNTY.

NOW THEREFORE, the parties hereto mutually agree as follows:

1. DESCRIPTION OF SERVICES:

CONTRACTOR agrees to furnish the services described in Exhibit A – Scope of Services, which is attached hereto and incorporated herein by reference. In providing such services, CONTRACTOR agrees to fully cooperate with the Clerk Recorder, Kelly Sanders or designee thereof, hereinafter referred to as Clerk Recorder.

2. TERM:

This Agreement shall begin on June 15, 2017 and shall remain in full force and effect until June 15, 2019, unless sooner terminated as provided herein.

3. TERMINATION:

A. Breach of Contract. If, in the opinion of COUNTY, CONTRACTOR fails to adequately perform the services required hereunder within the time limits specified herein, or otherwise fails to comply with the terms of this Agreement, or violates any ordinance, regulation or other law applicable to its performance herein, COUNTY may terminate this Agreement immediately, upon notice.

- B Without Cause COUNTY may terminate this Agreement without cause upon thirty (30) days advance written notice to CONTRACTOR. Such notice shall state the effective date of the termination.
- C Insufficient Funding COUNTY's obligations under this Agreement are contingent upon the availability of local, state and/or federal funds. In the event such funding is reduced or eliminated, COUNTY shall, at its sole discretion, determine whether this Agreement shall be terminated. COUNTY shall provide CONTRACTOR seven (7) days advance written notice of its intent to terminate this Agreement due to insufficient funding.
- D Compensation Upon Termination In the event of any termination of this Agreement, CONTRACTOR shall be entitled to compensation for uncompensated services rendered hereunder through and including the effective date of such termination. However, this provision shall not limit or reduce any damages owed to COUNTY due to a breach of this Agreement by CONTRACTOR.

4 COMPENSATION

- A Maximum Amount Payable The maximum amount payable by COUNTY for services rendered, and costs and expenses incurred, pursuant to the terms and conditions of this Agreement is One Hundred Forty Thousand, Five Hundred and Forty-Nine Dollars (\$140,549). CONTRACTOR agrees to perform all services required by this Agreement for an amount not to exceed such maximum dollar amount. However, if local, state or federal funding or allowance rates are reduced or eliminated, COUNTY may, by amendment, reduce the maximum amount payable for services provided hereunder, or terminate this Agreement as provided herein.
- B Schedule of Rates The specific rates and costs applicable to this Agreement are set forth in Exhibit B – Schedule of Rates, which is attached hereto and incorporated herein by reference.
- C Additional Services Any additional services not otherwise provided for herein shall not be provided by CONTRACTOR, or compensated by COUNTY, without written authorization by COUNTY. All unauthorized costs and expenses incurred above the maximum payable amount set forth herein shall be the responsibility of CONTRACTOR. CONTRACTOR shall notify COUNTY, in writing, at least six (6) weeks prior to the date upon which CONTRACTOR estimates that the maximum payable amount will be reached.

5 PAYMENT

CONTRACTOR shall submit to COUNTY monthly invoices itemizing all services rendered, and costs and expenses incurred, pursuant to the terms and conditions of this Agreement. Invoices shall be in a format approved by, and shall include backup documentation as specified by, Kelly Sanders, Clerk Recorder and the Humboldt County Auditor-Controller. CONTRACTOR shall submit a final invoice for payment within thirty (30) days following the expiration or termination date of this Agreement. Payment for services rendered, and costs and expenses incurred, pursuant to the terms and conditions of this Agreement will be made within thirty (30) days after the receipt of approved invoices. All invoices submitted by CONTRACTOR shall be sent to COUNTY at the following address:

COUNTY Humboldt County Clerk Recorder's Office
Attention Ben Hershberger
825 5th Street, 5th Floor
Eureka, Ca 95501

6 NOTICES

Any and all notices required to be given pursuant to the terms of this Agreement shall be in writing and either served personally or sent by certified mail, return receipt requested, to the respective addresses set forth below. Notice shall be effective upon actual receipt or refusal as shown on the receipt obtained pursuant to the foregoing.

COUNTY Humboldt County Clerk Recorder's Office
Attention Kelly Sanders
825 5th Street, 5th Floor
Eureka, CA 95501

CONTRACTOR BMI Imaging Systems, Inc
Attention William Whitney
1115 E Arques Avenue
Sunnyvale, CA 94085

7 REPORTS

CONTRACTOR agrees to provide COUNTY with any and all reports that may be required by local, state and/or federal agencies for compliance with this Agreement. Reports shall be submitted no later than fifteen (15) days after the end of each calendar quarter using the format required by the State of California as appropriate.

8 RECORD RETENTION AND INSPECTION

A. Maintenance and Preservation of Records CONTRACTOR agrees to timely prepare accurate and complete financial, performance and payroll records, documents and other evidence relating to the services provided hereunder, and to maintain and preserve said records for at least three (3) years from the date of final payment under this Agreement, except that if any litigation, claim, negotiation, audit or other action is pending, the records shall be retained until completion and resolution of all issues arising therefrom. The books and records shall be original entry books with a general ledger itemizing all debits and credits for the services provided pursuant to the terms and conditions of this Agreement.

B. Inspection of Records Pursuant to California Government Code Section 8546.7, all records, documents, conditions and activities of CONTRACTOR, and its subcontractors, related to the services provided hereunder, shall be subject to the examination and audit of the California State Auditor and any other duly authorized agents of the State of California for a period of three (3) years after final payment under this Agreement. CONTRACTOR hereby agrees to make all such records available during normal business hours to inspection, audit and reproduction by COUNTY and any duly authorized local, state and/or federal agencies. CONTRACTOR further agrees to allow interviews of any of its employees who might reasonably have information related to such records by COUNTY and any duly authorized local, state and/or federal agencies. All examinations and audits conducted hereunder shall be

strictly confined to those matters connected with the performance of this Agreement, including, but not limited to, the costs of administering this Agreement

- C Audit Costs In the event of an audit exception or exceptions related to the services provided pursuant to the terms and conditions of this Agreement, the party responsible for not meeting the requirements set forth herein shall be responsible for the deficiency and for the cost of the audit. If the allowable expenditures cannot be determined because CONTRACTOR's documentation is nonexistent or inadequate, according to generally accepted accounting practices, the questionable cost shall be disallowed by COUNTY

9 MONITORING

CONTRACTOR agrees that COUNTY has the right to monitor all activities related to this Agreement, including, without limitation, the right to review and monitor CONTRACTOR's records, programs or procedures, at any time, as well as the overall operation of CONTRACTOR's programs, in order to ensure compliance with the terms and conditions of this Agreement. CONTRACTOR will cooperate with a corrective action plan, if deficiencies in CONTRACTOR's records, programs or procedures are identified by COUNTY. However, COUNTY is not responsible, and will not be held accountable, for overseeing or evaluating the adequacy of the results of services performed by CONTRACTOR pursuant to the terms and conditions of this Agreement

10 CONFIDENTIAL INFORMATION

- A Disclosure of Confidential Information In the performance of this Agreement, CONTRACTOR may receive information that is confidential under local, state or federal law. CONTRACTOR hereby agrees to protect all confidential information in conformance with any and all applicable local, state and federal laws, regulations, policies, procedures and standards, including, but not limited to California Welfare and Institutions Code Sections 827, 5328, 10850 and 14100.2, California Health and Safety Code Sections 1280.15 and 1280.18, the California Information Practices Act of 1977, the California Confidentiality of Medical Information Act ("CMIA"); the United States Health Information Technology for Economic and Clinical Health Act ("HITECH Act"), the United States Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and any current and future implementing regulations promulgated thereunder, including, without limitation, the Federal Privacy Regulations contained in Title 45 of the Code of Federal Regulations ("CFR") Parts 160 and 164, the Federal Security Standards contained in 45 CFR Parts 160, 162 and 164 and the Federal Standards for Electronic Transactions contained in 45 CFR Parts 160 and 162, all as may be amended from time to time

- B Continuing Compliance with Confidentiality Laws The parties acknowledge that local, state and federal laws, regulations and standards pertaining to confidentiality, electronic data security and privacy are rapidly evolving and that amendment of this Agreement may be required to ensure compliance with such developments. Each party agrees to promptly enter into negotiations concerning an amendment to this Agreement embodying written assurances consistent with the standards and requirements of HIPAA, the HITECH Act, the CMIA and any other applicable local, state and federal laws, regulations or standards

11 NON-DISCRIMINATION COMPLIANCE

- A. Professional Services and Employment. In connection with the execution of this Agreement, CONTRACTOR, and its subcontractors, shall not unlawfully discriminate in the provision of professional services or against any employee or applicant for employment because of race, religion or religious creed, color, age (over forty (40) years of age), sex (including gender identity and expression, pregnancy, childbirth and related medical conditions), sexual orientation (including heterosexuality, homosexuality and bisexuality), national origin, ancestry, marital status, medical condition (including cancer and genetic characteristics), mental or physical disability (including HIV status and AIDS), political affiliation, military service, denial of family care leave or any other classifications protected by local, state or federal laws or regulations. Nothing herein shall be construed to require the employment of unqualified persons.
- B. Compliance with Anti-Discrimination Laws. CONTRACTOR further assures that it, and its subcontractors, will abide by the applicable provisions of: Title VI and Title VII of the Civil Rights Act of 1964; Section 504 of the Rehabilitation Act of 1973; the Age Discrimination Act of 1975; the Food Stamp Act of 1977; Title II of the Americans with Disabilities Act of 1990; the California Fair Employment and Housing Act; California Civil Code Sections 51, et seq.; California Government Code Sections 4450, et seq.; California Welfare and Institutions Code Section 10000; Division 21 of the California Department of Social Services Manual of Policies and Procedures; United States Executive Order 11246, as amended and supplemented by United States Executive Order 11375 and 41 C.F.R. Part 60; and any other applicable local, state and/or federal laws and regulations, all as may be amended from time to time. The applicable regulations of the California Fair Employment and Housing Commission implementing California Government Code Section 12990, set forth in Chapter 5, Division 4 of Title 2 of the California Code of Regulations are incorporated into this Agreement by reference and made a part hereof as if set forth in full.

12. NUCLEAR FREE HUMBOLDT COUNTY ORDINANCE COMPLIANCE:

CONTRACTOR certifies by its signature below that it is not a Nuclear Weapons Contractor, in that CONTRACTOR is not knowingly or intentionally engaged in the research, development, production or testing of nuclear warheads, nuclear weapons systems or nuclear weapons components, as defined by the Nuclear Free Humboldt County Ordinance. CONTRACTOR agrees to notify COUNTY immediately if it becomes a Nuclear Weapons Contractor as defined above. COUNTY may immediately terminate this Agreement if it determines that the foregoing certification is false or if CONTRACTOR subsequently becomes a Nuclear Weapons Contractor.

13. DRUG-FREE WORKPLACE CERTIFICATION:

By executing this Agreement, CONTRACTOR certifies that it will comply with the requirements of the Drug-Free Workplace Act of 1990 (California Government Code Sections 8350, et seq.) and will provide a drug-free workplace by doing all of the following:

- A. Drug-Free Policy Statement. Publish, as required by California Government Code Section 8355(a)(1), a Drug-Free Policy Statement which notifies employees that the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited, and specifies the actions to be taken against employees for violations.

- B Drug-Free Awareness Program Establish, as required by California Government Code Section 8355(a)(2), a Drug-Free Awareness Program which informs employees about the following
- 1 The dangers of drug abuse in the workplace,
 - 2 CONTRACTOR's policy of maintaining a drug-free workplace,
 - 3 Any available counseling, rehabilitation and employee assistance programs, and
 - 4 Penalties that may be imposed upon employees for drug abuse violations
- C Drug-Free Employment Agreement Ensure, as required by California Government Code Section 8355(a)(3), that every employee who provides services pursuant to the terms and conditions of this Agreement will
- 1 Receive a copy of CONTRACTOR's Drug-Free Policy Statement; and
 - 2 Agree to abide by the terms of CONTRACTOR's Drug-Free Policy as a condition of employment
- D Effect of Noncompliance. Failure to comply with the above-referenced requirements may result in suspension of payments under this Agreement and/or termination thereof, and CONTRACTOR may be ineligible for award of future contracts if COUNTY determines that the foregoing certification is false or if CONTRACTOR violates the certification by failing to carry out the above-referenced requirements

14 INDEMNIFICATION

- A Hold Harmless, Defense and Indemnification CONTRACTOR shall hold harmless, defend and indemnify COUNTY and its agents, officers, officials, employees and volunteers from and against any and all claims, demands, losses, damages, liabilities, expenses and costs of any kind or nature, including, without limitation, attorney's fees and other costs of litigation, arising out of, or in connection with, CONTRACTOR's negligent performance of, or failure to comply with, any of the duties and/or obligations contained herein, except such loss or damage which was caused by the sole negligence or willful misconduct of COUNTY.
- B Effect of Insurance Acceptance of insurance, if required by this Agreement, does not relieve CONTRACTOR from liability under this provision. This provision shall apply to all claims for damages related to the services performed by CONTRACTOR pursuant to the terms and conditions of this Agreement regardless if any insurance is applicable or not. The insurance policy limits set forth herein shall not act as a limitation upon the amount of indemnification or defense to be provided by CONTRACTOR hereunder.

15 INSURANCE REQUIREMENTS

This Agreement shall not be executed by COUNTY, and CONTRACTOR is not entitled to any rights hereunder, unless certificates of insurance or other sufficient proof that the following provisions have been complied with, are filed with the Clerk of the Humboldt County Board of Supervisors

- A General Insurance Requirements Without limiting CONTRACTOR's indemnification obligations provided for herein, CONTRACTOR shall, and shall require that all subcontractors hereunder, take out and maintain, throughout the entire period of this Agreement, and any extended term thereof, the following policies of insurance, placed with insurers authorized to do business in the State of California with a current A M Bests rating of no less than A VII or its equivalent against personal injury, death and property damage which may arise from, or in connection with, the activities of CONTRACTOR and its agents, officers, directors, employees, licensees, invitees, assignees or subcontractors
- 1 Comprehensive or Commercial General Liability Insurance at least as broad as Insurance Services Office Commercial General Liability Coverage (occurrence form CG 0001), in an amount of Two Million Dollars (\$2,000,000 00) per occurrence for any one incident, including, but not limited to, personal injury, death and property damage If a general aggregate limit is used, such limit shall apply separately hereto or shall be twice the required occurrence limit
 - 2 Automobile/Motor Liability Insurance with a limit of liability not less than One Million Dollars (\$1,000,000 00) combined single limit coverage. Such insurance shall include coverage of all owned, hired and non-owned vehicles. Said coverage shall be at least as broad as Insurance Service Offices Form Code 1 (any auto)
 - 3 Workers' Compensation Insurance, as required by the Labor Code of the State of California, with statutory limits, and Employers Liability Insurance with a limit of no less than One Million Dollars (\$1,000,000 00) per accident for bodily injury or disease Said policy shall contain, or be endorsed to contain, a waiver of subrogation against COUNTY, its agents, officers, officials, employees and volunteers.
- B Special Insurance Requirements Said policies shall, unless otherwise specified herein, be endorsed with the following provisions
- 1 The Comprehensive or Commercial General Liability Policy shall provide that COUNTY, and its agents, officers, officials, employees and volunteers, are covered as additional insured for liability arising out of the operations performed by, or on behalf of, CONTRACTOR The coverage shall contain no special limitations on the scope of protection afforded to COUNTY, its agents, officers, officials, employees and volunteers Said policy shall also contain a provision stating that such coverage
 - a Includes contractual liability
 - b Does not contain exclusions as to loss or damage to property caused by explosion or resulting from collapse of buildings or structures or damage to property underground, commonly referred to as "XCU Hazards "
 - c Is the primary insurance with regard to COUNTY
 - d Does not contain a pro-rata, excess only and/or escape clause
 - e Contains a cross liability, severability of interest or separation of insureds clause
 2. The above-referenced policies shall not be canceled, non-renewed or materially reduced

in coverage without thirty (30) days prior written notice being provided to COUNTY in accordance with the notice provisions set forth herein. It is further understood that CONTRACTOR shall not terminate such coverage until COUNTY receives adequate proof that equal or better insurance has been secured.

3. The inclusion of more than one insured shall not operate to impair the rights of one insured against another insured, and the coverage afforded shall apply as though separate policies had been issued to each insured, but the inclusion of more than one insured shall not operate to increase the limits of the insurer's liability.
4. For claims related to this Agreement, CONTRACTOR's insurance is the primary coverage to COUNTY, and any insurance or self-insurance programs maintained thereby are excess to CONTRACTOR's insurance and will not be used to contribute therewith.
5. Any failure to comply with the provisions of this Agreement, including breach of warranties, shall not affect coverage provided to COUNTY, its agents, officers, officials, employees and volunteers.
6. CONTRACTOR shall furnish COUNTY with certificates and original endorsements effecting the required coverage prior to execution of this Agreement. The endorsements shall be on forms approved by the Humboldt County Risk Manager or County Counsel. Any deductible or self-insured retention over One Hundred Thousand Dollars (\$100,000.00) shall be disclosed to, and approved by, COUNTY. If CONTRACTOR does not keep all required policies in full force and effect, COUNTY may, in addition to other remedies under this Agreement, take out the necessary insurance, and CONTRACTOR agrees to pay the cost thereof. COUNTY is also hereby authorized with the discretion to deduct the cost of said insurance from the monies owed to CONTRACTOR under this Agreement.
7. COUNTY is to be notified immediately if twenty-five percent (25%) or more of any required insurance aggregate limit is encumbered, and CONTRACTOR shall be required to purchase additional coverage to meet the above-referenced aggregate limits.

C. Insurance Notices. Any and all insurance notices required to be given pursuant to the terms of this Agreement shall be sent to the addresses set forth below in accordance with the notice provisions described herein.

COUNTY County of Humboldt
 Attention: Risk Management
 825 Fifth Street, Room 131
 Eureka, California 95501

CONTRACTOR: BMI Imaging Systems, Inc
 Attention: William Whitney
 1115 E. Arques Avenue
 Sunnyvale, CA 94085

16. RELATIONSHIP OF PARTIES:

It is understood that this is an Agreement by and between two (2) independent entities and is not intended to, and shall not be construed to, create the relationship of agent, servant, employee, partnership, joint venture or any other similar association. Both parties further agree that CONTRACTOR shall not be entitled to any benefits to which COUNTY employees are entitled, including, but not limited to, overtime, retirement benefits, leave benefits or workers' compensation. CONTRACTOR shall be solely responsible for the acts or omissions of its agents, officers, employees, assignees and subcontractors.

17. COMPLIANCE WITH APPLICABLE LAWS AND LICENSURE REQUIREMENTS:

CONTRACTOR agrees to comply with any and all local, state and federal laws, regulations, policies and procedures applicable to the services provided pursuant to the terms and conditions of this Agreement. CONTRACTOR further agrees to comply with any and all applicable local, state and federal licensure and certification requirements.

18. PROVISIONS REQUIRED BY LAW:

This Agreement is subject to any additional local, state and federal restrictions, limitations, or conditions that may affect the provisions, terms or funding of this Agreement. This Agreement shall be read and enforced as though all legally required provisions are included herein, and if for any reason any such provision is not included, or is not correctly stated, the parties agree to amend the pertinent section to make such insertion or correction.

19. REFERENCE TO LAWS AND RULES:

In the event any law, regulation, policy or procedure referred to in this Agreement is amended during the term hereof, the parties agree to comply with the amended provision as of the effective date of such amendment.

20. SEVERABILITY:

If any provision of this Agreement, or any portion thereof, is found by any court of competent jurisdiction to be unenforceable or invalid for any reason, such provision shall be severable and shall not in any way impair the enforceability of any other provision of this Agreement.

21. ASSIGNMENT:

Neither party shall delegate its duties nor assign its rights hereunder, either in whole or in part, without the other party's prior written consent. Any assignment by CONTRACTOR in violation of this provision shall be void, and shall be cause for immediate termination of this Agreement. This provision shall not be applicable to service agreements or other arrangements usually or customarily entered into by either party to obtain supplies, technical support or professional services.

22. AGREEMENT SHALL BIND SUCCESSORS:

All provisions of this Agreement shall be fully binding upon, and inure to the benefit of, the parties and to each of their heirs, executors, administrators, successors and permitted assigns.

23 WAIVER OF DEFAULT

The waiver by either party of any breach or violation of any requirement of this Agreement shall not be deemed to be a waiver of any such breach in the future, or of the breach of any other requirement of this Agreement. In no event shall any payment by COUNTY constitute a waiver of any breach of this Agreement or any default which may then exist on the part of CONTRACTOR. Nor shall such payment impair or prejudice any remedy available to COUNTY with respect to any breach or default. COUNTY shall have the right to demand repayment of, and CONTRACTOR shall promptly refund, any funds disbursed to CONTRACTOR which in the judgment of COUNTY were not expended in accordance with the terms of this Agreement.

24 NON-LIABILITY OF COUNTY OFFICIALS AND EMPLOYEES.

No official or employee of COUNTY shall be personally liable for any default or liability under this Agreement.

25 AMENDMENT:

This Agreement may be amended at any time during the term of this Agreement upon the mutual consent of both parties. No addition to, or alteration of, the terms of this Agreement shall be valid unless made in writing and signed by the parties hereto.

26 STANDARD OF PRACTICE

CONTRACTOR warrants that it has the degree of learning and skill ordinarily possessed by reputable professionals practicing in similar localities in the same profession and under similar circumstances. CONTRACTOR's duty is to exercise such care, skill and diligence as professionals engaged in the same profession ordinarily exercise under like circumstances.

27 TITLE TO INFORMATION AND DOCUMENTS

It is understood that any and all documents, information and reports concerning the subject matter of this Agreement prepared and/or submitted by CONTRACTOR shall become the property of COUNTY. However, CONTRACTOR may retain copies of such documents and information for its records. In the event of termination of this Agreement, for any reason whatsoever, CONTRACTOR shall promptly turn over all information, writings and documents pertaining to the services provided hereunder to COUNTY without exception or reservation.

28. JURISDICTION AND VENUE

This Agreement shall be construed in accordance with the laws of the State of California. Any dispute arising hereunder, or relating hereto, shall be litigated in the State of California and venue shall lie in the County of Humboldt unless transferred by court order pursuant to California Code of Civil Procedure Sections 394 or 395.

29 ADVERTISING AND MEDIA RELEASE

All informational material related to this Agreement shall receive approval from COUNTY prior to being used as advertising or released to the media, including, but not limited to, television, radio, newspapers and internet. CONTRACTOR shall inform COUNTY of all requests for interviews by the media related to this Agreement before such interviews take place, and COUNTY shall be

entitled to have a representative present at such interviews. All notices required by this provision shall be given to Kelly Sanders, Clerk Recorder

30 SUBCONTRACTS.

CONTRACTOR shall obtain prior written approval from COUNTY before subcontracting any of the services to be provided hereunder. Any and all subcontracts shall be subject to all applicable terms and conditions of this Agreement, including, without limitation, the licensing, certification and confidentiality requirements set forth herein. CONTRACTOR shall remain legally responsible for the performance of all terms and conditions of this Agreement, including work performed by third parties under subcontracts, whether approved by COUNTY or not. In this regard, COUNTY grants permission to CONTRACTOR for the use of subcontractor Extract Systems, for the specific task of generating truncation coordinates of SSNs, which CONTRACTOR will integrate into final image deliverables

31 ATTORNEYS' FEES

If either party shall commence any legal action or proceeding, including an action for declaratory relief, against the other by reason of the alleged failure of the other to perform or keep any provision of this Agreement to be performed or kept, the party prevailing in said action or proceeding shall be entitled to recover court costs and reasonable attorneys' fees, including the reasonable value of services rendered by the Humboldt County Counsel's Office, to be fixed by the court, and such recovery shall include court costs and attorneys' fees on appeal, if applicable. As used herein, "prevailing party" means the party who dismisses an action or proceeding in exchange for payment of substantially all sums allegedly due, performance of provisions allegedly breached, or other considerations substantially equal to the relief sought by said party, as well as the party in whose favor final judgment is rendered.

32 SURVIVAL

The duties and obligations of the parties set forth in Section 3D – Compensation Upon Termination, Section 8 – Record Retention and Inspection, Section 10 – Confidential Information and Section 14 – Indemnification shall survive the expiration or termination of this Agreement

33 CONFLICTING TERMS OR CONDITIONS

In the event of any conflict in the terms or conditions set forth in any other agreements in place between the parties hereto and the terms and conditions set forth in this Agreement, the terms and conditions set forth herein shall have priority

34 INTERPRETATION

This Agreement, as well as its individual provisions, shall be deemed to have been prepared equally by both of the parties hereto, and shall not be construed or interpreted more favorably for one party on the basis that the other party prepared it

35 INDEPENDENT CONSTRUCTION

The titles of the sections, subsections and paragraphs set forth in this Agreement are inserted for convenience of reference only, and shall be disregarded in construing or interpreting any of the provisions of this Agreement

36 FORCE MAJEURE

Neither party hereto shall be liable or responsible for delays or failures in performance resulting from events beyond the reasonable control of such party and without fault or negligence of such party. Such events shall include, without limitation, acts of God, strikes, lockouts, riots, acts of war, epidemics, acts of government, fire, power failures, nuclear accidents, earthquakes, unusually severe weather, acts of terrorism or other disasters, whether or not similar to the foregoing

37 ENTIRE AGREEMENT

This Agreement contains all of the terms and conditions agreed upon by the parties hereto and no other agreements, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind either of the parties hereto. In addition, this Agreement shall supersede in its entirety any and all prior agreements, promises, representations, understandings and negotiations of the parties, whether oral or written, concerning the same subject matter. Any and all acts which may have already been consummated pursuant to the terms and conditions of this Agreement are hereby ratified.

38 AUTHORITY TO EXECUTE

Each person executing this Agreement represents and warrants that he or she is duly authorized and has legal authority to execute and deliver this Agreement. Each party represents and warrants to the other that the execution and delivery of this Agreement and the performance of such party's obligations hereunder have been duly authorized

[Signatures on Following Page]

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the first date written above

TWO SIGNATURES ARE REQUIRED FOR CORPORATIONS

- (1) CHAIRPERSON OF THE BOARD, PRESIDENT, OR VICE PRESIDENT, AND
- (2) SECRETARY, ASSISTANT SECRETARY, CHIEF FINANCIAL OFFICER OR TREASURER

BMI IMAGING SYSTEMS, INC:

By William Wultnizer
Name WILLIAM WULTNIZER
Title CEO

Date June 7 2017

By Janice Harrison
Name Janice Harrison
Title Treasurer

Date 6/14/2017

COUNTY OF HUMBOLDT:

By Virginia Bass
Virginia Bass
Chair, Humboldt County Board of Supervisors

Date 5/23/17

INSURANCE AND INDEMNIFICATION REQUIREMENTS APPROVED

By Kaygen
Risk Management

Date 5/18/2017

LIST OF EXHIBITS:

- Exhibit A – Scope of Services
- Exhibit B – Schedule of Fees

Exhibit A: Scope of Services

- a) Digitize Historical Land Records which include the following media types Microfilm Rolls, Microfiche Jackets and Hard Copy Books (both bound and unbound) Place these materials in a format that represents a digital replica of the archives This will ensure that the history of the County is being preserved as it was created
- b) All microfilm/microfiche images will be scanned in high quality adjustable grayscale format to mitigate poor image quality and format issues
- c) Truncate the first 5 characters of SSN's contained on Official Records from April 1999 to December 31, 1980
- d) OCR process Official Records from April 1999 to approximately 1921 (when type written records begin) This process will enable text searching of these records within the system
- e) Import previously scanned images from Tome Duffer into Digital Reel
- f) Scan historical bound and unbound books to Digital Reel format
- g) Have the converted records hosted in two different geographic locations for maximum redundancy and up time

Truncation of Social Security Numbers on Official Records from 1980 to April 1999:

BMI and County estimate the volume of images to review for redaction totals 1,000,000 images As part of this project, BMI will provide the following

- One Redacted Copy Images of Official Records with the first 5 (five) characters of the SSN redacted These redactions may be seen through by authorized County staff only (should you need to produce a document without the redaction)

Utilizing specialized Optical Character Recognition (OCR) technology, the Contractor will locate typed and machine printed SSNs and redact the first five characters on the images to create a redacted copy that the County can make available to the public

Automated Redaction of SSNs – 1980 through April 1999

BMI will run OCR software against the images and use SSN identification rules to identify SSNs BMI will manually review these automatic SSN detections for false positives The accuracy rate for this redaction project is 98.5% or higher

The following steps will be followed as part of the process

- 1 Images are provided for redaction
- 2 Rule writing process implemented
 - a Test and modify Humboldt County SSN Truncation ruleset as needed for historical project
- 3 OCR process Official Records Images
- 4 Apply Automated Redaction Rules Processing

The results of the automated OCR detection processes are largely dependent upon the image quality of the documents and placement of the SSNs within

Manual Redaction of SSNs – 1980 through April 1999

The County has a computerized Grantor/Grantee index for the Official Records from 1980 through April 1999, which includes a Book/Page reference and document type. Using this index, we will be able to manually review the document types which are "likely candidates" to contain an SSN. This additional step in the process will allow us to truncate handwritten numbers that may have been missed in the automated step.

The County will provide BMI with a Comma Separated Values ("CSV") file format or equivalent of this index, containing unique Book/Page reference along with the Document Type.

Estimated Volume of Material:

Below is a description of the materials BMI will transport to our Sunnyvale, CA facility. The materials will be transported in a BMI owned vehicle driven by one of our employees. The pick-up will take place on a mutually agreed upon morning. Material will be transported directly back to Sunnyvale for processing. The County will need to copy the Tome Duffer images and any index data onto an external HD for delivery to BMI.

Tome Duffer Scanned Images & Microfilm Based Records

Media Type/Document Type	Volume Estimate
Tome Duffer Scanned Images/Patents and Deeds	220,000 images
Roll Film/Official Records Book 1 - 1759	943 rolls
Fiche Jackets/Official Records 1985-1999	11,908 jackets

Hard Copy Books

Media Type/Document Type	Volume Estimate
Military Discharge (Unbound)	11
Deed Books (Bound)	4
Leases (Unbound)	14
Homesteads (Bound)	9
Homesteads (Unbound)	3
Min Claims Water Rights (Bound)	4
Min Claims Water Rights (Unbound)	7
Miscellaneous (Unbound)	28
Miscellaneous (Bound)	4
Swamp and Overflow (Bound)	3
Klamath County (Bound)	9
Tax Deeds (Bound)	5
Tax Deeds (Unbound)	10
Lis Pendens (Unbound)	5
Lis Pendens (Bound)	4

Total Bound Books = 42
 Total Unbound Books = 78

Creation of Tiff Images:

For all media involved with the project, BMI will create 300 dpi bi-tonal tiff images. These images will reside in a folder named by the roll film label or book title. These images will be delivered to the County on an external HD.

Hosted Services:

BMI's hosted service includes two complete raid synched sets of data and images, both active and load-balanced between the sites for performance. RagingWire will provide the primary services with a complete replicated dataset available through our Sunnyvale, CA data center. Hosted services include 20 named user accounts.

Exhibit B: Schedule of Rates

➤ **Part 1 – Microfilm/Microfiche Conversion & Truncation**

Item	Estimated Volume	Unit Price	Total Price
Digital Reel Conversion from Microfilm Rolls	79 Microfilm Rolls	\$28/roll	\$2,212
Outputting 300 dpi tiff images from Microfilm Rolls	79 Microfilm Rolls	\$5/roll	\$395*
Digital Reel Conversion of Microfiche Jackets	11,908 Jackets	\$1.25/jacket	\$14,885
Outputting 300 dpi tiff images from Microfiche Jackets	11,980 Jackets	\$0.15/jacket	\$1,797*
Truncation of Official Records 1980 - 1999	1,000,000 Images	\$0.04/image	\$40,000
Manual Review of Doc Types for Truncation	1	\$5,000	\$5,000
Digital Reel Hosted Services	1 year	included	Included**
Project Management Fee & Technical Services	1	\$2,500	\$2,500
Transportation of Material	4	\$750	\$3,000
External HD for tiff images	1	\$250	\$250*
Sub Total			\$70,039
Taxable Items (8.50%)			\$208
Project Total			\$70,247

*Taxable item

**Included with this contract is one year of hosted services. Following the one year period, the \$7,000 hosting fee will be applicable. Hosted date begins when the first milestone of the project is approved.

➤ **Part 2 – Microfilm Conversion, Tome Duffer & Hard Copy Books**

Item	Estimated Volume	Unit Price	Total Price
Digital Reel Conversion from Microfilm Rolls	864 Microfilm Rolls	\$28/roll	\$24,192
Outputting 300 dpi tiff images from Microfilm Rolls	864 Microfilm Rolls	\$5/roll	\$4,320*
Conversion of Tome Duffer Images to Digital Reel	220,000 Images	\$ 02/image	\$4,400
Conversion of Bound Books to Digital Reel	42 Books	\$345/book	\$14,490
Outputting 300 dpi tiff images from Bound Books	42 Books	\$5/book	\$210*
Conversion of Unbound Books to Digital Reel	78 Books	\$245/book	\$19,110
Outputting 300 dpi tiff images from Unbound Books	78 Books	5/book	\$390*
Project Management Fee and Technical Services	1	\$2,500	\$2,500
External HD for tiff images	1	\$250	\$250*
Sub Total	--		\$69,862
Taxable Items (8.50%)	-	-	\$440
Project Total	-	--	\$70,302

*Taxable item

Project Summary

Item	Total Price
Part 1	\$70,247
Part 2	\$70,302
Project Total	\$140,549

Supplemental Budget

1310267 - Recorder-Record Conversion

Revenues	Object	Increase Amt
Trust Fund Revenue	808000	70,247 00
Transfer from Trust - Rec Mod	706130	70,302 00
Total		140,549.00

Expenditures	Object	Increase Amt
Professional & Special Services	2118	140,549 00
Total		140,549.00



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
05/15/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER

IMPORTANT If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed if SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s)

PRODUCER License # 0564249 Heffernan Insurance Brokers 101 Second Street, Suite 120 Petaluma, CA 94952	CONTACT NAME Dan Mahoney	
	PHONE (A/C, No, Ext) (707) 789-3072 93072	FAX (A/C, No)
	E-MAIL ADDRESS DanM@heffins.com	
	INSURER(S) AFFORDING COVERAGE	NAIC #
INSURED BMI Imaging Systems, Inc 1115 East Arques Sunnyvale, CA 94085	INSURER A Hartford Accident & Indemnity	22357
	INSURER B Hartford Casualty Insurance Company	29424
	INSURER C Hartford Insurance Company of the Midwest	37478
	INSURER D	
	INSURER E	
	INSURER F	

COVERAGES	CERTIFICATE NUMBER	REVISION NUMBER
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THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Per Loc Aggregate GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER	X	X	57UUQTM2431	01/15/2017	01/15/2018	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
A	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS ONLY	X	X	57UUQTM2431	01/15/2017	01/15/2018	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTIONS \$ 10,000			57XHQYC8584	01/15/2017	01/15/2018	EACH OCCURRENCE \$ 4,000,000 AGGREGATE \$ 4,000,000
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes describe under DESCRIPTION OF OPERATIONS below	Y/N Y	N/A	57WEQZT2722	01/01/2017	01/01/2018	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required) As per contract on file with Insured Humboldt County, its officers, agents, employees and volunteers are named as additional insured (primary) on the General Liability policy, per attached form, as respects liability arising out of the activities performed by or on behalf of Insured, products and completed operations of Insured and on Auto liability policy per attached endorsement. Waivers of Subrogation in favor of Additional Insured applies to General Liability, Auto Liability and Workers' Compensation

CERTIFICATE HOLDER Humboldt County Recorder Office 825 Fifth Street, 5th Floor Eureka, CA 95501	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS AUTHORIZED REPRESENTATIVE
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COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the stock insurance company member of The Hartford providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II - Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V - Definitions.

SECTION I - COVERAGES

COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1 Insuring Agreement

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But

(1) The amount we will pay for damages is limited as described in Section III - Limits Of Insurance, and

(2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments - Coverages A and B.

b. This insurance applies to "bodily injury" and "property damage" only if

(1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory",

(2) The "bodily injury" or "property damage" occurs during the policy period, and

(3) Prior to the policy period, no insured listed under Paragraph 1 of Section II - Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

c. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1 of Section II - Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim

(1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;

(2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage", or

(3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

d. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

e. Incidental Medical Malpractice

(1) "Bodily injury" arising out of the rendering of or failure to render professional health care services as a physician, dentist, nurse, emergency medical technician or paramedic shall be deemed to be caused by an "occurrence", but only if

(a) The physician, dentist, nurse, emergency medical technician or paramedic is employed by you to provide such services, and

(b) You are not engaged in the business or occupation of providing such services.

- (2) For the purpose of determining the limits of insurance for incidental medical malpractice, any act or omission together with all related acts or omissions in the furnishing of these services to any one person will be considered one "occurrence".

2 Exclusions

This insurance does not apply to

a. Expected Or Intended Injury

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

b. Contractual Liability

"Bodily injury" or "property damage" for which the insured 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 insured 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. Solely for the purposes of liability assumed in an "insured contract", reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided
 - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract", and
 - (b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of

- (1) Causing or contributing to the intoxication of any person,
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol, or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

e. Employer's Liability

"Bodily injury" to

- (1) An "employee" of the insured arising out of and in the course of
 - (a) Employment by the insured, or
 - (b) Performing duties related to the conduct of the insured'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 insured 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.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

f. 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 insured. However, this subparagraph does not apply to
 - (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests,
 - (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured, or

- (iii) "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 insured 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 insured, 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 insured or any contractors or subcontractors working directly or indirectly on any insured'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 insured, 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 insured, 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", or

(e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured'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 effects of, "pollutants"

- (2) Any loss, cost or expense arising out of any
 - (a) Request, demand, order or statutory or regulatory requirement that any insured 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 insured 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

g Aircraft, Auto Or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading"

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured

This exclusion does not apply to

- (1) A watercraft while ashore on premises you own or rent,
- (2) A watercraft you do not own that is
 - (a) Less than 51 feet long, and
 - (b) Not being used to carry persons for a charge,
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured,

- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft;
- (5) "Bodily injury" or "property damage" arising out of the operation of any of the equipment listed in Paragraph f.(2) or f(3) of the definition of "mobile equipment", or
- (6) An aircraft that is not owned by any Insured and is hired, chartered or loaned with a paid crew. However, this exception does not apply if the insured has any other insurance for such "bodily injury" or "property damage", whether the other insurance is primary, excess, contingent or on any other basis

h Mobile Equipment

"Bodily injury" or "property damage" arising out of

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured, or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

i. War

"Bodily injury" or "property damage", however caused, arising, directly or indirectly, out of

- (1) War, including undeclared or civil war,
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents, or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these

j. Damage To Property

"Property damage" to

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property,
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises,
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the Insured,
- (5) That particular part of real property on which you or any contractors or subcontractors

working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations, or

- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III - Limits Of Insurance

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you

Paragraphs (3) and (4) of this exclusion do not apply to "property damage" arising from the use of elevators

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement

Paragraphs (3) and (4) of this exclusion do not apply to "property damage" to borrowed equipment while not being used to perform operations at the job site.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard"

k. Damage To Your Product

"Property damage" to "your product" arising out of it or any part of it

l Damage To Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard"

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor

m Damage To Impaired Property Or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work", or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use

n. Recall Of Products, Work Or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of

- (1) "Your product",
- (2) "Your work", or
- (3) "Impaired property",

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it

o Personal And Advertising Injury

"Bodily injury" arising out of "personal and advertising injury".

p Electronic Data

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment

q Employment-Related Practices

"Bodily injury" to

- (1) A person arising out of any "employment-related practices", or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any "employment-related practices" are directed

This exclusion applies

- (1) Whether the insured 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

r. Asbestos

(1) "Bodily injury" or "property damage" arising out of the "asbestos hazard"

(2) Any damages, judgments, settlements, loss, costs or expenses that

- (a) May be awarded or incurred by reason of any claim or suit alleging actual or threatened injury or damage of any nature or

kind to persons or property which would not have occurred in whole or in part but for the "asbestos hazard",

(b) Arise out of any request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, encapsulate, contain, treat, detoxify or neutralize or in any way respond to or assess the effects of an "asbestos hazard", or

(c) Arise out of any claim or suit for damages because of testing for, monitoring, cleaning up, removing, encapsulating, containing, treating, detoxifying or neutralizing or in any way responding to or assessing the effects of an "asbestos hazard"

Damage To Premises Rented To You - Exception For Damage By Fire, Lightning Or Explosion

Exclusions c through h and j through n do not apply to damage by fire, lightning or explosion to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section III - Limits Of Insurance

COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY

1 Insuring Agreement

a We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But

(1) The amount we will pay for damages is limited as described in Section III - Limits Of Insurance, and

(2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments - Coverages A and B.

b This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period

2 Exclusions

This insurance does not apply to

a Knowing Violation Of Rights Of Another

"Personal and advertising injury" arising out of an offense committed by, at the direction or with the consent or acquiescence of the insured with the expectation of inflicting "personal and advertising injury"

b Material Published With Knowledge Of Falsity

"Personal and advertising injury" arising out of oral, written or electronic publication of material, if done by or at the direction of the insured with knowledge of its falsity

c Material Published Prior To Policy Period

"Personal and advertising injury" arising out of oral, written or electronic publication of material whose first publication took place before the beginning of the policy period

d Criminal Acts

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured

e Contractual Liability

"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement

f Breach Of Contract

"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's "advertising idea" in your "advertisement"

g Quality Or Performance Of Goods -- Failure To Conform To Statements

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement"

h Wrong Description Of Prices

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services

i Infringement Of Intellectual Property Rights

"Personal and advertising injury" arising out of any violation of any intellectual property rights such as copyright, patent, trademark, trade name, trade secret, service mark or other designation of origin or authenticity

However, this exclusion does not apply to infringement, in your "advertisement", of

- (1) Copyright,

- (2) Slogan, unless the slogan is also a trademark, trade name, service mark or other designation of origin or authenticity, or

- (3) Title of any literary or artistic work

j Insureds In Media And Internet Type Businesses

"Personal and advertising injury" committed by an insured whose business is

- (1) Advertising, broadcasting, publishing or telecasting,
- (2) Designing or determining content of web sites for others, or
- (3) An Internet search, access, content or service provider

However, this exclusion does not apply to Paragraphs 17 a, b and c. of "personal and advertising injury" under the Definitions Section

For the purposes of this exclusion, placing an "advertisement" for or linking to others on your web site, by itself, is not considered the business of advertising, broadcasting, publishing or telecasting

k Electronic Chatrooms Or Bulletin Boards

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control

l Unauthorized Use Of Another's Name Or Product

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatags, or any other similar tactics to mislead another's potential customers

m Pollution

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time

n Pollution-Related

Any loss, cost or expense arising out of any

- (1) Request, demand, order or statutory or regulatory requirement that any insured 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
- (2) 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"

o War

"Personal and advertising injury", however caused, arising, directly or indirectly, out of

- (1) War, including undeclared or civil war,
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents, or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these

p Internet Advertisements And Content Of Others

"Personal and advertising injury" arising out of

- (1) An "advertisement" for others on your web site,
- (2) Placing a link to a web site of others on your web site,
- (3) Content, including information, sounds, text, graphics, or images from a web site of others displayed within a frame or border on your web site, or
- (4) Computer code, software or programming used to enable
 - (a) Your web site, or
 - (b) The presentation or functionality of an "advertisement" or other content on your web site

q Right Of Privacy Created By Statute

"Personal and advertising injury" arising out of the violation of a person's right of privacy created by any state or federal act

However, this exclusion does not apply to liability for damages that the insured would have in the absence of such state or federal act

r Violation Of Anti-Trust law

"Personal and advertising injury" arising out of a violation of any anti-trust law

s Securities

"Personal and advertising injury" arising out of the fluctuation in price or value of any stocks, bonds or other securities

t Discrimination Or Humiliation

"Personal and advertising injury" arising out of discrimination or humiliation committed by or at the direction of any "executive officer", director, stockholder, partner or member of the insured

u Employment-Related Practices

"Personal and advertising injury" to

- (1) A person arising out of any "employment-related practices", or

- (2) The spouse, child, parent, brother or sister of that person as a consequence of "personal and advertising injury" to that person at whom any "employment related practices" are directed

This exclusion applies

- (1) Whether the insured 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

v Asbestos

- (1) "Personal and advertising injury" arising out of the "asbestos hazard"

- (2) Any damages, judgments, settlements, loss, costs or expenses that

(a) May be awarded or incurred by reason of any claim or suit alleging actual or threatened injury or damage of any nature or kind to persons or property which would not have occurred in whole or in part but for the "asbestos hazard",

(b) Arise out of any request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, encapsulate, contain, treat, detoxify or neutralize or in any way respond to or assess the effects of an "asbestos hazard", or

(c) Arise out of any claim or suit for damages because of testing for, monitoring, cleaning up, removing, encapsulating, containing, treating, detoxifying or neutralizing or in any way responding to or assessing the effects of an "asbestos hazard"

COVERAGE C MEDICAL PAYMENTS

1 Insuring Agreement

a. We will pay medical expenses as described below for "bodily injury" caused by an accident

- (1) On premises you own or rent,
 - (2) On ways next to premises you own or rent, or
 - (3) Because of your operations,
- provided that

- (1) The accident takes place in the "coverage territory" and during the policy period,
- (2) The expenses are incurred and reported to us within three years of the date of the accident, and
- (3) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require

- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for
 - (1) First aid administered at the time of an accident,
 - (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices, and
 - (3) Necessary ambulance, hospital, professional nursing and funeral services

2. Exclusions

We will not pay expenses for "bodily injury"

- a. **Any Insured**
To any insured, except "volunteer workers"
- b. **Hired Person**
To a person hired to do work for or on behalf of any insured or a tenant of any insured
- c. **Injury On Normally Occupied Premises**
To a person injured on that part of premises you own or rent that the person normally occupies.
- d. **Workers Compensation And Similar Laws**
To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law
- e. **Athletics Activities**
To a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletic contests
- f. **Products-Completed Operations Hazard**
Included within the "products-completed operations hazard"
- g. **Coverage A Exclusions**
Excluded under Coverage A

SUPPLEMENTARY PAYMENTS - COVERAGES A AND B

- 1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:
 - a. All expenses we incur
 - b. Up to \$1,000 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds
 - c. The cost of appeal bonds or bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds
 - d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$500 a day because of time off from work

- e. All costs taxed against the insured in the "suit"
- f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer
- g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance

These payments will not reduce the limits of insurance

- 2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met.

- a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract",
- b. This insurance applies to such liability assumed by the insured,
- c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract",
- d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee,
- e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee, and
- f. The indemnitee

- (1) Agrees in writing to

- (a) Cooperate with us in the investigation, settlement or defense of the "suit",
- (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit",
- (c) Notify any other insurer whose coverage is available to the indemnitee, and
- (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee, and

- (2) Provides us with written authorization to

- (a) Obtain records and other information related to the "suit", and
- (b) Conduct and control the defense of the indemnitee in such "suit"

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee,

necessary litigation expenses incurred by us and necessary litigation expenses incurred by the Indemnitee at our request will be paid as Supplementary Payments Notwithstanding the provisions of Paragraph 2.b (2) of Section I – Coverage A – Bodily Injury And Property Damage Liability, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when'

- a We have used up the applicable limit of insurance in the payment of judgments or settlements, or
- b. The conditions set forth above, or the terms of the agreement described in Paragraph f above, are no longer met

SECTION II – WHO IS AN INSURED

1 If you are designated in the Declarations as

- a An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner
- b A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business
- c A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers
- d An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders
- e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees

2 Each of the following is also an insured

a. Employees and Volunteer workers

Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business

However, none of these "employees" or "volunteer workers" are insureds for

(1) "Bodily injury" or "personal and advertising injury"

- (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business,
- (b) To the spouse, child, parent, brother or sister of that co-"employee" or that "volunteer worker" as a consequence of Paragraph (1)(a) above,
- (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs (1)(a) or (b) above, or
- (d) Arising out of his or her providing or failing to provide professional health care services

If you are not in the business of providing professional health care services, Paragraph (d) does not apply to any nurse, emergency medical technician or paramedic employed by you to provide such services

(2) "Property damage" to property

- (a) Owned, occupied or used by,
- (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company)

b Real Estate Manager

Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager

c. Temporary Custodians of Your Property

Any person or organization having proper temporary custody of your property if you die, but only

- (1) With respect to liability arising out of the maintenance or use of that property, and
- (2) Until your legal representative has been appointed

d. Legal Representative If You Die

Your legal representative if you die, but only with respect to duties as such. That representative will

have all your rights and duties under this Coverage Part

e Unnamed Subsidiary

Any subsidiary, and subsidiary thereof, of yours which is a legally incorporated entity of which you own a financial interest of more than 50% of the voting stock on the effective date of the Coverage Part

The insurance afforded herein for any subsidiary not named in this Coverage Part as a named insured does not apply to injury or damage with respect to which an insured under this Coverage Part is also an insured under another policy or would be an insured under such policy but for its termination or the exhaustion of its limits of insurance

3 Newly Acquired or Formed Organization

Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain financial interest of more than 50% of the voting stock, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

- a Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
- b Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization, and
- c Coverage B does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization

4. Mobile Equipment

With respect to "mobile equipment" registered in your name under any motor vehicle registration law, any person is an insured while driving such equipment along a public highway with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the equipment, and only if no other insurance of any kind is available to that person or organization for this liability. However, no person or organization is an insured with respect to

- a. "Bodily injury" to a co-"employee" of the person driving the equipment, or
- b "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision

5 Nonowned Watercraft

With respect to watercraft you do not own that is less than 51 feet long and is not being used to carry persons for a charge, any person is an insured while operating such watercraft with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the watercraft, and only if no other insurance of any kind is available to that person or organization for this liability

However, no person or organization is an insured with respect to

- a. "Bodily injury" to a co-"employee" of the person operating the watercraft, or
- b "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision

6. Additional Insureds When Required By Written Contract, Written Agreement Or Permit

The following person(s) or organization(s) are an additional insured when you have agreed, in a written contract, written agreement or because of a permit issued by a state or political subdivision, that such person or organization be added as an additional insured on your policy, provided the injury or damage occurs subsequent to the execution of the contract or agreement

A person or organization is an additional insured under this provision only for that period of time required by the contract or agreement

However, no such person or organization is an insured under this provision if such person or organization is included as an insured by an endorsement issued by us and made a part of this Coverage Part

a. Vendors

Any person(s) or organization(s) (referred to below as vendor), but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business and only if this Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard"

- (1) The insurance afforded the vendor is subject to the following additional exclusions

This insurance does not apply to

- (a) "Bodily injury" or "property damage" for which the vendor 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 that the vendor would have in the absence of the contract or agreement,

- (b) Any express warranty unauthorized by you,
 - (c) Any physical or chemical change in the product made intentionally by the vendor,
 - (d) Repackaging, except when unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;
 - (e) Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products,
 - (f) Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product,
 - (g) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or
 - (h) "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to
 - (i) The exceptions contained in Sub-paragraphs (d) or (f), or
 - (ii) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products
- (2) This insurance does not apply to any Insured person or organization, from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products

b Lessors of Equipment

- (1) Any person or organization from whom you lease equipment, but only with respect to their liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person or organization
- (2) With respect to the insurance afforded to these additional insureds this insurance does not apply to any "occurrence" which takes place after the equipment lease expires

c Lessors of Land or Premises

Any person or organization from whom you lease land or premises, but only with respect to liability arising out of the ownership, maintenance or use of that part of the land or premises leased to you

With respect to the insurance afforded these additional insureds the following additional exclusions apply

This insurance does not apply to

- 1 Any "occurrence" which takes place after you cease to lease that land, or
- 2 Structural alterations, new construction or demolition operations performed by or on behalf of such person or organization.

d Architects, Engineers or Surveyors

Any architect, engineer, or surveyor, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf

- (1) In connection with your premises, or
- (2) In the performance of your ongoing operations performed by you or on your behalf

With respect to the insurance afforded these additional insureds, the following additional exclusion applies

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or the failure to render any professional services by or for you, including

- 1 The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications, or
- 2 Supervisory, inspection, architectural or engineering activities.

e Permits Issued By State Or Political Subdivisions

Any state or political subdivision, but only with respect to operations performed by you or on your behalf for which the state or political subdivision has issued a permit

With respect to the insurance afforded these additional insureds, this insurance does not apply to

- (1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of operations performed for the state or municipality, or
- (2) "Bodily injury" or "property damage" included within the "products-completed operations hazard"

f Any Other Party

Any other person or organization who is not an insured under Paragraphs a through e above, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf

- (1) In the performance of your ongoing operations,
- (2) In connection with your premises owned by or rented to you, or
- (3) In connection with "your work" and included within the "products-completed operations hazard", but only if
 - (a) The written contract or agreement requires you to provide such coverage to such additional insured, and
 - (b) This Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard"

With respect to the insurance afforded to these additional insureds this insurance does not apply to

"Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including

- (1) The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications, or
- (2) Supervisory, inspection, architectural or engineering activities

The limits of insurance that apply to additional insureds under this provision is described in Section III – Limits Of Insurance

How this insurance applies when other insurance is available to the additional insured is described in the Other Insurance Condition in Section IV – Commercial General Liability Conditions

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations

SECTION III – LIMITS OF INSURANCE

1 The Most We Will Pay

The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of

- a Insureds,
- b. Claims made or "suits" brought, or

c Persons or organizations making claims or bringing "suits"

2 General Aggregate Limit

The General Aggregate Limit is the most we will pay for the sum of

- a Medical expenses under Coverage C,
- b Damages under Coverage A, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard", and
- c. Damages under Coverage B

3 Products-Completed Operations Aggregate Limit

The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard"

4 Personal and Advertising Injury Limit

Subject to 2 above, the Personal and Advertising Injury Limit is the most we will pay under Coverage B for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization

5 Each Occurrence Limit

Subject to 2 or 3 above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of

- a Damages under Coverage A, and
 - b Medical expenses under Coverage C
- because of all "bodily injury" and "property damage" arising out of any one "occurrence"

6 Damage To Premises Rented To You Limit

Subject to 5 above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage A for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, lightning or explosion, while rented to you or temporarily occupied by you with permission of the owner

In the case of damage by fire, lightning or explosion, the Damage to Premises Rented To You Limit applies to all damage proximately caused by the same event, whether such damage results from fire, lightning or explosion or any combination of these

7 Medical Expense Limit

Subject to 5 above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person

8 How Limits Apply To Additional Insureds

If you have agreed in a written contract or written agreement that another person or organization be

added as an additional insured on your policy, the most we will pay on behalf of such additional insured is the lesser of

- a The limits of insurance specified in the written contract or written agreement, or
- b The Limits of Insurance shown in the Declarations

Such amount shall be a part of and not in addition to Limits of Insurance shown in the Declarations and described in this Section

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period 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 Insurance

SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS

1 Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part

2 Duties In The Event Of Occurrence, Offense, Claim Or Suit

a Notice Of Occurrence Or Offense

You or any additional insured must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include

- (1) How, when and where the "occurrence" or offense took place,
- (2) The names and addresses of any injured persons and witnesses, and
- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense

b Notice Of Claim

If a claim is made or "suit" is brought against any insured, you or any additional insured must

- (1) Immediately record the specifics of the claim or "suit" and the date received, and
- (2) Notify us as soon as practicable

You or any additional insured must see to it that we receive written notice of the claim or "suit" as soon as practicable

c Assistance And Cooperation Of The Insured

You and any other involved insured must

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit",
- (2) Authorize us to obtain records and other information,

(3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit", and

(4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply

d Obligations At The Insureds Own Cost

No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent

e Additional Insureds Other Insurance

If we cover a claim or "suit" under this Coverage Part that may also be covered by other insurance available to an additional insured, such additional insured must submit such claim or "suit" to the other insurer for defense and indemnity

However, this provision does not apply to the extent that you have agreed in a written contract or written agreement that this insurance is primary and non-contributory with the additional insured's own insurance

f Knowledge Of An Occurrence, Offense, Claim Or Suit

Paragraphs a and b. apply to you or to any additional insured only when such "occurrence", offense, claim or "suit" is known to

- (1) You or any additional insured that is an individual,
- (2) Any partner, if you or an additional insured is a partnership,
- (3) Any manager, if you or an additional insured is a limited liability company,
- (4) Any "executive officer" or insurance manager, if you or an additional insured is a corporation,
- (5) Any trustee, if you or an additional insured is a trust, or
- (6) Any elected or appointed official, if you or an additional insured is a political subdivision or public entity

This duty applies separately to you and any additional insured

3 Legal Action Against Us

No person or organization has a right under this Coverage Part

- a To join us as a party or otherwise bring us into a "suit" asking for damages from an insured, or
- b To sue us on this Coverage Part unless all of its terms have been fully complied with

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured, but we will not be liable for damages that are not payable under the terms of this Coverage Part or

that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

4 Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages A or B of this Coverage Part, our obligations are limited as follows:

a Primary Insurance

This insurance is primary except when b below applies. If other insurance is also primary, we will share with all that other insurance by the method described in c below.

b Excess Insurance

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis.

(1) Your Work

That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work".

(2) Premises Rented To You

That is fire, lightning or explosion insurance for premises rented to you or temporarily occupied by you with permission of the owner,

(3) Tenant Liability

That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner,

(4) Aircraft, Auto Or Watercraft

If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g of Section I - Coverage A - Bodily Injury And Property Damage Liability,

(5) Property Damage to Borrowed Equipment Or Use Of Elevators

If the loss arises out of "property damage" to borrowed equipment or the use of elevators to the extent not subject to Exclusion j of Section I - Coverage A - Bodily Injury And Property Damage Liability,

(6) When You Are Added As An Additional Insured To Other Insurance

Any other insurance available to you covering liability for damages arising out of the premises or operations, or products and completed operations, for which you have been added as an additional insured by that insurance, or

(7) When You Add Others As An Additional Insured To This Insurance

Any other insurance available to an additional insured:

However, the following provisions apply to other insurance available to any person or organization who is an additional insured under this coverage part:

(a) Primary Insurance When Required By Contract

This insurance is primary if you have agreed in a written contract or written agreement that this insurance be primary. If other insurance is also primary, we will share with all that other insurance by the method described in c below.

(b) Primary And Non-Contributory To Other Insurance When Required By Contract

If you have agreed in a written contract, written agreement, or permit that this insurance is primary and non-contributory with the additional insured's own insurance, this insurance is primary and we will not seek contribution from that other insurance.

Paragraphs (a) and (b) do not apply to other insurance to which the additional insured has been added as an additional insured.

When this insurance is excess, we will have no duty under Coverages A or B to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

(1) The total amount that all such other insurance would pay for the loss in the absence of this insurance, and

(2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

5 Premium Audit

- a We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
- c The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

6 Representations

a When You Accept This Policy

By accepting this policy, you agree

- (1) The statements in the Declarations are accurate and complete,
- (2) Those statements are based upon representations you made to us, and
- (3) We have issued this policy in reliance upon your representations.

b Unintentional Failure To Disclose Hazards

If unintentionally you should fail to disclose all hazards relating to the conduct of your business that exist at the inception date of this Coverage Part, we shall not deny coverage under this Coverage Part because of such failure.

7 Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies

- a As if each Named Insured were the only Named Insured, and
- b Separately to each insured against whom claim is made or "suit" is brought.

8 Transfer Of Rights Of Recovery Against Others To Us

a Transfer of Rights Of Recovery

If the insured has rights to recover all or part of any payment, including Supplementary Payments, we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the

insured will bring "suit" or transfer those rights to us and help us enforce them.

b. Waiver Of Rights Of Recovery (Waiver Of Subrogation)

If the insured has waived any rights of recovery against any person or organization for all or part of any payment, including Supplementary Payments, we have made under this Coverage Part, we also waive that right, provided the insured waived their rights of recovery against such person or organization in a contract, agreement or permit that was executed prior to the injury or damage.

9 When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

SECTION V – DEFINITIONS

1 "Advertisement" means the widespread public dissemination of information or images that has the purpose of inducing the sale of goods, products or services through

- a (1) Radio,
- (2) Television,
- (3) Billboard,
- (4) Magazine,
- (5) Newspaper, or

b Any other publication that is given widespread public distribution.

However, "advertisement" does not include

- a The design, printed material, information or images contained in, on or upon the packaging or labeling of any goods or products, or,
- b An interactive conversation between or among persons through a computer network.

2 "Advertising idea" means any idea for an "advertisement".

3 "Asbestos hazard" means an exposure or threat of exposure to the actual or alleged properties of asbestos and includes the mere presence of asbestos in any form.

4 "Auto" means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment. But "auto" does not include "mobile equipment".

5 "Bodily injury" means physical

- a. Injury,
- b. Sickness, or
- c. Disease

sustained by a person and, if arising out of the above, mental anguish or death at any time.

- 6 "Coverage territory" means
- a The United States of America (including its territories and possessions), Puerto Rico and Canada,
 - b International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in a above, or
 - c All other parts of the world if the injury or damage arises out of
 - (1) Goods or products made or sold by you in the territory described in a above,
 - (2) The activities of a person whose home is in the territory described in a above, but is away for a short time on your business, or
 - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication

provided the insured's responsibility to pay damages is determined in the United States of America (including its territories and possessions), Puerto Rico or Canada, in a "suit" on the merits according to the substantive law in such territory or in a settlement we agree to

- 7 "Employee" includes a "leased worker" "Employee" does not include a "temporary worker"
- 8 "Employment-Related Practices" means
- a Refusal to employ a person,
 - b Termination of a person's employment, or
 - c Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at a person.
- 9 "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document
- 10 "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be
- 11 "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because
- a It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous, or
 - b You have failed to fulfill the terms of a contract or agreement,

if such property can be restored to use by

- a The repair, replacement, adjustment or removal of "your product" or "your work", or
- b Your fulfilling the terms of the contract or agreement

- 12 "Insured contract" means
- a A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire, lightning or explosion to premises while

rented to you or temporarily occupied by you with permission of the owner is subject to the Damage to Premises Rented To You Limit described in Section III – Limits of Insurance,

- b A sidetrack agreement,
- c Any easement or license agreement, including an easement or license agreement in connection with construction or demolition operations on or within 50 feet of a railroad,
- d An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality,
- e. An elevator maintenance agreement,
- f That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization, provided the "bodily injury" or "property damage" is caused, in whole or in part, by you or by those acting on your behalf. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f includes that part of any contract or agreement that indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing

However, Paragraph f does not include that part of any contract or agreement

- (1) That indemnifies an architect, engineer or surveyor for injury or damage arising out of
 - (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications, or
 - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage, or
- (2) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (1) above and supervisory, inspection, architectural or engineering activities

13 "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 business. "Leased worker" does not include a "temporary worker"

- 14 "Loading or unloading" means the handling of property
- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto",

- b While it is in or on an aircraft, watercraft or "auto", or
 - c While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered, but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto"
- 15 "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment
- a Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads,
 - b Vehicles maintained for use solely on or next to premises you own or rent,
 - c Vehicles that travel on crawler treads,
 - d Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted
 - (1) Power cranes, shovels, loaders, diggers or drills, or
 - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers,
 - e Vehicles not described in a, b, c, or d above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types
 - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment, or
 - (2) Cherry pickers and similar devices used to raise or lower workers,
 - f Vehicles not described in a, b, c or d 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"

 - (1) Equipment, of at least 1,000 pounds gross vehicle weight, designed primarily for
 - (a) Snow removal,
 - (b) Road maintenance, but not construction or resurfacing, or
 - (c) Street cleaning,
 - (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers, and
 - (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment
- 16 "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions
- 17 "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses
- a False arrest, detention or imprisonment,
 - b Malicious prosecution,
 - c The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor,
 - d Oral, written or electronic publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services,
 - e Oral, written or electronic publication of material that violates a person's right of privacy,
 - f Copying, in your "advertisement", a person's or organization's "advertising idea" or style of "advertisement",
 - g Infringement of copyright, slogan, or title of any literary or artistic work, in your "advertisement", or
 - h. Discrimination or humiliation that results in injury to the feelings or reputation of a natural person
- 18 "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed
- 19 "Products-completed operations hazard"
- a Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except
 - (1) Products that are still in your physical possession, or
 - (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times
 - (a) When all of the work called for in your contract has been completed
 - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site
 - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project
- Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

b. Does not include "bodily injury" or "property damage" arising out of

- (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured,
- (2) The existence of tools, uninstalled equipment or abandoned or unused materials, or
- (3) Products or operations for which the classification, listed in the Declarations or in a policy schedule, states that products-completed operations are subject to the General Aggregate Limit

20 "Property damage" means

- a Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it, or
- b Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it

As used in this definition, computerized or electronically stored data, programs or software are not tangible property. Electronic data means information, facts or programs

- a. Stored as or on,
- b Created or used on, or
- c. Transmitted to or from,

computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment

21 "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes

- a An arbitration proceeding in which such damages are claimed and to which the insured 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 insured submits with our consent

22. "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

23. "Volunteer worker" means a person who

- a Is not your "employee",
- b Donates his or her work,
- c. Acts at the direction of and within the scope of duties determined by you, and
- d Is not paid a fee, salary or other compensation by you or anyone else for their work performed for you

24 "Your product"

- a Means
 - (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by
 - (a) You,
 - (b) Others trading under your name, or
 - (c) A person or organization whose business or assets you have acquired, and
 - (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products
- b Includes
 - (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product", and
 - (2) The providing of or failure to provide warnings or instructions
- c Does not include vending machines or other property rented to or located for the use of others but not sold

25. "Your work"

- a. Means
 - (1) Work or operations performed by you or on your behalf, and
 - (2) Materials, parts or equipment furnished in connection with such work or operations
- b Includes
 - (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work", and
 - (2) The providing of or failure to provide warnings or instructions

THIS ENDORSEMENT CHANGES THE POLICY PLEASE READ IT CAREFULLY

COMMERCIAL AUTOMOBILE BROAD FORM ENDORSEMENT

This endorsement modifies insurance provided under the following

BUSINESS AUTO COVERAGE FORM

To the extent that the provisions of this endorsement provide broader benefits to the "insured" than other provisions of the Coverage Form, the provisions of this endorsement apply

1 BROAD FORM INSURED

A Subsidiaries and Newly Acquired or Formed Organizations

The Named Insured shown in the Declarations is amended to include

- (1) Any legal business entity other than a partnership or joint venture, formed as a subsidiary in which you have an ownership interest of more than 50% on the effective date of the Coverage Form. However, the Named Insured does not include any subsidiary that is an "insured" under any other automobile policy or would be an "insured" under such a policy but for its termination or the exhaustion of its Limit of Insurance
- (2) Any organization that is acquired or formed by you and over which you maintain majority ownership. However, the Named Insured does not include any newly formed or acquired organization
 - (a) That is a partnership or joint venture,
 - (b) That is an "insured" under any other policy,
 - (c) That has exhausted its Limit of Insurance under any other policy, or
 - (d) 180 days or more after its acquisition or formation by you, unless you have given us notice of the acquisition or formation

Coverage does not apply to "bodily injury" or "property damage" that results from an "accident" that occurred before you formed or acquired the organization

B Employees as Insureds

Paragraph A 1 - WHO IS AN INSURED - of SECTION II - LIABILITY COVERAGE is amended to add

- d Any "employee" of yours while using a covered "auto" you don't own, hire or borrow in your business or your personal affairs

C Lessors as Insureds

Paragraph A 1 - WHO IS AN INSURED - of Section II - Liability Coverage is amended to add

- e The lessor of a covered "auto" while the "auto" is leased to you under a written agreement if
 - (1) The agreement requires you to provide direct primary insurance for the lessor and
 - (2) The "auto" is leased without a driver

Such a leased "auto" will be considered a covered "auto" you own and not a covered "auto" you hire

D Additional Insured if Required by Contract

(1) Paragraph A 1 - WHO IS AN INSURED - of Section II - Liability Coverage is amended to add

- f When you have agreed, in a written contract or written agreement, that a person or organization be added as an additional insured on your business auto policy, such person or organization is an "insured", but only to the extent such person or organization is liable for "bodily injury" or "property damage" caused by the conduct of an "insured" under paragraphs a or b of Who Is An Insured with regard to the ownership, maintenance or use of a covered "auto"

The insurance afforded to any such additional insured applies only if the "bodily injury" or "property damage" occurs

- (1) During the policy period, and
- (2) Subsequent to the execution of such written contract, and
- (3) Prior to the expiration of the period of time that the written contract requires such insurance be provided to the additional insured

(2) How Limits Apply

If you have agreed in a written contract or written agreement that another person or organization be added as an additional insured on your policy, the most we will pay on behalf of such additional insured is the lesser of

- (a) The limits of insurance specified in the written contract or written agreement, or
- (b) The Limits of Insurance shown in the Declarations

Such amount shall be a part of and not in addition to Limits of Insurance shown in the Declarations and described in this Section

(3) Additional Insureds Other Insurance

If we cover a claim or "suit" under this Coverage Part that may also be covered by other insurance available to an additional insured, such additional insured must submit such claim or "suit" to the other insurer for defense and indemnity

However, this provision does not apply to the extent that you have agreed in a written contract or written agreement that this insurance is primary and non-contributory with the additional insured's own insurance

(4) Duties in The Event Of Accident, Claim, Suit or Loss

If you have agreed in a written contract or written agreement that another person or organization be added as an additional insured on your policy, the additional insured shall be required to comply with the provisions in LOSS CONDITIONS 2 - DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS - OF SECTION IV - BUSINESS AUTO CONDITIONS, in the same manner as the Named Insured

E. Primary and Non-Contributory If Required by Contract

Only with respect to insurance provided to an additional insured in 1 D - Additional Insured If Required by Contract, the following provisions apply

(3) Primary Insurance When Required By Contract

This insurance is primary if you have agreed in a written contract or written agreement that this insurance be primary. If other insurance is also primary, we will share with all that other insurance by the method described in Other Insurance 5 d

(4) Primary And Non-Contributory To Other Insurance When Required By Contract

If you have agreed in a written contract or written agreement that this insurance is primary and non-contributory with the additional insured's own insurance, this insurance is primary and we will not seek contribution from that other insurance

Paragraphs (3) and (4) do not apply to other insurance to which the additional insured has been added as an additional insured

When this insurance is excess, we will have no duty to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance, and
- (2) The total of all deductible and self-insured amounts under all that other insurance

We will share the remaining loss, if any, by the method described in Other Insurance 5 d

2. AUTOS RENTED BY EMPLOYEES

Any "auto" hired or rented by your "employee" on your behalf and at your direction will be considered an "auto" you hire

The OTHER INSURANCE Condition is amended by adding the following

If an "employee's" personal Insurance also applies on an excess basis to a covered "auto" hired or rented by your "employee" on your behalf and at your direction, this Insurance will be primary to the "employee's" personal insurance

3 AMENDED FELLOW EMPLOYEE EXCLUSION
EXCLUSION 5 - FELLOW EMPLOYEE - of SECTION II - LIABILITY COVERAGE does not apply if you have workers' compensation insurance in-force covering all of your "employees"

Coverage is excess over any other collectible insurance

4 HIRED AUTO PHYSICAL DAMAGE COVERAGE

If hired "autos" are covered "autos" for Liability Coverage and if Comprehensive, Specified Causes of Loss, or Collision coverages are provided under this Coverage Form for any "auto" you own, then the Physical Damage Coverages provided are extended to "autos" you hire or borrow, subject to the following limit

The most we will pay for "loss" to any hired "auto" is

- (1) \$100,000,
- (2) The actual cash value of the damaged or stolen property at the time of the "loss", or
- (3) The cost of repairing or replacing the damaged or stolen property,

whichever is smallest, minus a deductible. The deductible will be equal to the largest deductible applicable to any owned "auto" for that coverage. No deductible applies to "loss" caused by fire or lightning. Hired Auto Physical Damage coverage is excess over any other collectible insurance. Subject to the above limit, deductible and excess provisions, we will provide coverage equal to the broadest coverage applicable to any covered "auto" you own.

We will also cover loss of use of the hired "auto" if it results from an "accident", you are legally liable and the lessor incurs an actual financial loss, subject to a maximum of \$1000 per "accident"

This extension of coverage does not apply to any "auto" you hire or borrow from any of your "employees", partners (if you are a partnership), members (if you are a limited liability company), or members of their households

5 PHYSICAL DAMAGE - ADDITIONAL TEMPORARY TRANSPORTATION EXPENSE COVERAGE

Paragraph A 4 a of SECTION III - PHYSICAL DAMAGE COVERAGE is amended to provide a limit of \$50 per day and a maximum limit of \$1,000

6. LOAN/LEASE GAP COVERAGE

Under SECTION III - PHYSICAL DAMAGE COVERAGE, in the event of a total "loss" to a covered "auto", we will pay your additional legal obligation for any difference between the actual cash value of the "auto" at the time of the "loss" and the "outstanding balance" of the loan/lease

"Outstanding balance" means the amount you owe on the loan/lease at the time of "loss" less any amounts representing taxes, overdue payments, penalties, interest or charges resulting from overdue payments, additional mileage charges, excess wear and tear charges, lease termination fees, security deposits not returned by the lessor; costs for extended warranties, credit life insurance, health, accident or disability insurance purchased with the loan or lease, and carry-over balances from previous loans or leases

7 AIRBAG COVERAGE

Under Paragraph B EXCLUSIONS - of SECTION III - PHYSICAL DAMAGE COVERAGE, the following is added

The exclusion relating to mechanical breakdown does not apply to the accidental discharge of an airbag

8 ELECTRONIC EQUIPMENT - BROADENED COVERAGE

a The exceptions to Paragraphs B 4 - EXCLUSIONS - of SECTION III - PHYSICAL DAMAGE COVERAGE are replaced by the following

Exclusions 4 c. and 4 d. do not apply to equipment designed to be operated solely by use of the power from the "auto's" electrical system that, at the time of "loss", is

- (1) Permanently installed in, or upon the covered "auto",
- (2) Removable from a housing unit which is permanently installed in or upon the covered "auto",
- (3) An integral part of the same unit housing any electronic equipment described in Paragraphs (1) and (2) above, or

- (4) Necessary for the normal operation of the covered "auto" or the monitoring of the covered "auto's" operating system

b Section III - Version CA 00 01 03 10 of the Business Auto Coverage Form, Physical Damage Coverage, Limit of Insurance, Paragraph C.2 and Version CA 00 01 10 01 of the Business Auto Coverage Form, Physical Damage Coverage, Limit of Insurance, Paragraph C are each amended to add the following

\$1,500 is the most we will pay for "loss" in any one "accident" to all electronic equipment (other than equipment designed solely for the reproduction of sound, and accessories used with such equipment) that reproduces, receives or transmits audio, visual or data signals which, at the time of "loss", is

- (1) Permanently installed in or upon the covered "auto" in a housing, opening or other location that is not normally used by the "auto" manufacturer for the installation of such equipment,
- (2) Removable from a permanently installed housing unit as described in Paragraph 2 a above or is an integral part of that equipment, or
- (3) An integral part of such equipment.

c For each covered "auto", should loss be limited to electronic equipment only, our obligation to pay for, repair, return or replace damaged or stolen electronic equipment will be reduced by the applicable deductible shown in the Declarations, or \$250, whichever deductible is less

9 EXTRA EXPENSE - BROADENED COVERAGE

Under Paragraph A - COVERAGE - of SECTION III - PHYSICAL DAMAGE COVERAGE, we will pay for the expense of returning a stolen covered "auto" to you.

10 GLASS REPAIR - WAIVER OF DEDUCTIBLE

Under Paragraph D - DEDUCTIBLE - of SECTION III - PHYSICAL DAMAGE COVERAGE, the following is added.

No deductible applies to glass damage if the glass is repaired rather than replaced

11 TWO OR MORE DEDUCTIBLES

Under Paragraph D - DEDUCTIBLE - of SECTION III - PHYSICAL DAMAGE COVERAGE, the following is added

If another Hartford Financial Services Group, Inc company policy or coverage form that is not an automobile policy or coverage form applies to the same "accident", the following applies

- (1) If the deductible under this Business Auto Coverage Form is the smaller (or smallest) deductible, it will be waived,
- (2) If the deductible under this Business Auto Coverage Form is not the smaller (or smallest) deductible, it will be reduced by the amount of the smaller (or smallest) deductible

12 AMENDED DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS

The requirement in LOSS CONDITIONS 2 a - DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS - of SECTION IV - BUSINESS AUTO CONDITIONS that you must notify us of an "accident" applies only when the "accident" is known to

- (1) You, if you are an individual,
- (2) A partner, if you are a partnership,
- (3) A member, if you are a limited liability company, or
- (4) An executive officer or insurance manager, if you are a corporation

13 UNINTENTIONAL FAILURE TO DISCLOSE HAZARDS

If you unintentionally fail to disclose any hazards existing at the inception date of your policy, we will not deny coverage under this Coverage Form because of such failure

14 HIRED AUTO - COVERAGE TERRITORY

Paragraph e of GENERAL CONDITIONS 7 - POLICY PERIOD, COVERAGE TERRITORY - of SECTION IV - BUSINESS AUTO CONDITIONS is replaced by the following

e For short-term hired "autos", the coverage territory with respect to Liability Coverage is anywhere in the world provided that if the "insured's" responsibility to pay damages for "bodily injury" or "property damage" is determined in a "suit," the "suit" is brought in the United States of America, the territories and possessions of the United States of America, Puerto Rico or Canada or in a settlement we agree to

15 WAIVER OF SUBROGATION

TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US - of SECTION IV - BUSINESS AUTO CONDITIONS is amended by adding the following.

We waive any right of recovery we may have against any person or organization with whom you have a written contract that requires such waiver because of payments we make for damages under this Coverage Form

16. RESULTANT MENTAL ANGUISH COVERAGE

The definition of "bodily injury" in SECTION V-DEFINITIONS is replaced by the following

"Bodily injury" means bodily injury, sickness or disease sustained by any person, including mental anguish or death resulting from any of these

17. EXTENDED CANCELLATION CONDITION

Paragraph 2 of the COMMON POLICY CONDITIONS - CANCELLATION - applies except as follows

If we cancel for any reason other than nonpayment of premium, we will mail or deliver to the first Named Insured written notice of cancellation at least 60 days before the effective date of cancellation

18. HYBRID, ELECTRIC, OR NATURAL GAS VEHICLE PAYMENT COVERAGE

In the event of a total loss to a "non-hybrid" auto for which Comprehensive, Specified Causes of Loss, or Collision coverages are provided under this Coverage Form, then such Physical Damage Coverages are amended as follows

a If the auto is replaced with a "hybrid" auto or an auto powered solely by electricity or natural gas, we will pay an additional 10%, to a maximum of \$2,500, of the "non-hybrid" auto's actual cash value or replacement cost, whichever is less,

b The auto must be replaced and a copy of a bill of sale or new lease agreement received by us within 60 calendar days of the date of "loss,"

c Regardless of the number of autos deemed a total loss, the most we will pay under this Hybrid, Electric, or Natural Gas Vehicle Payment Coverage provision for any one "loss" is \$10,000.

For the purposes of the coverage provision,

a A "non-hybrid" auto is defined as an auto that uses only an internal combustion engine to move the auto but does not include autos powered solely by electricity or natural gas.

b A "hybrid" auto is defined as an auto with an internal combustion engine and one or more electric motors, and that uses the internal combustion engine and one or more electric motors to move the auto, or the internal combustion engine to charge one or more electric motors, which move the auto

19. VEHICLE WRAP COVERAGE

In the event of a total loss to an "auto" for which Comprehensive, Specified Causes of Loss, or Collision coverages are provided under this Coverage Form, then such Physical Damage Coverages are amended to add the following

In addition to the actual cash value of the "auto", we will pay up to \$1,000 for vinyl vehicle wraps which are displayed on the covered "auto" at the time of total loss. Regardless of the number of autos deemed a total loss, the most we will pay under this Vehicle Wrap Coverage provision for any one "loss" is \$5,000. For purposes of this coverage provision, signs or other graphics painted or magnetically affixed to the vehicle are not considered vehicle wraps



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**WORKERS' COMPENSATION BROAD FORM ENDORSEMENT
EXTENDED OPTIONS**

Policy Number 57 WEQ ZT2722

Endorsement Number

Effective Date 01/01/17

Effective hour is the same as stated on the Information Page of the policy

Named Insured and Address: BMI IMAGING SYSTEMS INC

1115 E ARQUES AVE
SUNNYVALE, CA 94085

Section I of this endorsement expands coverage provided under WC 00 00 00

Section II of this endorsement provides additional coverage usually only provided by endorsement

Section III of this endorsement is a Schedule of Covered States

You may use the Index to locate these coverage features quickly.

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SECTION I

PARTS ONE and TWO

1. WE WILL ALSO PAY

- D. We Will Also Pay of Part One (WORKERS' COMPENSATION INSURANCE), and
- E We Will Also Pay of Part Two (EMPLOYERS' LIABILITY INSURANCE) is replaced by the following

We Will Also Pay

We will also pay these costs, in addition to other amounts payable under this insurance, as part of any claim, proceeding, or suit we defend

- 1 reasonable expenses incurred at our request, INCLUDING loss of earnings,
- 2 premiums for bonds to release attachments and for appeal bonds in bond amounts up to the limit of our liability under this insurance,
- 3 litigation costs taxed against you,
- 4 interest on a judgment as required by law until we offer the amount due under this law; and
- 5 expenses we incur

PART THREE

2 How This Insurance Applies

Paragraph 4 of A How This Insurance Applies of Part 3 (Other States Insurance) is replaced by the following

- 4 If you have work on the effective date of this policy in any state not listed in Item 3 A of the Information Page, coverage will not be afforded for that state unless we are notified within sixty days

PART SIX

3. Transfer Of Your Rights and Duties

C Transfer Of Your Rights and Duties of Part 6 (Conditions) is replaced by the following

Your rights or duties under this policy may not be transferred without our written consent

If you die and we receive notice within sixty days after your death, we will cover your legal representative as insured

4 Liberalization

If we adopt a change in this form that would broaden the coverage of this form without extra charge, the broader coverage will apply to this policy. It will apply when the change becomes effective in your state

SECTION II

VOLUNTARY COMPENSATION AND EMPLOYERS' LIABILITY COVERAGE

5 Voluntary Compensation Insurance

A. How This Insurance Applies

This insurance applies to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death

- 1 The bodily injury must be sustained by any officer or employee not subject to the workers' compensation law of any state shown in Item 3 A. of the Information Page
- 2 The bodily injury must arise out of and in the course of employment or incidental to work in a state shown in Item 3 A. of the Information Page

- 3 The bodily injury must occur in the United States of America, its territories or possessions, or Canada, and may occur elsewhere if the employee is a United States or Canadian citizen, or otherwise legal resident, and legally employed, in the United States or Canada and temporarily away from those places
- 4 Bodily injury by accident must occur during the policy period
- 5 Bodily injury by disease must be caused or aggravated by the conditions of the

officer's or employee's employment. The officer's or employee's last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the policy period.

B. We Will Pay

We will pay an amount equal to the benefits that would be required of you as if you and your employees were subject to the workers' compensation law of any state shown in Item 3.A. of the Information Page. We will pay those amounts to the persons who would be entitled to them under the law.

C. Exclusion

This insurance does not cover:

1. any obligation imposed by workers' compensation or occupational disease law or any similar law.
2. bodily injury intentionally caused or aggravated by you.
3. officers or employees who have elected not to be subject to the state workers' compensation law.
4. partners or sole proprietors not covered under the Standard Sole Proprietors, Partners, Officers and Others Coverage Endorsement.

D. Before We Pay

Before we pay benefits to the persons entitled to them, they must:

1. Release you and us, in writing, of all responsibility for the injury or death.
2. Transfer to us their right to recover from others who may be responsible for the injury or death.
3. Cooperate with us and do everything necessary to enable us to enforce the right to recover from others.

If the persons entitled to the benefits of this insurance fail to do those things, our duty to pay ends at once. If they claim damages from you or from us for the injury or death, our duty to pay ends at once.

E. Recovery From Others

If we make a recovery from others, we will keep an amount equal to our expenses of recovery and the benefits we paid. We will pay the balance to the persons entitled to it.

If the persons entitled to the benefits of this insurance make a recovery from others, they must reimburse us for the benefits we paid them.

F. Employers' Liability Insurance

Part Two (Employers' Liability Insurance) applies to bodily injury covered by this endorsement as though the State of Employment was shown in Item 3.A. of the Information Page.

This provision 5. does not apply in New Jersey or Wisconsin.

EMPLOYERS' LIABILITY STOP GAP COVERAGE

6. Employers' Liability Stop Gap Coverage

- A. This coverage only applies in Montana, North Dakota, Ohio, Washington, West Virginia and Wyoming.
- B. Part One (Workers' Compensation Insurance) does not apply to work in states shown in Paragraph A above.
- C. Part Two (Employers' Liability Insurance) applies in the states, shown in Paragraph A., as though they were shown in Item 3.A. of the Information Page.
- D. Part Two, Section C. Exclusions is changed by adding these exclusions.

This insurance does not cover:

5. bodily injury intentionally caused or aggravated by you or in Ohio bodily injury resulting from an act which is determined by an Ohio court of law to have been committed by you with the belief that an injury is substantially certain to occur. However, the cost of defending such claims or suits in Ohio is covered.
13. bodily injury sustained by any member of the flying crew of any aircraft.
14. any claim for bodily injury with respect to which you are deprived of any defense or defenses or are otherwise subject to penalty because of default in premium under the provisions of the workers' compensation law or laws of a state shown in Paragraph A.
- E. This insurance applies to damages for which you are liable under West Virginia Code Annot. S 23-4-2.

EXTENDED OPTIONS

1 Employers' Liability Insurance

Item 3.B of the Information Page is replaced by the following

B. Employers' Liability Insurance

- 1 Part Two of the policy applies to work in each state listed in Item 3 A.

The Limits of Liability under Part Two are the higher of

Bodily Injury by Accident	<u>\$500,000</u>	<u>Each Accident</u>
Bodily Injury by Disease	<u>\$500,000</u>	<u>Policy Limit</u>
Bodily Injury by Disease	<u>\$500,000</u>	<u>Each Employee</u>

OR

2. The amount shown in the Information Page

This provision 1 of EXTENDED OPTIONS does not apply in New York because the Limits Of Our Liability are unlimited

In this provision the limits are changed from \$500,000 to \$1,000,000 in California

2 Unintentional Failure to Disclose Hazards

If you unintentionally should fail to disclose all existing hazards at the inception date of your policy, we shall not deny coverage under this policy because of such failure

3 Waiver of Our Right To Recover From Others

A. We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against any person or organization for whom you perform work under a written contract that requires you to obtain this agreement from us.

This agreement shall not operate directly or indirectly to benefit anyone not named in the agreement.

B. This provision 3 does not apply in the states of Pennsylvania and Utah

4 Foreign Voluntary Compensation and Employers' Liability Reimbursement

A. How This Reimbursement Applies

This reimbursement provision applies to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death.

- 1 The bodily injury must be sustained by an officer or employee.
- 2 The bodily injury must occur in the course of employment necessary or incidental to work in a country not listed in Exclusion C 1 of this provision.
- 3 Bodily injury by accident must occur during the policy period.
- 4 Bodily injury by disease must be caused or aggravated by the conditions of your employment. The officer or employee's last exposure to those conditions of your employment must occur during the policy period.

B. We Will Reimburse

We will reimburse you for all amounts paid by you whether such amounts are

- 1 voluntary payments for the benefits that would be required of you if you and your officers or employees were subject to any workers' compensation law of the state of hire of the individual employee.
- 2 sums to which Part Two (Employers' Liability Insurance) would apply if the Country of Employment were shown in Item 3 A of the Information Page.

C. Exclusions

This insurance does not cover

- 1 any occurrences in the United States, Canada, and any country or jurisdiction which is the subject of trade or economic sanctions imposed by the laws or regulations of the United States of America in effect as of the inception date of this policy.
- 2 any obligation imposed by a workers' compensation or occupational disease law, or similar law.
- 3 bodily injury intentionally caused or aggravated by you.

- 4 liability for any consequence, whether direct or indirect, of war, invasion, act of Foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power. No endorsement now or subsequently attached to this policy shall be construed as overriding or waiving this limitation unless specific reference is made thereto.

D. Before We Pay

Before we reimburse you for the benefits to the persons entitled to them, you must have them

- 1 release you and us, in writing, of all responsibility for the injury or death,
- 2 transfer to us their right to recover from others who may be responsible for their injury or death,
- 3 cooperate with us and do everything necessary to enable us to enforce the right to recover from others.

If the persons entitled to the benefits paid fail to do these things, our duty to reimburse ends at once. If they claim damages from us for the injury or death, our duty to reimburse ends at once.

E. Recovery From Others

If we make a recovery from others, we will keep an amount equal to our expenses of recovery and the benefits we reimbursed. We will pay the balance to the persons entitled to it. If persons entitled to the benefits make a recovery from others, they must repay us for the amounts that we have reimbursed you.

F. Reimbursement for Actual Loss Sustained

This endorsement provides only for reimbursement for the loss you actually sustain. In order for you to recover loss or expenses under this reimbursement you must:

- 1 actually sustain and pay the loss or expense in money after trial, or
- 2 secure our consent for the payment of the loss or expense.

G. Repatriation

Our reimbursement includes the additional expenses of repatriation to the United States

of America necessarily incurred as a direct result of bodily injury.

Our reimbursement shall be limited as follows:

- 1 to the amount by which such expenses exceed the normal cost of returning the officer or employee if in good health, or
- 2 in the event of death, to the amount by which such expenses exceed the normal cost of returning the officer or employee if alive and in good health.

In no event shall our reimbursement exceed the bodily injury by accident limit shown in Item 3B of the Information Page as respects any one such officer or employee whether dead or alive.

H. Endemic Disease

The word "disease" includes any endemic diseases.

The coverage applies as if endemic diseases were included in the provisions of the workers' compensation law.

5. Longshore and Harbor Workers' Compensation Act Coverage

General Section C Workers' Compensation Law is replaced by the following:

C. Workers' Compensation Law

Workers' Compensation Law means the workers or workers' compensation law and occupational disease law of each state or territory named in Item 3A of the Information Page and the Longshore and Harbor Workers' Compensation Act (33 USC Sections 901-950). It includes any amendments to those laws that are in effect during the policy period. It does not include any other federal workers or workers' compensation law, other federal occupational disease law or the provisions of any law that provide nonoccupational disability benefits.

Part Two (Employers' Liability Insurance), C Exclusions, exclusion 8, does not apply to work subject to the Longshore and Harbor Workers' Compensation Act.

This coverage does not apply to work subject to the Defense Base Act, the Outer Continental Shelf Lands Act, or the Nonappropriated Fund Instrumentalities Act.

SECTION III

1. SCHEDULE OF COVERED STATES

A This endorsement only applies in the states listed in this Schedule of Covered States

B If a state, shown in Item 3 A of the Information Page, approves this endorsement after the effective date of this policy, this endorsement will apply to this policy. The coverage will apply in the new state on the effective date of the state approval

C Schedule of Covered States

CA

Countersigned by _____
Authorized Representative



COUNTY OF HUMBOLDT

AGENDA ITEM NO.

C-8

For the meeting of: September 19, 2017

Date: August 3, 2017

To: Board of Supervisors

From: Kelly E. Sanders, Clerk, Recorder, Registrar of Voters

Subject: Supplemental Budget and Request for Transfer of Funds from Recorder's Records Conversion Trusts (4/5 Vote Required)

RECOMMENDATION(S):

That the Board of Supervisors:

1. Approve the attached supplemental budget for \$14,355 to provide funding for assembly of and index by document number.
2. Authorize the Clerk Recorder to sign BMI Change Order For Humboldt County, Ca.
3. Direct the Auditor's Office to implement the attached supplemental budget. (4/5 Vote)

SOURCE OF FUNDING:

Recorders Fund 1310 Recorder Record Conversion Fund

DISCUSSION:

The County of Humboldt by and through its Clerk Recorder contracted with BMI Imaging Systems, Inc. (BMI) in May of 2017 for the Imaging Services Agreement. This contract provides for the conversion and redaction of all official records recorded between 1850 and 1999. These records will be converted from

Prepared by *K. Sanders* CAO Approval *E. Schmidt*

REVIEW	Auditor <u><i>WBM</i></u>	County Counsel <u><i>BA</i></u>	Human Resources <u><i>WGN</i></u>	Other
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TYPE OF ITEM

Consent

Departmental

Public Hearing

Other

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT

Upon motion of Supervisor *Wilson* Seconded by Supervisor *Sundberg*

Ayes *Wilson, Sundberg, Bass, Behn, Fennell*

Nays

Abstain

Absent

PREVIOUS ACTION/REFERRAL

Board Order No. _____

Meeting of: _____

and carried by those members present, the Board hereby approves the recommended action contained in this Board report.

Dated *September 19, 2017*

By *Kathy Hayes*

Kathy Hayes, Clerk of the Board

microfilm and microfiche into digital reel then redacted to truncate any social security numbers contained therein.

Once part 1 of the project began, BMI discovered that the instrument numbers assigned to each document recorded between January 1, 1989 and December 31, 1999 are not compatible with their software's ability to read sequential "book and page numbers" in order to create the index.

Therefore, once the records are converted and then redacted, these approximately 8,700 microfiche jackets, containing approximately 522,000 images, must be individually viewed, marking the beginning and ending image of each document, in order to create an index which is searchable by instrument number. The cost for this service will be \$.0275 per image, total fee not to exceed \$14,355.

A supplemental budget in the amount of \$14,355 is needed to cover the above costs.

FINANCIAL IMPACT:

To fund part 1 of the project, those documents recorded 1980 thru April 1999, the Recorder is authorized to collect an additional \$1 for the first page of each instrument, paper, or notice permitted by law to be recorded under Government Code §27361(d)(1) "...funds generated by this fee shall be used only by the county recorder collecting the fee for the purpose of implementing a social security number truncation program"

This request meets the Board's strategic framework by ensuring sustainability of services and investing in the future.

OTHER AGENCY INVOLVEMENT:

Purchasing
County Counsel
Auditor/Controller
Risk Management

ALTERNATIVES TO STAFF RECOMMENDATIONS:

None – Mandated by statute

ATTACHMENTS:

- I BMI Change Order #1 for Humboldt County, CA.
- II Supplemental Budget
- III Copy of Agenda Item for Agreement with BMI Imaging Software Systems Inc
- IV Copy of Imaging Services Agreement by & between County of Humboldt & BMI Imaging Systems Inc



BMI CHANGE ORDER #1 FOR HUMBOLDT COUNTY, CA

Date: August 16, 2017

Description: BMI Imaging Systems, Inc. (BMI) and Humboldt County, CA (CLIENT) hereby agree to document a change order to the original Imaging Services Agreement valid through fiscal year 2019 for additional services as described below.

Scope: Humboldt County has Official Records microfiche jackets that are organized by the document number. These records need to be indexed and assembled by the document number to aid in the retrieval of the records. Records of this type were not covered in the original agreement.

Subcontractor: An additional subcontractor needs to be added to the contract for this indexing and assembly service (iBridge, LLC).

Cost: 8,700 jackets containing 522,000 images to be indexed by document number and assembled as a complete document @ \$.0275/image, total fee not to exceed **\$14,355**.

Accepted By: County of Humboldt, CA

Accepted By: BMI Imaging Systems, Inc.

By: _____

By: _____

Signature – Kelly Sanders

Signature - William Whitney

Title – Humboldt County Clerk, Recorder
Registrar of Voters

Title

Issue Date

Issue Date

Supplemental Budget

1310267 - Recorder-Record Conversion

Revenues	Object	Increase Amt.
Transfer from Trust - Rec Mod	706130	14,355.00
Total		14,355.00

Expenditures	Object	Increase Amt.
Professional & Special Services	2118	14,355.00
Total		14,355.00



AGENDA ITEM
NO. **C-11**

COUNTY OF HUMBOLDT

For the meeting of: May 23, 2017

Date: April 11, 2017
 To: Board of Supervisors
 From: Kelly Sanders, Clerk, Recorder, Registrar of Voters
 Subject: Agreement with BMI Imaging Software System and Supplemental Budget (4/5 Vote)

RECOMMENDATION(S):

That the Board of Supervisors:

1. Approve the attached Imaging Services Agreement to create digital images of official records and redact social security numbers as authorized by California statute.
2. Authorize the Chair of the Board of Supervisors to execute the Imaging Services Agreement by and between the county of Humboldt and BMI Imaging Systems, Inc.
3. Direct the Auditor's Office to implement the attached supplemental budget. (4 5 Vote)

SOURCE OF FUNDING:

Recorders Fund 3662 Recorder Modernization Fund
 Recorders Fund 1310 Recorder Record Conversion Fund

DISCUSSION:

The county Clerk-Recorder is responsible for recording, filing, and maintaining all real property transactions occurring within the County of Humboldt. These activities are regulated by the State of

Prepared by *[Signature]* C. AG Approval *[Signature]*

REVIEW	Auditor <i>[Signature]</i>	County Counsel <i>[Signature]</i>	Human Resources <i>[Signature]</i>	Other
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TYPE OF ITEM
 Consent
 Departmental
 Public Hearing
 Other

PREVIOUS ACTION REFERRAL

Board Order No. _____
 Meeting of _____

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT
 Upon motion of Supervisor *Sundberg* Seconded by Supervisor *Fennell*
 Ayes *Sundberg, Fennell, Bass, Behn, Wilson*
 Nays _____
 Absent _____
 Absent _____

and carried by those members present, the Board hereby approves the recommended action contained in this Board report.

Dated *May 23, 2017*
 By *[Signature]*
 Kathy Hayes, Clerk of the Board

California which stipulates county Recorders' responsibilities and other activities related to the recording and filing of real property transactions throughout the state

Responding to the increasing risk of identity theft, the California Legislature passed AB 1168, Chapter 627 of 2007, in an effort to protect citizens. The legislation requires the implementation of a social security truncation program, and crafted California Government Code §27301(a) "for each official record recorded between January 1, 1980 and December 31, 2008, the recorder shall create in an electronic format an exact copy of the record except that any social security number contained in the copied record shall be truncated. In order to create a public record copy, the recorder shall first truncate the social security numbers in all records that already exist in an electronic format and then create an electronic version of all other records and truncate social security numbers contained in those records. Each group of records shall be handled in descending chronological order."

In accordance with this mandate, following the installation of necessary software provided by Harris Computer System in 2012, the Recorder began manually redacting the official record in reverse chronological order. In 2016 the Recorder continued redaction for the remainder of records existing in electronic format using a more automated method acquired with Tyler Technologies operating systems' software.

In order to complete the redaction process for approximately one million images recorded between 1980 and April 1999, the records must first be converted from microfiche and microfilm into a digital reel format, which will be accomplished in part 1 of the project. Then, in the effort to create greater accessibility, redundancy, modernization, and a more comprehensive search of the historical records, part 2 of the project will complete conversion to digital reel for the remainder of the official records recorded between 1850 and December 1979 currently contained in microfilm and hardcover books formats.

BMI Imaging Software Systems will provide the necessary conversion from all official record formats to the required digital reel then redact the first five digits of any social security numbers contained in records created 1980 through 2008. Upon completion of part 1, BMI will provide the Recorder with the necessary software capable of performing a comprehensive search of the data, system support, and external hard drives containing the converted data.

This purchase is "piggy-backing" on the Request for Proposals (RFP) done by Merced County Superior Court. The pricing and technology in the Merced contract is reflective of the pricing and technology indicated in the Imaging Services Agreement.

FINANCIAL IMPACT

To fund part 1 of the project, those documents recorded 1980 thru April 1999, the Recorder is authorized to collect an additional \$1 for the first page each instrument, paper, or notice permitted to be recorded as permitted under Government Code §27361(d)(1) "funds generated by this fee shall be used only by the county recorder collecting the fee for the purpose of implementing a social security number truncation program."

To fund part 2 of the project, those documents recorded 1850 thru December 1979, the Recorder is authorized to collect \$1 for recording the first page and \$1 for each additional page as permitted under Government Code §27361(a) and (c) "solely to support, maintain, improve, and provide for the full operation for modernized creation, retention, and retrieval of information in each county's system of recorded documents."

The cost for the above items total \$140,549. This project will begin in fiscal year 2016-2017 with the majority of the project to be completed in the fiscal year 2017- 2018 requiring a carryover of funds between fiscal years. Included with this contract is one year of hosted services. Following the one year period, an ongoing annual hosting fee of \$7,000 will be assessed. There are adequate funds available in the modernization and conversion fund accounts to cover the expense of the project. As such, the supplemental budget contained in attachment II is necessary. This request meets the Board's strategic framework by ensuring sustainability of services and investing in the future.

OTHER AGENCY INVOLVEMENT

County IT
Purchasing
County Counsel
Auditor/Controller
Risk Management

ALTERNATIVES TO STAFF RECOMMENDATIONS

None -- Mandated by statute

ATTACHMENTS

- I Imaging Services Agreement by and Between County of Humboldt and BMI Imaging Systems, Inc
- II Supplemental Budget

Attachment I

**IMAGING SERVICES AGREEMENT
BY AND BETWEEN
COUNTY OF HUMBOLDT
AND
BMI IMAGING SYSTEMS INC
FOR FISCAL YEARS 2016-2017 THROUGH 2018-2019**

This Agreement, entered into this 23 day of May, 2017, by and between the County of Humboldt, a political subdivision of the State of California, hereinafter referred to as "COUNTY," and BMI Imaging Systems, Inc., a California Corporation, hereinafter referred to as "CONTRACTOR," is made upon the following considerations:

WHEREAS, COUNTY, by and through its Clerk Recorder, desires to retain the services of a qualified vendor to convert official record to digital images, redact social security numbers, provide software, and hosting with maintenance support, and

WHEREAS, such work involves the performance of expert and technical services of a temporary and occasional character; and

WHEREAS, COUNTY has no employees available to perform such services and is unable to hire employees for the performance thereof for the temporary period; and

WHEREAS, CONTRACTOR represents that it is specially trained, skilled, experienced and qualified to perform the special services required by COUNTY;

NOW THEREFORE, the parties hereto mutually agree as follows:

1. DESCRIPTION OF SERVICES

CONTRACTOR agrees to furnish the services described in Exhibit A – Scope of Services, which is attached hereto and incorporated herein by reference. In providing such services, CONTRACTOR agrees to fully cooperate with the Clerk Recorder, Kelly Sanders or designee thereof, hereinafter referred to as Clerk Recorder.

2. TERM

This Agreement shall begin on June 15, 2017 and shall remain in full force and effect until June 15, 2019, unless sooner terminated as provided herein.

3. TERMINATION

A. Breach of Contract. If, in the opinion of COUNTY, CONTRACTOR fails to adequately perform the services required hereunder within the time limits specified herein, or otherwise fails to comply with the terms of this Agreement, or violates any ordinance, regulation or other law applicable to its performance herein, COUNTY may terminate this Agreement immediately, upon notice.

- B Without Cause COUNTY may terminate this Agreement without cause upon thirty (30) days advance written notice to CONTRACTOR. Such notice shall state the effective date of the termination.
- C Insufficient Funding COUNTY's obligations under this Agreement are contingent upon the availability of local, state and/or federal funds. In the event such funding is reduced or eliminated, COUNTY shall, at its sole discretion, determine whether this Agreement shall be terminated. COUNTY shall provide CONTRACTOR seven (7) days advance written notice of its intent to terminate this Agreement due to insufficient funding.
- D Compensation Upon Termination In the event of any termination of this Agreement, CONTRACTOR shall be entitled to compensation for uncompensated services rendered hereunder through and including the effective date of such termination. However, this provision shall not limit or reduce any damages owed to COUNTY due to a breach of this Agreement by CONTRACTOR.

4 COMPENSATION

- A Maximum Amount Payable The maximum amount payable by COUNTY for services rendered, and costs and expenses incurred, pursuant to the terms and conditions of this Agreement is One Hundred Forty Thousand, Five Hundred and Forty-Nine Dollars (\$140,549). CONTRACTOR agrees to perform all services required by this Agreement for an amount not to exceed such maximum dollar amount. However, if local, state or federal funding or allowance rates are reduced or eliminated, COUNTY may, by amendment, reduce the maximum amount payable for services provided hereunder, or terminate this Agreement as provided herein.
- B Schedule of Rates The specific rates and costs applicable to this Agreement are set forth in Exhibit B – Schedule of Rates, which is attached hereto and incorporated herein by reference.
- C Additional Services Any additional services not otherwise provided for herein shall not be provided by CONTRACTOR, or compensated by COUNTY, without written authorization by COUNTY. All unauthorized costs and expenses incurred above the maximum payable amount set forth herein shall be the responsibility of CONTRACTOR. CONTRACTOR shall notify COUNTY, in writing, at least six (6) weeks prior to the date upon which CONTRACTOR estimates that the maximum payable amount will be reached.

5 PAYMENT

CONTRACTOR shall submit to COUNTY monthly invoices itemizing all services rendered, and costs and expenses incurred, pursuant to the terms and conditions of this Agreement. Invoices shall be in a format approved by, and shall include backup documentation as specified by, Kelly Sanders, Clerk Recorder and the Humboldt County Auditor-Controller. CONTRACTOR shall submit a final invoice for payment within thirty (30) days following the expiration or termination date of this Agreement. Payment for services rendered, and costs and expenses incurred, pursuant to the terms and conditions of this Agreement will be made within thirty (30) days after the receipt of approved invoices. All invoices submitted by CONTRACTOR shall be sent to COUNTY at the following address:

COUNTY Humboldt County Clerk Recorder's Office
Attention Ben Hershberger
825 5th Street, 5th Floor
Eureka, Ca 95501

6 NOTICES

Any and all notices required to be given pursuant to the terms of this Agreement shall be in writing and either served personally or sent by certified mail, return receipt requested, to the respective addresses set forth below. Notice shall be effective upon actual receipt or refusal as shown on the receipt obtained pursuant to the foregoing.

COUNTY Humboldt County Clerk Recorder's Office
Attention Kelly Sanders
825 5th Street, 5th Floor
Eureka, CA 95501

CONTRACTOR BMI Imaging Systems, Inc
Attention William Whitney
1115 E Arques Avenue
Sunnyvale, CA 94085

7 REPORTS

CONTRACTOR agrees to provide COUNTY with any and all reports that may be required by local, state and/or federal agencies for compliance with this Agreement. Reports shall be submitted no later than fifteen (15) days after the end of each calendar quarter using the format required by the State of California as appropriate.

8 RECORD RETENTION AND INSPECTION

A. Maintenance and Preservation of Records CONTRACTOR agrees to timely prepare accurate and complete financial, performance and payroll records, documents and other evidence relating to the services provided hereunder, and to maintain and preserve said records for at least three (3) years from the date of final payment under this Agreement, except that if any litigation, claim, negotiation, audit or other action is pending, the records shall be retained until completion and resolution of all issues arising therefrom. The books and records shall be original entry books with a general ledger itemizing all debits and credits for the services provided pursuant to the terms and conditions of this Agreement.

B. Inspection of Records Pursuant to California Government Code Section 8546.7, all records, documents, conditions and activities of CONTRACTOR, and its subcontractors, related to the services provided hereunder, shall be subject to the examination and audit of the California State Auditor and any other duly authorized agents of the State of California for a period of three (3) years after final payment under this Agreement. CONTRACTOR hereby agrees to make all such records available during normal business hours to inspection, audit and reproduction by COUNTY and any duly authorized local, state and/or federal agencies. CONTRACTOR further agrees to allow interviews of any of its employees who might reasonably have information related to such records by COUNTY and any duly authorized local, state and/or federal agencies. All examinations and audits conducted hereunder shall be

strictly confined to those matters connected with the performance of this Agreement, including, but not limited to, the costs of administering this Agreement

- C Audit Costs In the event of an audit exception or exceptions related to the services provided pursuant to the terms and conditions of this Agreement, the party responsible for not meeting the requirements set forth herein shall be responsible for the deficiency and for the cost of the audit. If the allowable expenditures cannot be determined because CONTRACTOR's documentation is nonexistent or inadequate, according to generally accepted accounting practices, the questionable cost shall be disallowed by COUNTY

9 MONITORING

CONTRACTOR agrees that COUNTY has the right to monitor all activities related to this Agreement, including, without limitation, the right to review and monitor CONTRACTOR's records, programs or procedures, at any time, as well as the overall operation of CONTRACTOR's programs, in order to ensure compliance with the terms and conditions of this Agreement. CONTRACTOR will cooperate with a corrective action plan, if deficiencies in CONTRACTOR's records, programs or procedures are identified by COUNTY. However, COUNTY is not responsible, and will not be held accountable, for overseeing or evaluating the adequacy of the results of services performed by CONTRACTOR pursuant to the terms and conditions of this Agreement

10 CONFIDENTIAL INFORMATION

- A Disclosure of Confidential Information In the performance of this Agreement, CONTRACTOR may receive information that is confidential under local, state or federal law. CONTRACTOR hereby agrees to protect all confidential information in conformance with any and all applicable local, state and federal laws, regulations, policies, procedures and standards, including, but not limited to California Welfare and Institutions Code Sections 827, 5328, 10850 and 14100.2, California Health and Safety Code Sections 1280.15 and 1280.18, the California Information Practices Act of 1977, the California Confidentiality of Medical Information Act ("CMIA"); the United States Health Information Technology for Economic and Clinical Health Act ("HITECH Act"), the United States Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and any current and future implementing regulations promulgated thereunder, including, without limitation, the Federal Privacy Regulations contained in Title 45 of the Code of Federal Regulations ("C.F.R.") Parts 160 and 164, the Federal Security Standards contained in 45 C.F.R. Parts 160, 162 and 164 and the Federal Standards for Electronic Transactions contained in 45 C.F.R. Parts 160 and 162, all as may be amended from time to time

- B Continuing Compliance with Confidentiality Laws The parties acknowledge that local, state and federal laws, regulations and standards pertaining to confidentiality, electronic data security and privacy are rapidly evolving and that amendment of this Agreement may be required to ensure compliance with such developments. Each party agrees to promptly enter into negotiations concerning an amendment to this Agreement embodying written assurances consistent with the standards and requirements of HIPAA, the HITECH Act, the CMIA and any other applicable local, state and federal laws, regulations or standards

11 NON-DISCRIMINATION COMPLIANCE

- A. Professional Services and Employment. In connection with the execution of this Agreement, CONTRACTOR, and its subcontractors, shall not unlawfully discriminate in the provision of professional services or against any employee or applicant for employment because of race, religion or religious creed, color, age (over forty (40) years of age), sex (including gender identity and expression, pregnancy, childbirth and related medical conditions), sexual orientation (including heterosexuality, homosexuality and bisexuality), national origin, ancestry, marital status, medical condition (including cancer and genetic characteristics), mental or physical disability (including HIV status and AIDS), political affiliation, military service, denial of family care leave or any other classifications protected by local, state or federal laws or regulations. Nothing herein shall be construed to require the employment of unqualified persons.
- B. Compliance with Anti-Discrimination Laws. CONTRACTOR further assures that it, and its subcontractors, will abide by the applicable provisions of: Title VI and Title VII of the Civil Rights Act of 1964; Section 504 of the Rehabilitation Act of 1973; the Age Discrimination Act of 1975; the Food Stamp Act of 1977; Title II of the Americans with Disabilities Act of 1990; the California Fair Employment and Housing Act; California Civil Code Sections 51, et seq.; California Government Code Sections 4450, et seq.; California Welfare and Institutions Code Section 10000; Division 21 of the California Department of Social Services Manual of Policies and Procedures; United States Executive Order 11246, as amended and supplemented by United States Executive Order 11375 and 41 C.F.R. Part 60; and any other applicable local, state and/or federal laws and regulations, all as may be amended from time to time. The applicable regulations of the California Fair Employment and Housing Commission implementing California Government Code Section 12990, set forth in Chapter 5, Division 4 of Title 2 of the California Code of Regulations are incorporated into this Agreement by reference and made a part hereof as if set forth in full.

12. NUCLEAR FREE HUMBOLDT COUNTY ORDINANCE COMPLIANCE:

CONTRACTOR certifies by its signature below that it is not a Nuclear Weapons Contractor, in that CONTRACTOR is not knowingly or intentionally engaged in the research, development, production or testing of nuclear warheads, nuclear weapons systems or nuclear weapons components, as defined by the Nuclear Free Humboldt County Ordinance. CONTRACTOR agrees to notify COUNTY immediately if it becomes a Nuclear Weapons Contractor as defined above. COUNTY may immediately terminate this Agreement if it determines that the foregoing certification is false or if CONTRACTOR subsequently becomes a Nuclear Weapons Contractor.

13. DRUG-FREE WORKPLACE CERTIFICATION:

By executing this Agreement, CONTRACTOR certifies that it will comply with the requirements of the Drug-Free Workplace Act of 1990 (California Government Code Sections 8350, et seq.) and will provide a drug-free workplace by doing all of the following:

- A. Drug-Free Policy Statement. Publish, as required by California Government Code Section 8355(a)(1), a Drug-Free Policy Statement which notifies employees that the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited, and specifies the actions to be taken against employees for violations.

- B Drug-Free Awareness Program Establish, as required by California Government Code Section 8355(a)(2), a Drug-Free Awareness Program which informs employees about the following
- 1 The dangers of drug abuse in the workplace,
 - 2 CONTRACTOR's policy of maintaining a drug-free workplace,
 - 3 Any available counseling, rehabilitation and employee assistance programs, and
 - 4 Penalties that may be imposed upon employees for drug abuse violations
- C Drug-Free Employment Agreement Ensure, as required by California Government Code Section 8355(a)(3), that every employee who provides services pursuant to the terms and conditions of this Agreement will
- 1 Receive a copy of CONTRACTOR's Drug-Free Policy Statement; and
 - 2 Agree to abide by the terms of CONTRACTOR's Drug-Free Policy as a condition of employment
- D Effect of Noncompliance. Failure to comply with the above-referenced requirements may result in suspension of payments under this Agreement and/or termination thereof, and CONTRACTOR may be ineligible for award of future contracts if COUNTY determines that the foregoing certification is false or if CONTRACTOR violates the certification by failing to carry out the above-referenced requirements

14 INDEMNIFICATION

- A Hold Harmless, Defense and Indemnification CONTRACTOR shall hold harmless, defend and indemnify COUNTY and its agents, officers, officials, employees and volunteers from and against any and all claims, demands, losses, damages, liabilities, expenses and costs of any kind or nature, including, without limitation, attorney's fees and other costs of litigation, arising out of, or in connection with, CONTRACTOR's negligent performance of, or failure to comply with, any of the duties and/or obligations contained herein, except such loss or damage which was caused by the sole negligence or willful misconduct of COUNTY.
- B Effect of Insurance Acceptance of insurance, if required by this Agreement, does not relieve CONTRACTOR from liability under this provision. This provision shall apply to all claims for damages related to the services performed by CONTRACTOR pursuant to the terms and conditions of this Agreement regardless if any insurance is applicable or not. The insurance policy limits set forth herein shall not act as a limitation upon the amount of indemnification or defense to be provided by CONTRACTOR hereunder

15 INSURANCE REQUIREMENTS

This Agreement shall not be executed by COUNTY, and CONTRACTOR is not entitled to any rights hereunder, unless certificates of insurance or other sufficient proof that the following provisions have been complied with, are filed with the Clerk of the Humboldt County Board of Supervisors

A General Insurance Requirements Without limiting CONTRACTOR's indemnification obligations provided for herein, CONTRACTOR shall, and shall require that all subcontractors hereunder, take out and maintain, throughout the entire period of this Agreement, and any extended term thereof, the following policies of insurance, placed with insurers authorized to do business in the State of California with a current A M Best's rating of no less than A VII or its equivalent against personal injury, death and property damage which may arise from, or in connection with, the activities of CONTRACTOR and its agents, officers, directors, employees, licensees, invitees, assignees or subcontractors

- 1 Comprehensive or Commercial General Liability Insurance at least as broad as Insurance Services Office Commercial General Liability Coverage (occurrence form CG 0001), in an amount of Two Million Dollars (\$2,000,000 00) per occurrence for any one incident, including, but not limited to, personal injury, death and property damage. If a general aggregate limit is used, such limit shall apply separately hereto or shall be twice the required occurrence limit
- 2 Automobile/Motor Liability Insurance with a limit of liability not less than One Million Dollars (\$1,000,000 00) combined single limit coverage. Such insurance shall include coverage of all owned, hired and non-owned vehicles. Said coverage shall be at least as broad as Insurance Service Offices Form Code 1 (any auto)
- 3 Workers' Compensation Insurance, as required by the Labor Code of the State of California, with statutory limits, and Employers Liability Insurance with a limit of no less than One Million Dollars (\$1,000,000 00) per accident for bodily injury or disease. Said policy shall contain, or be endorsed to contain, a waiver of subrogation against COUNTY, its agents, officers, officials, employees and volunteers.

B Special Insurance Requirements Said policies shall, unless otherwise specified herein, be endorsed with the following provisions

- 1 The Comprehensive or Commercial General Liability Policy shall provide that COUNTY, and its agents, officers, officials, employees and volunteers, are covered as additional insured for liability arising out of the operations performed by, or on behalf of, CONTRACTOR. The coverage shall contain no special limitations on the scope of protection afforded to COUNTY, its agents, officers, officials, employees and volunteers. Said policy shall also contain a provision stating that such coverage
 - a Includes contractual liability
 - b Does not contain exclusions as to loss or damage to property caused by explosion or resulting from collapse of buildings or structures or damage to property underground, commonly referred to as "XCU Hazards"
 - c Is the primary insurance with regard to COUNTY
 - d Does not contain a pro-rata, excess only and/or escape clause
 - e Contains a cross liability, severability of interest or separation of insureds clause
2. The above-referenced policies shall not be canceled, non-renewed or materially reduced

in coverage without thirty (30) days prior written notice being provided to COUNTY in accordance with the notice provisions set forth herein. It is further understood that CONTRACTOR shall not terminate such coverage until COUNTY receives adequate proof that equal or better insurance has been secured.

- 3 The inclusion of more than one insured shall not operate to impair the rights of one insured against another insured, and the coverage afforded shall apply as though separate policies had been issued to each insured, but the inclusion of more than one insured shall not operate to increase the limits of the insurer's liability.
- 4 For claims related to this Agreement, CONTRACTOR's insurance is the primary coverage to COUNTY, and any insurance or self-insurance programs maintained thereby are excess to CONTRACTOR's insurance and will not be used to contribute therewith.
- 5 Any failure to comply with the provisions of this Agreement, including breach of warranties, shall not affect coverage provided to COUNTY, its agents, officers, officials, employees and volunteers.
- 6 CONTRACTOR shall furnish COUNTY with certificates and original endorsements effecting the required coverage prior to execution of this Agreement. The endorsements shall be on forms approved by the Humboldt County Risk Manager or County Counsel. Any deductible or self-insured retention over One Hundred Thousand Dollars (\$100,000.00) shall be disclosed to, and approved by, COUNTY. If CONTRACTOR does not keep all required policies in full force and effect, COUNTY may, in addition to other remedies under this Agreement, take out the necessary insurance, and CONTRACTOR agrees to pay the cost thereof. COUNTY is also hereby authorized with the discretion to deduct the cost of said insurance from the monies owed to CONTRACTOR under this Agreement.
7. COUNTY is to be notified immediately if twenty-five percent (25%) or more of any required insurance aggregate limit is encumbered, and CONTRACTOR shall be required to purchase additional coverage to meet the above-referenced aggregate limits.

C Insurance Notices Any and all insurance notices required to be given pursuant to the terms of this Agreement shall be sent to the addresses set forth below in accordance with the notice provisions described herein.

COUNTY County of Humboldt
 Attention: Risk Management
 825 Fifth Street, Room 131
 Eureka, California 95501

CONTRACTOR: BMI Imaging Systems, Inc
 Attention: William Whitney
 1115 E. Arques Avenue
 Sunnyvale, CA 94085

16. RELATIONSHIP OF PARTIES:

It is understood that this is an Agreement by and between two (2) independent entities and is not intended to, and shall not be construed to, create the relationship of agent, servant, employee, partnership, joint venture or any other similar association. Both parties further agree that CONTRACTOR shall not be entitled to any benefits to which COUNTY employees are entitled, including, but not limited to, overtime, retirement benefits, leave benefits or workers' compensation. CONTRACTOR shall be solely responsible for the acts or omissions of its agents, officers, employees, assignees and subcontractors.

17. COMPLIANCE WITH APPLICABLE LAWS AND LICENSURE REQUIREMENTS:

CONTRACTOR agrees to comply with any and all local, state and federal laws, regulations, policies and procedures applicable to the services provided pursuant to the terms and conditions of this Agreement. CONTRACTOR further agrees to comply with any and all applicable local, state and federal licensure and certification requirements.

18. PROVISIONS REQUIRED BY LAW:

This Agreement is subject to any additional local, state and federal restrictions, limitations, or conditions that may affect the provisions, terms or funding of this Agreement. This Agreement shall be read and enforced as though all legally required provisions are included herein, and if for any reason any such provision is not included, or is not correctly stated, the parties agree to amend the pertinent section to make such insertion or correction.

19. REFERENCE TO LAWS AND RULES:

In the event any law, regulation, policy or procedure referred to in this Agreement is amended during the term hereof, the parties agree to comply with the amended provision as of the effective date of such amendment.

20. SEVERABILITY:

If any provision of this Agreement, or any portion thereof, is found by any court of competent jurisdiction to be unenforceable or invalid for any reason, such provision shall be severable and shall not in any way impair the enforceability of any other provision of this Agreement.

21. ASSIGNMENT:

Neither party shall delegate its duties nor assign its rights hereunder, either in whole or in part, without the other party's prior written consent. Any assignment by CONTRACTOR in violation of this provision shall be void, and shall be cause for immediate termination of this Agreement. This provision shall not be applicable to service agreements or other arrangements usually or customarily entered into by either party to obtain supplies, technical support or professional services.

22. AGREEMENT SHALL BIND SUCCESSORS

All provisions of this Agreement shall be fully binding upon, and inure to the benefit of, the parties and to each of their heirs, executors, administrators, successors and permitted assigns.

23 WAIVER OF DEFAULT

The waiver by either party of any breach or violation of any requirement of this Agreement shall not be deemed to be a waiver of any such breach in the future, or of the breach of any other requirement of this Agreement. In no event shall any payment by COUNTY constitute a waiver of any breach of this Agreement or any default which may then exist on the part of CONTRACTOR. Nor shall such payment impair or prejudice any remedy available to COUNTY with respect to any breach or default. COUNTY shall have the right to demand repayment of, and CONTRACTOR shall promptly refund, any funds disbursed to CONTRACTOR which in the judgment of COUNTY were not expended in accordance with the terms of this Agreement.

24 NON-LIABILITY OF COUNTY OFFICIALS AND EMPLOYEES.

No official or employee of COUNTY shall be personally liable for any default or liability under this Agreement.

25 AMENDMENT:

This Agreement may be amended at any time during the term of this Agreement upon the mutual consent of both parties. No addition to, or alteration of, the terms of this Agreement shall be valid unless made in writing and signed by the parties hereto.

26 STANDARD OF PRACTICE

CONTRACTOR warrants that it has the degree of learning and skill ordinarily possessed by reputable professionals practicing in similar localities in the same profession and under similar circumstances. CONTRACTOR's duty is to exercise such care, skill and diligence as professionals engaged in the same profession ordinarily exercise under like circumstances.

27 TITLE TO INFORMATION AND DOCUMENTS

It is understood that any and all documents, information and reports concerning the subject matter of this Agreement prepared and/or submitted by CONTRACTOR shall become the property of COUNTY. However, CONTRACTOR may retain copies of such documents and information for its records. In the event of termination of this Agreement, for any reason whatsoever, CONTRACTOR shall promptly turn over all information, writings and documents pertaining to the services provided hereunder to COUNTY without exception or reservation.

28. JURISDICTION AND VENUE

This Agreement shall be construed in accordance with the laws of the State of California. Any dispute arising hereunder, or relating hereto, shall be litigated in the State of California and venue shall lie in the County of Humboldt unless transferred by court order pursuant to California Code of Civil Procedure Sections 394 or 395.

29 ADVERTISING AND MEDIA RELEASE

All informational material related to this Agreement shall receive approval from COUNTY prior to being used as advertising or released to the media, including, but not limited to, television, radio, newspapers and internet. CONTRACTOR shall inform COUNTY of all requests for interviews by the media related to this Agreement before such interviews take place, and COUNTY shall be

entitled to have a representative present at such interviews All notices required by this provision shall be given to Kelly Sanders, Clerk Recorder

30 SUBCONTRACTS.

CONTRACTOR shall obtain prior written approval from COUNTY before subcontracting any of the services to be provided hereunder Any and all subcontracts shall be subject to all applicable terms and conditions of this Agreement, including, without limitation, the licensing, certification and confidentiality requirements set forth herein. CONTRACTOR shall remain legally responsible for the performance of all terms and conditions of this Agreement, including work performed by third parties under subcontracts, whether approved by COUNTY or not. In this regard, COUNTY grants permission to CONTRACTOR for the use of subcontractor Extract Systems, for the specific task of generating truncation coordinates of SSNs, which CONTRACTOR will integrate into final image deliverables

31 ATTORNEYS' FEES

If either party shall commence any legal action or proceeding, including an action for declaratory relief, against the other by reason of the alleged failure of the other to perform or keep any provision of this Agreement to be performed or kept, the party prevailing in said action or proceeding shall be entitled to recover court costs and reasonable attorneys' fees, including the reasonable value of services rendered by the Humboldt County Counsel's Office, to be fixed by the court, and such recovery shall include court costs and attorneys' fees on appeal, if applicable. As used herein, "prevailing party" means the party who dismisses an action or proceeding in exchange for payment of substantially all sums allegedly due, performance of provisions allegedly breached, or other considerations substantially equal to the relief sought by said party, as well as the party in whose favor final judgment is rendered.

32 SURVIVAL

The duties and obligations of the parties set forth in Section 3D – Compensation Upon Termination, Section 8 – Record Retention and Inspection, Section 10 – Confidential Information and Section 14 – Indemnification shall survive the expiration or termination of this Agreement

33 CONFLICTING TERMS OR CONDITIONS

In the event of any conflict in the terms or conditions set forth in any other agreements in place between the parties hereto and the terms and conditions set forth in this Agreement, the terms and conditions set forth herein shall have priority

34 INTERPRETATION

This Agreement, as well as its individual provisions, shall be deemed to have been prepared equally by both of the parties hereto, and shall not be construed or interpreted more favorably for one party on the basis that the other party prepared it

35 INDEPENDENT CONSTRUCTION

The titles of the sections, subsections and paragraphs set forth in this Agreement are inserted for convenience of reference only, and shall be disregarded in construing or interpreting any of the provisions of this Agreement

36 FORCE MAJEURE

Neither party hereto shall be liable or responsible for delays or failures in performance resulting from events beyond the reasonable control of such party and without fault or negligence of such party. Such events shall include, without limitation, acts of God, strikes, lockouts, riots, acts of war, epidemics, acts of government, fire, power failures, nuclear accidents, earthquakes, unusually severe weather, acts of terrorism or other disasters, whether or not similar to the foregoing

37 ENTIRE AGREEMENT

This Agreement contains all of the terms and conditions agreed upon by the parties hereto and no other agreements, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind either of the parties hereto. In addition, this Agreement shall supersede in its entirety any and all prior agreements, promises, representations, understandings and negotiations of the parties, whether oral or written, concerning the same subject matter. Any and all acts which may have already been consummated pursuant to the terms and conditions of this Agreement are hereby ratified.

38 AUTHORITY TO EXECUTE

Each person executing this Agreement represents and warrants that he or she is duly authorized and has legal authority to execute and deliver this Agreement. Each party represents and warrants to the other that the execution and delivery of this Agreement and the performance of such party's obligations hereunder have been duly authorized

[Signatures on Following Page]

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the first date written above

TWO SIGNATURES ARE REQUIRED FOR CORPORATIONS

- (1) CHAIRPERSON OF THE BOARD, PRESIDENT, OR VICE PRESIDENT, AND
- (2) SECRETARY, ASSISTANT SECRETARY, CHIEF FINANCIAL OFFICER OR TREASURER

BMI IMAGING SYSTEMS, INC.:

By William
Name WILLIAM WALTER
Title CEO

Date June 7 2017

By Jamie Harrison
Name Jamie Harrison
Title Treasurer

Date 6/14/2017

COUNTY OF HUMBOLDT:

By Virginia Bass
Virginia Bass
Chair, Humboldt County Board of Supervisors

Date 5/23/17

INSURANCE AND INDEMNIFICATION REQUIREMENTS APPROVED

By Kaygen
Risk Management

Date 5/18/2017

LIST OF EXHIBITS:

- Exhibit A – Scope of Services
- Exhibit B – Schedule of Fees

Exhibit A: Scope of Services

- a) Digitize Historical Land Records which include the following media types ' Microfilm Rolls, Microfiche Jackets and Hard Copy Books (both bound and unbound) Place these materials in a format that represents a digital replica of the archives This will ensure that the history of the County is being preserved as it was created
- b) All microfilm/microfiche images will be scanned in high quality adjustable grayscale format to mitigate poor image quality and format issues
- c) Truncate the first 5 characters of SSN's contained on Official Records from April 1999 to December 31, 1980
- d) OCR process Official Records from April 1999 to approximately 1921 (when type written records begin) This process will enable text searching of these records within the system
- e) Import previously scanned images from Tome Duffer into Digital Reel
- f) Scan historical bound and unbound books to Digital Reel format
- g) Have the converted records hosted in two different geographic locations for maximum redundancy and up time

Truncation of Social Security Numbers on Official Records from 1980 to April 1999:

BMI and County estimate the volume of images to review for redaction totals 1,000,000 images As part of this project, BMI will provide the following

- One Redacted Copy Images of Official Records with the first 5 (five) characters of the SSN redacted These redactions may be seen through by authorized County staff only (should you need to produce a document without the redaction)

Utilizing specialized Optical Character Recognition (OCR) technology, the Contractor will locate typed and machine printed SSNs and redact the first five characters on the images to create a redacted copy that the County can make available to the public

Automated Redaction of SSNs – 1980 through April 1999

BMI will run OCR software against the images and use SSN identification rules to identify SSNs BMI will manually review these automatic SSN detections for false positives The accuracy rate for this redaction project is 98.5% or higher

The following steps will be followed as part of the process

- 1 Images are provided for redaction
- 2 Rule writing process implemented
 - a Test and modify Humboldt County SSN Truncation ruleset as needed for historical project
- 3 OCR process Official Records Images
- 4 Apply Automated Redaction Rules Processing

The results of the automated OCR detection processes are largely dependent upon the image quality of the documents and placement of the SSNs within

Manual Redaction of SSNs – 1980 through April 1999

The County has a computerized Grantor/Grantee index for the Official Records from 1980 through April 1999, which includes a Book/Page reference and document type. Using this index, we will be able to manually review the document types which are "likely candidates" to contain an SSN. This additional step in the process will allow us to truncate handwritten numbers that may have been missed in the automated step.

The County will provide BMI with a Comma Separated Values ("CSV") file format or equivalent of this index, containing unique Book/Page reference along with the Document Type.

Estimated Volume of Material:

Below is a description of the materials BMI will transport to our Sunnyvale, CA facility. The materials will be transported in a BMI owned vehicle driven by one of our employees. The pick-up will take place on a mutually agreed upon morning. Material will be transported directly back to Sunnyvale for processing. The County will need to copy the Tome Duffer images and any index data onto an external HD for delivery to BMI.

Tome Duffer Scanned Images & Microfilm Based Records

Media Type/Document Type	Volume Estimate
Tome Duffer Scanned Images/Patents and Deeds	220,000 images
Roll Film/Official Records Book 1 - 1759	943 rolls
Fiche Jackets/Official Records 1985-1999	11,908 jackets

Hard Copy Books

Media Type/Document Type	Volume Estimate
Military Discharge (Unbound)	11
Deed Books (Bound)	4
Leases (Unbound)	14
Homesteads (Bound)	9
Homesteads (Unbound)	3
Min. Claims Water Rights (Bound)	4
Min. Claims Water Rights (Unbound)	7
Miscellaneous (Unbound)	28
Miscellaneous (Bound)	4
Swamp and Overflow (Bound)	3
Klamath County (Bound)	9
Tax Deeds (Bound)	5
Tax Deeds (Unbound)	10
Lis Pendens (Unbound)	5
Lis Pendens (Bound)	4

Total Bound Books = 42

Total Unbound Books = 78

Creation of Tiff Images:

For all media involved with the project, BMI will create 300 dpi bi-tonal tiff images. These images will reside in a folder named by the roll film label or book title. These images will be delivered to the County on an external HD.

Hosted Services:

BMI's hosted service includes two complete raid synched sets of data and images, both active and load-balanced between the sites for performance. RagingWire will provide the primary services with a complete replicated dataset available through our Sunnyvale, CA data center. Hosted services include 20 named user accounts.

Exhibit B: Schedule of Rates

➤ **Part 1 – Microfilm/Microfiche Conversion & Truncation**

Item	Estimated Volume	Unit Price	Total Price
Digital Reel Conversion from Microfilm Rolls	79 Microfilm Rolls	\$28/roll	\$2,212
Outputting 300 dpi tiff images from Microfilm Rolls	79 Microfilm Rolls	\$5/roll	\$395*
Digital Reel Conversion of Microfiche Jackets	11,908 Jackets	\$1.25/jacket	\$14,885
Outputting 300 dpi tiff images from Microfiche Jackets	11,980 Jackets	\$15/jacket	\$1,797*
Truncation of Official Records 1980 - 1999	1,000,000 Images	\$0.04/image	\$40,000
Manual Review of Doc Types for Truncation	1	\$5,000	\$5,000
Digital Reel Hosted Services	1 year	included	Included**
Project Management Fee & Technical Services	1	\$2,500	\$2,500
Transportation of Material	4	\$750	\$3,000
External HD for tiff images	1	\$250	\$250*
Sub Total			\$70,039
Taxable Items (8.50%)			\$208
Project Total			\$70,247

*Taxable item

**Included with this contract is one year of hosted services. Following the one year period, the \$7,000 hosting fee will be applicable. Hosted date begins when the first milestone of the project is approved.

➤ **Part 2 – Microfilm Conversion, Tome Duffer & Hard Copy Books**

Item	Estimated Volume	Unit Price	Total Price
Digital Reel Conversion from Microfilm Rolls	864 Microfilm Rolls	\$28/roll	\$24,192
Outputting 300 dpi tiff images from Microfilm Rolls	864 Microfilm Rolls	\$5/roll	\$4,320*
Conversion of Tome Duffer Images to Digital Reel	220,000 Images	\$ 02/image	\$4,400
Conversion of Bound Books to Digital Reel	42 Books	\$345/book	\$14,490
Outputting 300 dpi tiff images from Bound Books	42 Books	\$5/book	\$210*
Conversion of Unbound Books to Digital Reel	78 Books	\$245/book	\$19,110
Outputting 300 dpi tiff images from Unbound Books	78 Books	5/book	\$390*
Project Management Fee and Technical Services	1	\$2,500	\$2,500
External HD for tiff images	1	\$250	\$250*
Sub Total	--		\$69,862
Taxable Items (8.50%)	-	-	\$440
Project Total	-	-	\$70,302

*Taxable item

Project Summary

Item	Total Price
Part 1	\$70,247
Part 2	\$70,302
Project Total	\$140,549

Supplemental Budget

1310267 - Recorder-Record Conversion

Revenues	Object	Increase Amt
Trust Fund Revenue	808000	70,247 00
Transfer from Trust - Rec Mod	706130	70,302 00
Total		140,549.00

Expenditures	Object	Increase Amt
Professional & Special Services	2118	140,549 00
Total		140,549.00



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
05/15/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed if SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s)

PRODUCER License # 0564249 Heffeman Insurance Brokers 101 Second Street, Suite 120 Petaluma, CA 94952	CONTACT NAME: Dan Mahoney PHONE (A/C, No, Ext): (707) 789-3072 93072	FAX (A/C, No):	
	E-MAIL ADDRESS: DanM@heffins.com		
INSURED BMI Imaging Systems, Inc 1115 East Arques Sunnyvale, CA 94085	INSURER(S) AFFORDING COVERAGE		NAIC #
	INSURER A Hartford Accident & Indemnity		22357
	INSURER B Hartford Casualty Insurance Company		29424
	INSURER C Hartford Insurance Company of the Midwest		37478
	INSURER D		
	INSURER E		

COVERAGES CERTIFICATE NUMBER REVISION NUMBER

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS

INSR LTR	TYPE OF INSURANCE	ADCL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Per Loc Aggregate GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER	X	X	57UUQTM2431	01/15/2017	01/15/2018	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Per occurrence) \$ 300,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COM/PROP AGG \$ 2,000,000
A	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY	X	X	57UUQTM2431	01/15/2017	01/15/2018	COMBINED SINGLE LIMIT (Per accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTIONS 10,000			57XHGYC8584	01/15/2017	01/15/2018	EACH OCCURRENCE \$ 4,000,000 AGGREGATE \$ \$ 4,000,000
C	<input checked="" type="checkbox"/> WORKERS COMPENSATION AND EMPLOYERS' LIABILITY <input type="checkbox"/> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	57WEQZT2722	01/01/2017	01/01/2018	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required) As per contract on file with insured Humboldt County, its officers, agents, employees and volunteers are named as additional insured (primary) on the General Liability policy, per attached form, as respects liability arising out of the activities performed by or on behalf of insured, products and completed operations of insured and on Auto liability policy per attached endorsement. Waivers of Subrogation in favor of Additional Insured applies to General Liability, Auto Liability and Workers' Compensation

CERTIFICATE HOLDER Humboldt County Recorder Office 825 Fifth Street, 5th Floor Eureka, CA 95501	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS AUTHORIZED REPRESENTATIVE
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COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the stock insurance company member of The Hartford providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II - Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V - Definitions.

SECTION I - COVERAGES

COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1 Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But

(1) The amount we will pay for damages is limited as described in Section III - Limits Of Insurance, and

(2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments - Coverages A and B.

- b. This insurance applies to "bodily injury" and "property damage" only if

(1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory",

(2) The "bodily injury" or "property damage" occurs during the policy period, and

(3) Prior to the policy period, no insured listed under Paragraph 1 of Section II - Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

c. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1 of Section II - Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim

(1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;

(2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage", or

(3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

d. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

e. Incidental Medical Malpractice

(1) "Bodily injury" arising out of the rendering of or failure to render professional health care services as a physician, dentist, nurse, emergency medical technician or paramedic shall be deemed to be caused by an "occurrence", but only if

(a) The physician, dentist, nurse, emergency medical technician or paramedic is employed by you to provide such services, and

(b) You are not engaged in the business or occupation of providing such services.

- (2) For the purpose of determining the limits of insurance for incidental medical malpractice, any act or omission together with all related acts or omissions in the furnishing of these services to any one person will be considered one "occurrence".

2 Exclusions

This insurance does not apply to

a. Expected Or Intended Injury

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

b. Contractual Liability

"Bodily injury" or "property damage" for which the insured 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 insured 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. Solely for the purposes of liability assumed in an "insured contract", reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided
 - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract", and
 - (b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of

- (1) Causing or contributing to the intoxication of any person,
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol, or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

e. Employer's Liability

"Bodily injury" to

- (1) An "employee" of the insured arising out of and in the course of
 - (a) Employment by the insured, or
 - (b) Performing duties related to the conduct of the insured'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 insured 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.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

f. 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 insured. However, this subparagraph does not apply to
 - (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests,
 - (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured, or

- (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 insured 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 insured, 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 insured or any contractors or subcontractors working directly or indirectly on any insured'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 insured, 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 insured, 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", or
 - (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured'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 effects of, "pollutants"
- (2) Any loss, cost or expense arising out of any
- (a) Request, demand, order or statutory or regulatory requirement that any insured 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 insured 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
- g Aircraft, Auto Or Watercraft**
- "Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading"
- This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.
- This exclusion does not apply to
- (1) A watercraft while ashore on premises you own or rent,
 - (2) A watercraft you do not own that is
 - (a) Less than 51 feet long, and
 - (b) Not being used to carry persons for a charge,
 - (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured,

- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft;
- (5) "Bodily injury" or "property damage" arising out of the operation of any of the equipment listed in Paragraph f.(2) or f(3) of the definition of "mobile equipment", or
- (6) An aircraft that is not owned by any insured and is hired, chartered or loaned with a paid crew. However, this exception does not apply if the insured has any other insurance for such "bodily injury" or "property damage", whether the other insurance is primary, excess, contingent or on any other basis

h Mobile Equipment

"Bodily injury" or "property damage" arising out of

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured, or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

i. War

"Bodily injury" or "property damage", however caused, arising, directly or indirectly, out of

- (1) War, including undeclared or civil war,
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents, or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these

j. Damage To Property

"Property damage" to

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property,
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises,
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the Insured,
- (5) That particular part of real property on which you or any contractors or subcontractors

working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations, or

- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III - Limits Of Insurance

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you

Paragraphs (3) and (4) of this exclusion do not apply to "property damage" arising from the use of elevators

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement

Paragraphs (3) and (4) of this exclusion do not apply to "property damage" to borrowed equipment while not being used to perform operations at the job site.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard"

k. Damage To Your Product

"Property damage" to "your product" arising out of it or any part of it

l Damage To Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard"

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor

m Damage To Impaired Property Or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work", or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use

n. Recall Of Products, Work Or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of

- (1) "Your product",
- (2) "Your work", or
- (3) "Impaired property",

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it

o Personal And Advertising Injury

"Bodily injury" arising out of "personal and advertising injury".

p Electronic Data

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment

q Employment-Related Practices

"Bodily injury" to

- (1) A person arising out of any "employment-related practices", or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any "employment-related practices" are directed

This exclusion applies

- (1) Whether the insured 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

r. Asbestos

(1) "Bodily injury" or "property damage" arising out of the "asbestos hazard"

(2) Any damages, judgments, settlements, loss, costs or expenses that

- (a) May be awarded or incurred by reason of any claim or suit alleging actual or threatened injury or damage of any nature or

kind to persons or property which would not have occurred in whole or in part but for the "asbestos hazard",

(b) Arise out of any request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, encapsulate, contain, treat, detoxify or neutralize or in any way respond to or assess the effects of an "asbestos hazard", or

(c) Arise out of any claim or suit for damages because of testing for, monitoring, cleaning up, removing, encapsulating, containing, treating, detoxifying or neutralizing or in any way responding to or assessing the effects of an "asbestos hazard"

Damage To Premises Rented To You – Exception For Damage By Fire, Lightning Or Explosion

Exclusions c through h and j through n do not apply to damage by fire, lightning or explosion to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section III – Limits Of Insurance

COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY

1 Insuring Agreement

a We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But

(1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance, and

(2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

b This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period

2 Exclusions

This insurance does not apply to

a Knowing Violation Of Rights Of Another

"Personal and advertising injury" arising out of an offense committed by, at the direction or with the consent or acquiescence of the insured with the expectation of inflicting "personal and advertising injury"

b Material Published With Knowledge Of Falsity

"Personal and advertising injury" arising out of oral, written or electronic publication of material, if done by or at the direction of the insured with knowledge of its falsity

c Material Published Prior To Policy Period

"Personal and advertising injury" arising out of oral, written or electronic publication of material whose first publication took place before the beginning of the policy period

d Criminal Acts

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured

e Contractual Liability

"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement

f Breach Of Contract

"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's "advertising idea" in your "advertisement"

g Quality Or Performance Of Goods – Failure To Conform To Statements

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement"

h Wrong Description Of Prices

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services

i Infringement Of Intellectual Property Rights

"Personal and advertising injury" arising out of any violation of any intellectual property rights such as copyright, patent, trademark, trade name, trade secret, service mark or other designation of origin or authenticity

However, this exclusion does not apply to infringement, in your "advertisement", of

- (1) Copyright,

- (2) Slogan, unless the slogan is also a trademark, trade name, service mark or other designation of origin or authenticity, or

- (3) Title of any literary or artistic work

j Insureds In Media And Internet Type Businesses

"Personal and advertising injury" committed by an insured whose business is

- (1) Advertising, broadcasting, publishing or telecasting,
- (2) Designing or determining content of web sites for others, or
- (3) An Internet search, access, content or service provider

However, this exclusion does not apply to Paragraphs 17 a, b and c. of "personal and advertising injury" under the Definitions Section

For the purposes of this exclusion, placing an "advertisement" for or linking to others on your web site, by itself, is not considered the business of advertising, broadcasting, publishing or telecasting

k Electronic Chatrooms Or Bulletin Boards

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control

l Unauthorized Use Of Another's Name Or Product

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatags, or any other similar tactics to mislead another's potential customers

m Pollution

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time

n Pollution-Related

Any loss, cost or expense arising out of any

- (1) Request, demand, order or statutory or regulatory requirement that any insured 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
- (2) 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"

o War

"Personal and advertising injury", however caused, arising, directly or indirectly, out of

- (1) War, including undeclared or civil war,
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents, or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these

p Internet Advertisements And Content Of Others

"Personal and advertising injury" arising out of

- (1) An "advertisement" for others on your web site,
- (2) Placing a link to a web site of others on your web site,
- (3) Content, including information, sounds, text, graphics, or images from a web site of others displayed within a frame or border on your web site, or
- (4) Computer code, software or programming used to enable
 - (a) Your web site, or
 - (b) The presentation or functionality of an "advertisement" or other content on your web site

q Right Of Privacy Created By Statute

"Personal and advertising injury" arising out of the violation of a person's right of privacy created by any state or federal act

However, this exclusion does not apply to liability for damages that the insured would have in the absence of such state or federal act

r Violation Of Anti-Trust law

"Personal and advertising injury" arising out of a violation of any anti-trust law

s Securities

"Personal and advertising injury" arising out of the fluctuation in price or value of any stocks, bonds or other securities

t Discrimination Or Humiliation

"Personal and advertising injury" arising out of discrimination or humiliation committed by or at the direction of any "executive officer", director, stockholder, partner or member of the insured

u Employment-Related Practices

"Personal and advertising injury" to

- (1) A person arising out of any "employment-related practices", or

- (2) The spouse, child, parent, brother or sister of that person as a consequence of "personal and advertising injury" to that person at whom any "employment related practices" are directed

This exclusion applies

- (1) Whether the insured 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

v Asbestos

- (1) "Personal and advertising injury" arising out of the "asbestos hazard"

- (2) Any damages, judgments, settlements, loss, costs or expenses that

- (a) May be awarded or incurred by reason of any claim or suit alleging actual or threatened injury or damage of any nature or kind to persons or property which would not have occurred in whole or in part but for the "asbestos hazard",

- (b) Arise out of any request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, encapsulate, contain, treat, detoxify or neutralize or in any way respond to or assess the effects of an "asbestos hazard", or

- (c) Arise out of any claim or suit for damages because of testing for, monitoring, cleaning up, removing, encapsulating, containing, treating, detoxifying or neutralizing or in any way responding to or assessing the effects of an "asbestos hazard"

COVERAGE C MEDICAL PAYMENTS

1 Insuring Agreement

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident

- (1) On premises you own or rent,
 - (2) On ways next to premises you own or rent, or
 - (3) Because of your operations,
- provided that

- (1) The accident takes place in the "coverage territory" and during the policy period,

- (2) The expenses are incurred and reported to us within three years of the date of the accident, and

- (3) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require

- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for
 - (1) First aid administered at the time of an accident,
 - (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices, and
 - (3) Necessary ambulance, hospital, professional nursing and funeral services

2. Exclusions

We will not pay expenses for "bodily injury"

a Any Insured

To any insured, except "volunteer workers"

b Hired Person

To a person hired to do work for or on behalf of any insured or a tenant of any insured

c Injury On Normally Occupied Premises

To a person injured on that part of premises you own or rent that the person normally occupies.

d Workers Compensation And Similar Laws

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law

e Athletics Activities

To a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletic contests

f Products-Completed Operations Hazard

Included within the "products-completed operations hazard"

g Coverage A Exclusions

Excluded under Coverage A

SUPPLEMENTARY PAYMENTS - COVERAGES A AND B

1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:
 - a All expenses we incur
 - b Up to \$1,000 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds
 - c The cost of appeal bonds or bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds
 - d All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$500 a day because of time off from work

- e All costs taxed against the insured in the "suit"
- f Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer
- g All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance

These payments will not reduce the limits of insurance

- 2 If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met.

- a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract",
- b. This insurance applies to such liability assumed by the insured,
- c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract",
- d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee,
- e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee, and
- f. The indemnitee

(1) Agrees in writing to

- (a) Cooperate with us in the investigation, settlement or defense of the "suit",
- (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit",
- (c) Notify any other insurer whose coverage is available to the indemnitee, and
- (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee, and

(2) Provides us with written authorization to

- (a) Obtain records and other information related to the "suit", and
- (b) Conduct and control the defense of the indemnitee in such "suit"

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee,

necessary litigation expenses incurred by us and necessary litigation expenses incurred by the Indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph 2.b (2) of Section I - Coverage A - Bodily Injury And Property Damage Liability, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when:

- a. We have used up the applicable limit of insurance in the payment of judgments or settlements, or
- b. The conditions set forth above, or the terms of the agreement described in Paragraph f above, are no longer met.

SECTION II - WHO IS AN INSURED

1. If you are designated in the Declarations as:

- a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
- c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
- d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
- e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

2. Each of the following is also an insured:

a. Employees and Volunteer workers

Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business.

However, none of these "employees" or "volunteer workers" are insureds for:

(1) "Bodily injury" or "personal and advertising injury"

- (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business,
- (b) To the spouse, child, parent, brother or sister of that co-"employee" or that "volunteer worker" as a consequence of Paragraph (1)(a) above,
- (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs (1)(a) or (b) above, or
- (d) Arising out of his or her providing or failing to provide professional health care services.

If you are not in the business of providing professional health care services, Paragraph (d) does not apply to any nurse, emergency medical technician or paramedic employed by you to provide such services.

(2) "Property damage" to property

- (a) Owned, occupied or used by,
- (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

b. Real Estate Manager

Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.

c. Temporary Custodians of Your Property

Any person or organization having proper temporary custody of your property if you die, but only:

- (1) With respect to liability arising out of the maintenance or use of that property, and
- (2) Until your legal representative has been appointed.

d. Legal Representative If You Die

Your legal representative if you die, but only with respect to duties as such. That representative will

have all your rights and duties under this Coverage Part

e Unnamed Subsidiary

Any subsidiary, and subsidiary thereof, of yours which is a legally incorporated entity of which you own a financial interest of more than 50% of the voting stock on the effective date of the Coverage Part

The insurance afforded herein for any subsidiary not named in this Coverage Part as a named insured does not apply to injury or damage with respect to which an insured under this Coverage Part is also an insured under another policy or would be an insured under such policy but for its termination or the exhaustion of its limits of insurance

3 Newly Acquired or Formed Organization

Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain financial interest of more than 50% of the voting stock, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

- a Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
- b Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization, and
- c Coverage B does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization

4. Mobile Equipment

With respect to "mobile equipment" registered in your name under any motor vehicle registration law, any person is an insured while driving such equipment along a public highway with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the equipment, and only if no other insurance of any kind is available to that person or organization for this liability. However, no person or organization is an insured with respect to:

- a. "Bodily injury" to a co-"employee" of the person driving the equipment, or
- b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision

5 Nonowned Watercraft

With respect to watercraft you do not own that is less than 51 feet long and is not being used to carry persons for a charge, any person is an insured while operating such watercraft with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the watercraft, and only if no other insurance of any kind is available to that person or organization for this liability

However, no person or organization is an insured with respect to:

- a. "Bodily injury" to a co-"employee" of the person operating the watercraft, or
- b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision

6. Additional Insureds When Required By Written Contract, Written Agreement Or Permit

The following person(s) or organization(s) are an additional insured when you have agreed, in a written contract, written agreement or because of a permit issued by a state or political subdivision, that such person or organization be added as an additional insured on your policy, provided the injury or damage occurs subsequent to the execution of the contract or agreement

A person or organization is an additional insured under this provision only for that period of time required by the contract or agreement

However, no such person or organization is an insured under this provision if such person or organization is included as an insured by an endorsement issued by us and made a part of this Coverage Part

a. Vendors

Any person(s) or organization(s) (referred to below as vendor), but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business and only if this Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard"

(1) The insurance afforded the vendor is subject to the following additional exclusions

This insurance does not apply to

- (a) "Bodily injury" or "property damage" for which the vendor 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 that the vendor would have in the absence of the contract or agreement,

- (b) Any express warranty unauthorized by you,
 - (c) Any physical or chemical change in the product made intentionally by the vendor,
 - (d) Repackaging, except when unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container,
 - (e) Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products,
 - (f) Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product,
 - (g) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor, or
 - (h) "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to
 - (i) The exceptions contained in Sub-paragraphs (d) or (f), or
 - (ii) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products
- (2) This insurance does not apply to any insured person or organization, from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products

b Lessors of Equipment

- (1) Any person or organization from whom you lease equipment, but only with respect to their liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person or organization
- (2) With respect to the insurance afforded to these additional insureds this insurance does not apply to any "occurrence" which takes place after the equipment lease expires

c Lessors of Land or Premises

Any person or organization from whom you lease land or premises, but only with respect to liability arising out of the ownership, maintenance or use of that part of the land or premises leased to you

With respect to the insurance afforded these additional insureds the following additional exclusions apply

This insurance does not apply to

- 1 Any "occurrence" which takes place after you cease to lease that land, or
- 2 Structural alterations, new construction or demolition operations performed by or on behalf of such person or organization.

d Architects, Engineers or Surveyors

Any architect, engineer, or surveyor, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf

- (1) In connection with your premises, or
- (2) In the performance of your ongoing operations performed by you or on your behalf

With respect to the insurance afforded these additional insureds, the following additional exclusion applies

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or the failure to render any professional services by or for you, including

- 1 The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications, or
- 2 Supervisory, inspection, architectural or engineering activities.

e Permits Issued By State Or Political Subdivisions

Any state or political subdivision, but only with respect to operations performed by you or on your behalf for which the state or political subdivision has issued a permit

With respect to the insurance afforded these additional insureds, this insurance does not apply to

- (1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of operations performed for the state or municipality, or
- (2) "Bodily injury" or "property damage" included within the "products-completed operations hazard"

f Any Other Party

Any other person or organization who is not an insured under Paragraphs a through e above, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf

- (1) In the performance of your ongoing operations,
- (2) In connection with your premises owned by or rented to you, or
- (3) In connection with "your work" and included within the "products-completed operations hazard", but only if
 - (a) The written contract or agreement requires you to provide such coverage to such additional insured, and
 - (b) This Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard"

With respect to the insurance afforded to these additional insureds this insurance does not apply to

"Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including

- (1) The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications, or
- (2) Supervisory, inspection, architectural or engineering activities

The limits of insurance that apply to additional insureds under this provision is described in Section III – Limits Of Insurance

How this insurance applies when other insurance is available to the additional insured is described in the Other Insurance Condition in Section IV – Commercial General Liability Conditions

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations

SECTION III – LIMITS OF INSURANCE

1 The Most We will Pay

The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of

- a Insureds,
- b. Claims made or "suits" brought, or

c Persons or organizations making claims or bringing "suits"

2 General Aggregate Limit

The General Aggregate Limit is the most we will pay for the sum of

- a Medical expenses under Coverage C,
- b Damages under Coverage A, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard", and
- c. Damages under Coverage B

3 Products-Completed Operations Aggregate Limit

The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard"

4 Personal and Advertising Injury Limit

Subject to 2 above, the Personal and Advertising Injury Limit is the most we will pay under Coverage B for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization

5 Each Occurrence Limit

Subject to 2 or 3 above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of

- a Damages under Coverage A, and
- b Medical expenses under Coverage C because of all "bodily injury" and "property damage" arising out of any one "occurrence"

6 Damage To Premises Rented To You Limit

Subject to 5 above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage A for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, lightning or explosion, while rented to you or temporarily occupied by you with permission of the owner

In the case of damage by fire, lightning or explosion, the Damage to Premises Rented To You Limit applies to all damage proximately caused by the same event, whether such damage results from fire, lightning or explosion or any combination of these

7 Medical Expense Limit

Subject to 5 above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person

8 How Limits Apply To Additional Insureds

If you have agreed in a written contract or written agreement that another person or organization be

added as an additional insured on your policy, the most we will pay on behalf of such additional insured is the lesser of

- a The limits of insurance specified in the written contract or written agreement, or
- b The Limits of Insurance shown in the Declarations

Such amount shall be a part of and not in addition to Limits of Insurance shown in the Declarations and described in this Section

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period 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 Insurance

SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS

1 Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part

2 Duties In The Event Of Occurrence, Offense, Claim Or Suit

a Notice Of Occurrence Or Offense

You or any additional insured must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include

- (1) How, when and where the "occurrence" or offense took place,
- (2) The names and addresses of any injured persons and witnesses, and
- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense

b Notice Of Claim

If a claim is made or "suit" is brought against any insured, you or any additional insured must

- (1) Immediately record the specifics of the claim or "suit" and the date received, and
- (2) Notify us as soon as practicable

You or any additional insured must see to it that we receive written notice of the claim or "suit" as soon as practicable

c Assistance And Cooperation Of The Insured

You and any other involved insured must

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit",
- (2) Authorize us to obtain records and other information,

(3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit", and

(4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply

d Obligations At The Insureds Own Cost

No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent

e Additional Insureds Other Insurance

If we cover a claim or "suit" under this Coverage Part that may also be covered by other insurance available to an additional insured, such additional insured must submit such claim or "suit" to the other insurer for defense and indemnity

However, this provision does not apply to the extent that you have agreed in a written contract or written agreement that this insurance is primary and non-contributory with the additional insured's own insurance

f Knowledge Of An Occurrence, Offense, Claim Or Suit

Paragraphs a and b. apply to you or to any additional insured only when such "occurrence", offense, claim or "suit" is known to

- (1) You or any additional insured that is an individual,
- (2) Any partner, if you or an additional insured is a partnership,
- (3) Any manager, if you or an additional insured is a limited liability company,
- (4) Any "executive officer" or insurance manager, if you or an additional insured is a corporation,
- (5) Any trustee, if you or an additional insured is a trust, or
- (6) Any elected or appointed official, if you or an additional insured is a political subdivision or public entity

This duty applies separately to you and any additional insured

3 Legal Action Against Us

No person or organization has a right under this Coverage Part

- a To join us as a party or otherwise bring us into a "suit" asking for damages from an insured, or
- b To sue us on this Coverage Part unless all of its terms have been fully complied with

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured, but we will not be liable for damages that are not payable under the terms of this Coverage Part or

that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

4 Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages A or B of this Coverage Part, our obligations are limited as follows:

a Primary Insurance

This insurance is primary except when b below applies. If other insurance is also primary, we will share with all that other insurance by the method described in c below.

b Excess Insurance

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis:

(1) Your Work

That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work".

(2) Premises Rented To You

That is fire, lightning or explosion insurance for premises rented to you or temporarily occupied by you with permission of the owner.

(3) Tenant Liability

That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner.

(4) Aircraft, Auto Or Watercraft

If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g of Section I - Coverage A - Bodily Injury And Property Damage Liability,

(5) Property Damage to Borrowed Equipment Or Use Of Elevators

If the loss arises out of "property damage" to borrowed equipment or the use of elevators to the extent not subject to Exclusion j of Section I - Coverage A - Bodily Injury And Property Damage Liability,

(6) When You Are Added As An Additional Insured To Other Insurance

Any other insurance available to you covering liability for damages arising out of the premises or operations, or products and completed operations, for which you have been added as an additional insured by that insurance, or

(7) When You Add Others As An Additional Insured To This Insurance

Any other insurance available to an additional insured:

However, the following provisions apply to other insurance available to any person or organization who is an additional insured under this coverage part:

(a) Primary Insurance When Required By Contract

This insurance is primary if you have agreed in a written contract or written agreement that this insurance be primary. If other insurance is also primary, we will share with all that other insurance by the method described in c below.

(b) Primary And Non-Contributory To Other Insurance When Required By Contract

If you have agreed in a written contract, written agreement, or permit that this insurance is primary and non-contributory with the additional insured's own insurance, this insurance is primary and we will not seek contribution from that other insurance.

Paragraphs (a) and (b) do not apply to other insurance to which the additional insured has been added as an additional insured.

When this insurance is excess, we will have no duty under Coverages A or B to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

(1) The total amount that all such other insurance would pay for the loss in the absence of this insurance, and

(2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

5 Premium Audit

- a We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
- c The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

6 Representations

a When You Accept This Policy

By accepting this policy, you agree

- (1) The statements in the Declarations are accurate and complete,
- (2) Those statements are based upon representations you made to us, and
- (3) We have issued this policy in reliance upon your representations.

b Unintentional Failure To Disclose Hazards

If unintentionally you should fail to disclose all hazards relating to the conduct of your business that exist at the inception date of this Coverage Part, we shall not deny coverage under this Coverage Part because of such failure.

7 Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies

- a As if each Named Insured were the only Named Insured, and
- b Separately to each insured against whom claim is made or "suit" is brought.

8 Transfer Of Rights Of Recovery Against Others To Us

a Transfer of Rights Of Recovery

If the insured has rights to recover all or part of any payment, including Supplementary Payments, we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the

insured will bring "suit" or transfer those rights to us and help us enforce them.

b. Waiver Of Rights Of Recovery (Waiver Of Subrogation)

If the insured has waived any rights of recovery against any person or organization for all or part of any payment, including Supplementary Payments, we have made under this Coverage Part, we also waive that right, provided the insured waived their rights of recovery against such person or organization in a contract, agreement or permit that was executed prior to the injury or damage.

9 When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

SECTION V - DEFINITIONS

1 "Advertisement" means the widespread public dissemination of information or images that has the purpose of inducing the sale of goods, products or services through

- a (1) Radio,
- (2) Television,
- (3) Billboard,
- (4) Magazine,
- (5) Newspaper, or

b Any other publication that is given widespread public distribution.

However, "advertisement" does not include

- a The design, printed material, information or images contained in, on or upon the packaging or labeling of any goods or products, or
- b An interactive conversation between or among persons through a computer network.

2 "Advertising idea" means any idea for an "advertisement".

3 "Asbestos hazard" means an exposure or threat of exposure to the actual or alleged properties of asbestos and includes the mere presence of asbestos in any form.

4 "Auto" means a land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment. But "auto" does not include "mobile equipment".

5 "Bodily injury" means physical

- a. Injury,
- b. Sickness, or
- c. Disease

sustained by a person and, if arising out of the above, mental anguish or death at any time.

- 6 "Coverage territory" means
- a The United States of America (including its territories and possessions), Puerto Rico and Canada,
 - b International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in a above, or
 - c All other parts of the world if the injury or damage arises out of
 - (1) Goods or products made or sold by you in the territory described in a above,
 - (2) The activities of a person whose home is in the territory described in a above, but is away for a short time on your business, or
 - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication

provided the insured's responsibility to pay damages is determined in the United States of America (including its territories and possessions), Puerto Rico or Canada, in a "suit" on the merits according to the substantive law in such territory or in a settlement we agree to

- 7 "Employee" includes a "leased worker" "Employee" does not include a "temporary worker"
- 8 "Employment-Related Practices" means
- a Refusal to employ a person,
 - b Termination of a person's employment, or
 - c Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at a person.
- 9 "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document
- 10 "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be
- 11 "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because
- a It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous, or
 - b You have failed to fulfill the terms of a contract or agreement,
- if such property can be restored to use by
- a The repair, replacement, adjustment or removal of "your product" or "your work", or
 - b Your fulfilling the terms of the contract or agreement
- 12 "Insured contract" means
- a A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire, lightning or explosion to premises while

rented to you or temporarily occupied by you with permission of the owner is subject to the Damage to Premises Rented To You Limit described in Section III -- Limits of Insurance,

- b A sidetrack agreement,
- c Any easement or license agreement, including an easement or license agreement in connection with construction or demolition operations on or within 50 feet of a railroad,
- d An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality,
- e An elevator maintenance agreement,
- f That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization, provided the "bodily injury" or "property damage" is caused, in whole or in part, by you or by those acting on your behalf. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement

Paragraph f includes that part of any contract or agreement that indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing

However, Paragraph f does not include that part of any contract or agreement

- (1) That indemnifies an architect, engineer or surveyor for injury or damage arising out of
 - (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications, or
 - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage, or
- (2) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (1) above and supervisory, inspection, architectural or engineering activities

- 13 "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 business. "Leased worker" does not include a "temporary worker"
- 14 "Loading or unloading" means the handling of property
- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto",

- b While it is in or on an aircraft, watercraft or "auto", or
 - c While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered, but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto"
- 15 "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment
- a Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads,
 - b Vehicles maintained for use solely on or next to premises you own or rent,
 - c Vehicles that travel on crawler treads,
 - d Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted
 - (1) Power cranes, shovels, loaders, diggers or drills, or
 - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers,
 - e Vehicles not described in a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types
 - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment, or
 - (2) Cherry pickers and similar devices used to raise or lower workers,
 - f Vehicles not described in a., b., c. or d. 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"

 - (1) Equipment, of at least 1,000 pounds gross vehicle weight, designed primarily for
 - (a) Snow removal,
 - (b) Road maintenance, but not construction or resurfacing, or
 - (c) Street cleaning,
 - (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers, and
 - (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment
- 16 "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions
- 17 "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses
- a False arrest, detention or imprisonment,
 - b Malicious prosecution,
 - c The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor,
 - d Oral, written or electronic publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services,
 - e Oral, written or electronic publication of material that violates a person's right of privacy,
 - f Copying, in your "advertisement", a person's or organization's "advertising idea" or style of "advertisement",
 - g Infringement of copyright, slogan, or title of any literary or artistic work, in your "advertisement", or
 - h. Discrimination or humiliation that results in injury to the feelings or reputation of a natural person
- 18 "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed
- 19 "Products-completed operations hazard"
- a Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except
 - (1) Products that are still in your physical possession, or
 - (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times
 - (a) When all of the work called for in your contract has been completed
 - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site
 - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project
- Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed

b. Does not include "bodily injury" or "property damage" arising out of

- (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured,
- (2) The existence of tools, uninstalled equipment or abandoned or unused materials, or
- (3) Products or operations for which the classification, listed in the Declarations or in a policy schedule, states that products-completed operations are subject to the General Aggregate Limit

20 "Property damage" means

- a Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it, or
- b Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it

As used in this definition, computerized or electronically stored data, programs or software are not tangible property. Electronic data means information, facts or programs

- a. Stored as or on,
- b Created or used on, or
- c. Transmitted to or from,

computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment

21 "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes

- a An arbitration proceeding in which such damages are claimed and to which the insured 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 insured submits with our consent

22. "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

23. "Volunteer worker" means a person who

- a Is not your "employee",
- b Donates his or her work,
- c. Acts at the direction of and within the scope of duties determined by you, and
- d Is not paid a fee, salary or other compensation by you or anyone else for their work performed for you

24 "Your product"

a Means

- (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by
 - (a) You,
 - (b) Others trading under your name, or
 - (c) A person or organization whose business or assets you have acquired, and
- (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products

b Includes

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product", and
 - (2) The providing of or failure to provide warnings or instructions
- c Does not include vending machines or other property rented to or located for the use of others but not sold

25. "Your work"

a. Means

- (1) Work or operations performed by you or on your behalf, and
- (2) Materials, parts or equipment furnished in connection with such work or operations

b Includes

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work", and
- (2) The providing of or failure to provide warnings or instructions

THIS ENDORSEMENT CHANGES THE POLICY PLEASE READ IT CAREFULLY

COMMERCIAL AUTOMOBILE BROAD FORM ENDORSEMENT

This endorsement modifies insurance provided under the following

BUSINESS AUTO COVERAGE FORM

To the extent that the provisions of this endorsement provide broader benefits to the "insured" than other provisions of the Coverage Form, the provisions of this endorsement apply

1 BROAD FORM INSURED

A Subsidiaries and Newly Acquired or Formed Organizations

The Named Insured shown in the Declarations is amended to include

- (1) Any legal business entity other than a partnership or joint venture, formed as a subsidiary in which you have an ownership interest of more than 50% on the effective date of the Coverage Form. However, the Named Insured does not include any subsidiary that is an "insured" under any other automobile policy or would be an "insured" under such a policy but for its termination or the exhaustion of its Limit of Insurance
- (2) Any organization that is acquired or formed by you and over which you maintain majority ownership. However, the Named Insured does not include any newly formed or acquired organization
 - (a) That is a partnership or joint venture,
 - (b) That is an "insured" under any other policy,
 - (c) That has exhausted its Limit of Insurance under any other policy, or
 - (d) 180 days or more after its acquisition or formation by you, unless you have given us notice of the acquisition or formation

Coverage does not apply to "bodily injury" or "property damage" that results from an "accident" that occurred before you formed or acquired the organization

B Employees as Insureds

Paragraph A 1 - WHO IS AN INSURED - of SECTION II - LIABILITY COVERAGE is amended to add

- d Any "employee" of yours while using a covered "auto" you don't own, hire or borrow in your business or your personal affairs

C Lessors as Insureds

Paragraph A 1 - WHO IS AN INSURED - of Section II - Liability Coverage is amended to add

- e The lessor of a covered "auto" while the "auto" is leased to you under a written agreement if
 - (1) The agreement requires you to provide direct primary insurance for the lessor and
 - (2) The "auto" is leased without a driver

Such a leased "auto" will be considered a covered "auto" you own and not a covered "auto" you hire

D Additional Insured if Required by Contract

(1) Paragraph A 1 - WHO IS AN INSURED - of Section II - Liability Coverage is amended to add

- f When you have agreed, in a written contract or written agreement, that a person or organization be added as an additional insured on your business auto policy, such person or organization is an "insured", but only to the extent such person or organization is liable for "bodily injury" or "property damage" caused by the conduct of an "insured" under paragraphs a or b of Who Is An Insured with regard to the ownership, maintenance or use of a covered "auto"

The insurance afforded to any such additional insured applies only if the "bodily injury" or "property damage" occurs

- (1) During the policy period, and
- (2) Subsequent to the execution of such written contract, and
- (3) Prior to the expiration of the period of time that the written contract requires such insurance be provided to the additional insured

(2) How Limits Apply

If you have agreed in a written contract or written agreement that another person or organization be added as an additional insured on your policy, the most we will pay on behalf of such additional insured is the lesser of

- (a) The limits of insurance specified in the written contract or written agreement, or
- (b) The Limits of Insurance shown in the Declarations

Such amount shall be a part of and not in addition to Limits of Insurance shown in the Declarations and described in this Section

(3) Additional Insureds Other Insurance

If we cover a claim or "suit" under this Coverage Part that may also be covered by other insurance available to an additional insured, such additional insured must submit such claim or "suit" to the other insurer for defense and indemnity

However, this provision does not apply to the extent that you have agreed in a written contract or written agreement that this insurance is primary and non-contributory with the additional insured's own insurance

(4) Duties In The Event Of Accident, Claim, Suit or Loss

If you have agreed in a written contract or written agreement that another person or organization be added as an additional insured on your policy, the additional insured shall be required to comply with the provisions in LOSS CONDITIONS 2 - DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS - OF SECTION IV - BUSINESS AUTO CONDITIONS, in the same manner as the Named Insured

E. Primary and Non-Contributory If Required by Contract

Only with respect to insurance provided to an additional insured in 1 D - Additional Insured If Required by Contract, the following provisions apply

(3) Primary Insurance When Required By Contract

This insurance is primary if you have agreed in a written contract or written agreement that this insurance be primary. If other insurance is also primary, we will share with all that other insurance by the method described in Other Insurance 5 d

(4) Primary And Non-Contributory To Other Insurance When Required By Contract

If you have agreed in a written contract or written agreement that this insurance is primary and non-contributory with the additional insured's own insurance, this insurance is primary and we will not seek contribution from that other insurance

Paragraphs (3) and (4) do not apply to other insurance to which the additional insured has been added as an additional insured

When this insurance is excess, we will have no duty to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance, and
- (2) The total of all deductible and self-insured amounts under all that other insurance

We will share the remaining loss, if any, by the method described in Other Insurance 5 d

2. AUTOS RENTED BY EMPLOYEES

Any "auto" hired or rented by your "employee" on your behalf and at your direction will be considered an "auto" you hire

The OTHER INSURANCE Condition is amended by adding the following

If an "employee's" personal insurance also applies on an excess basis to a covered "auto" hired or rented by your "employee" on your behalf and at your direction, this insurance will be primary to the "employee's" personal insurance

3 AMENDED FELLOW EMPLOYEE EXCLUSION EXCLUSION 5 - FELLOW EMPLOYEE - of SECTION II - LIABILITY COVERAGE does not apply if you have workers' compensation insurance in-force covering all of your "employees"

Coverage is excess over any other collectible insurance

4 HIRED AUTO PHYSICAL DAMAGE COVERAGE
If hired "autos" are covered "autos" for Liability Coverage and if Comprehensive, Specified Causes of Loss, or Collision coverages are provided under this Coverage Form for any "auto" you own, then the Physical Damage Coverages provided are extended to "autos" you hire or borrow, subject to the following limit

The most we will pay for "loss" to any hired "auto" is

- (1) \$100,000,
- (2) The actual cash value of the damaged or stolen property at the time of the "loss", or
- (3) The cost of repairing or replacing the damaged or stolen property,

whichever is smallest, minus a deductible. The deductible will be equal to the largest deductible applicable to any owned "auto" for that coverage. No deductible applies to "loss" caused by fire or lightning. Hired Auto Physical Damage coverage is excess over any other collectible insurance. Subject to the above limit, deductible and excess provisions, we will provide coverage equal to the broadest coverage applicable to any covered "auto" you own.

We will also cover loss of use of the hired "auto" if it results from an "accident", you are legally liable and the lessor incurs an actual financial loss, subject to a maximum of \$1000 per "accident"

This extension of coverage does not apply to any "auto" you hire or borrow from any of your "employees", partners (if you are a partnership), members (if you are a limited liability company), or members of their households

5 PHYSICAL DAMAGE - ADDITIONAL TEMPORARY TRANSPORTATION EXPENSE COVERAGE

Paragraph A 4 a of SECTION III - PHYSICAL DAMAGE COVERAGE is amended to provide a limit of \$50 per day and a maximum limit of \$1,000

6. LOAN/LEASE GAP COVERAGE

Under SECTION III - PHYSICAL DAMAGE COVERAGE, in the event of a total "loss" to a covered "auto", we will pay your additional legal obligation for any difference between the actual cash value of the "auto" at the time of the "loss" and the "outstanding balance" of the loan/lease

"Outstanding balance" means the amount you owe on the loan/lease at the time of "loss" less any amounts representing taxes, overdue payments, penalties, interest or charges resulting from overdue payments, additional mileage charges, excess wear and tear charges, lease termination fees, security deposits not returned by the lessor, costs for extended warranties, credit life insurance, health, accident or disability insurance purchased with the loan or lease, and carry-over balances from previous loans or leases

7 AIRBAG COVERAGE

Under Paragraph B EXCLUSIONS - of SECTION III - PHYSICAL DAMAGE COVERAGE, the following is added

The exclusion relating to mechanical breakdown does not apply to the accidental discharge of an airbag

8 ELECTRONIC EQUIPMENT - BROADENED COVERAGE

a The exceptions to Paragraphs B 4 - EXCLUSIONS - of SECTION III - PHYSICAL DAMAGE COVERAGE are replaced by the following

Exclusions 4 c. and 4 d. do not apply to equipment designed to be operated solely by use of the power from the "auto's" electrical system that, at the time of "loss", is

- (1) Permanently installed in, or upon the covered "auto",
- (2) Removable from a housing unit which is permanently installed in or upon the covered "auto",
- (3) An integral part of the same unit housing any electronic equipment described in Paragraphs (1) and (2) above, or

- (4) Necessary for the normal operation of the covered "auto" or the monitoring of the covered "auto's" operating system

b Section III - Version CA 00 01 03 10 of the Business Auto Coverage Form, Physical Damage Coverage, Limit of Insurance, Paragraph C.2 and Version CA 00 01 10 01 of the Business Auto Coverage Form, Physical Damage Coverage, Limit of Insurance, Paragraph C are each amended to add the following

\$1,500 is the most we will pay for "loss" in any one "accident" to all electronic equipment (other than equipment designed solely for the reproduction of sound, and accessories used with such equipment) that reproduces, receives or transmits audio, visual or data signals which, at the time of "loss", is

- (1) Permanently installed in or upon the covered "auto" in a housing, opening or other location that is not normally used by the "auto" manufacturer for the installation of such equipment,
- (2) Removable from a permanently installed housing unit as described in Paragraph 2 a above or is an integral part of that equipment, or
- (3) An integral part of such equipment.

c For each covered "auto", should loss be limited to electronic equipment only, our obligation to pay for, repair, return or replace damaged or stolen electronic equipment will be reduced by the applicable deductible shown in the Declarations, or \$250, whichever deductible is less

9 EXTRA EXPENSE - BROADENED COVERAGE

Under Paragraph A - COVERAGE - of SECTION III - PHYSICAL DAMAGE COVERAGE, we will pay for the expense of returning a stolen covered "auto" to you.

10 GLASS REPAIR - WAIVER OF DEDUCTIBLE

Under Paragraph D - DEDUCTIBLE - of SECTION III - PHYSICAL DAMAGE COVERAGE, the following is added.

No deductible applies to glass damage if the glass is repaired rather than replaced

11 TWO OR MORE DEDUCTIBLES

Under Paragraph D - DEDUCTIBLE - of SECTION III - PHYSICAL DAMAGE COVERAGE, the following is added

If another Hartford Financial Services Group, Inc company policy or coverage form that is not an automobile policy or coverage form applies to the same "accident", the following applies

- (1) If the deductible under this Business Auto Coverage Form is the smaller (or smallest) deductible, it will be waived,
- (2) If the deductible under this Business Auto Coverage Form is not the smaller (or smallest) deductible, it will be reduced by the amount of the smaller (or smallest) deductible

12 AMENDED DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS

The requirement in LOSS CONDITIONS 2 a - DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS - of SECTION IV - BUSINESS AUTO CONDITIONS that you must notify us of an "accident" applies only when the "accident" is known to

- (1) You, if you are an individual,
- (2) A partner, if you are a partnership,
- (3) A member, if you are a limited liability company, or
- (4) An executive officer or insurance manager, if you are a corporation

13 UNINTENTIONAL FAILURE TO DISCLOSE HAZARDS

If you unintentionally fail to disclose any hazards existing at the inception date of your policy, we will not deny coverage under this Coverage Form because of such failure

14 HIRED AUTO - COVERAGE TERRITORY

Paragraph a of GENERAL CONDITIONS 7 - POLICY PERIOD, COVERAGE TERRITORY - of SECTION IV - BUSINESS AUTO CONDITIONS is replaced by the following

e For short-term hired "autos", the coverage territory with respect to Liability Coverage is anywhere in the world provided that if the "insured's" responsibility to pay damages for "bodily injury" or "property damage" is determined in a "suit," the "suit" is brought in the United States of America, the territories and possessions of the United States of America, Puerto Rico or Canada or in a settlement we agree to

15 WAIVER OF SUBROGATION

TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US - of SECTION IV - BUSINESS AUTO CONDITIONS is amended by adding the following.

We waive any right of recovery we may have against any person or organization with whom you have a written contract that requires such waiver because of payments we make for damages under this Coverage Form

16. RESULTANT MENTAL ANGUISH COVERAGE

The definition of "bodily injury" in SECTION V-DEFINITIONS is replaced by the following

"Bodily injury" means bodily injury, sickness or disease sustained by any person, including mental anguish or death resulting from any of these

17. EXTENDED CANCELLATION CONDITION

Paragraph 2 of the COMMON POLICY CONDITIONS - CANCELLATION - applies except as follows

If we cancel for any reason other than nonpayment of premium, we will mail or deliver to the first Named Insured written notice of cancellation at least 60 days before the effective date of cancellation

18. HYBRID, ELECTRIC, OR NATURAL GAS VEHICLE PAYMENT COVERAGE

In the event of a total loss to a "non-hybrid" auto for which Comprehensive, Specified Causes of Loss, or Collision coverages are provided under this Coverage Form, then such Physical Damage Coverages are amended as follows

a If the auto is replaced with a "hybrid" auto or an auto powered solely by electricity or natural gas, we will pay an additional 10%, to a maximum of \$2,500, of the "non-hybrid" auto's actual cash value or replacement cost, whichever is less,

b The auto must be replaced and a copy of a bill of sale or new lease agreement received by us within 60 calendar days of the date of "loss."

c Regardless of the number of autos deemed a total loss, the most we will pay under this Hybrid, Electric, or Natural Gas Vehicle Payment Coverage provision for any one "loss" is \$10,000.

For the purposes of the coverage provision,

a A "non-hybrid" auto is defined as an auto that uses only an internal combustion engine to move the auto but does not include autos powered solely by electricity or natural gas.

b A "hybrid" auto is defined as an auto with an internal combustion engine and one or more electric motors, and that uses the internal combustion engine and one or more electric motors to move the auto, or the internal combustion engine to charge one or more electric motors, which move the auto

19. VEHICLE WRAP COVERAGE

In the event of a total loss to an "auto" for which Comprehensive, Specified Causes of Loss, or Collision coverages are provided under this Coverage Form, then such Physical Damage Coverages are amended to add the following

In addition to the actual cash value of the "auto", we will pay up to \$1,000 for vinyl vehicle wraps which are displayed on the covered "auto" at the time of total loss. Regardless of the number of autos deemed a total loss, the most we will pay under this Vehicle Wrap Coverage provision for any one "loss" is \$5,000. For purposes of this coverage provision, signs or other graphics painted or magnetically affixed to the vehicle are not considered vehicle wraps



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WORKERS' COMPENSATION BROAD FORM ENDORSEMENT EXTENDED OPTIONS

Policy Number 57 WEQ ZT2722

Endorsement Number

Effective Date 01/01/17

Effective hour is the same as stated on the Information Page of the policy

Named Insured and Address: BMI IMAGING SYSTEMS INC

1115 E ARQUES AVE
SUNNYVALE, CA 94085

Section I of this endorsement expands coverage provided under WC 00 00 00

Section II of this endorsement provides additional coverage usually only provided by endorsement

Section III of this endorsement is a Schedule of Covered States

You may use the index to locate these coverage features quickly.

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SECTION I

PARTS ONE and TWO

1. WE WILL ALSO PAY

- D. We Will Also Pay of Part One (WORKERS' COMPENSATION INSURANCE), and
- E. We Will Also Pay of Part Two (EMPLOYERS' LIABILITY INSURANCE) is replaced by the following

We Will Also Pay

We will also pay these costs, in addition to other amounts payable under this insurance, as part of any claim, proceeding, or suit we defend

1. reasonable expenses incurred at our request, INCLUDING loss of earnings,
2. premiums for bonds to release attachments and for appeal bonds in bond amounts up to the limit of our liability under this insurance,
3. litigation costs taxed against you,
4. interest on a judgment as required by law until we offer the amount due under this law; and
5. expenses we incur

PART THREE

2. How This Insurance Applies

Paragraph 4 of A. How This Insurance Applies of Part 3 (Other States Insurance) is replaced by the following

4. If you have work on the effective date of this policy in any state not listed in Item 3 A. of the Information Page, coverage will not be afforded for that state unless we are notified within sixty days

PART SIX

3. Transfer Of Your Rights and Duties

C. Transfer Of Your Rights and Duties of Part 6 (Conditions) is replaced by the following

Your rights or duties under this policy may not be transferred without our written consent

If you die and we receive notice within sixty days after your death, we will cover your legal representative as insured

4. Liberalization

If we adopt a change in this form that would broaden the coverage of this form without extra charge, the broader coverage will apply to this policy. It will apply when the change becomes effective in your state

SECTION II

VOLUNTARY COMPENSATION AND EMPLOYERS' LIABILITY COVERAGE

5. Voluntary Compensation Insurance

A. How This Insurance Applies

This insurance applies to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death

1. The bodily injury must be sustained by any officer or employee not subject to the workers' compensation law of any state shown in Item 3 A. of the Information Page
2. The bodily injury must arise out of and in the course of employment or incidental to work in a state shown in Item 3 A. of the Information Page

3. The bodily injury must occur in the United States of America, its territories or possessions, or Canada, and may occur elsewhere if the employee is a United States or Canadian citizen, or otherwise legal resident, and legally employed, in the United States or Canada and temporarily away from those places

4. Bodily injury by accident must occur during the policy period

5. Bodily injury by disease must be caused or aggravated by the conditions of the

officer's or employee's employment. The officer's or employee's last day or last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the policy period.

B. We Will Pay

We will pay an amount equal to the benefits that would be required of you as if you and your employees were subject to the workers compensation law of any state shown in Item 3.A. of the Information Page. We will pay those amounts to the persons who would be entitled to them under the law.

C. Exclusion

This insurance does not cover

1. any obligation imposed by workers compensation or occupational disease law or any similar law.
2. bodily injury intentionally caused or aggravated by you.
3. officers or employees who have elected not to be subject to the state workers compensation law.
4. partners or sole proprietors not covered under the Standard Sole Proprietors, Partners, Officers and Others Coverage Endorsement.

D. Before We Pay

Before we pay benefits to the persons entitled to them, they must:

1. Release you and us, in writing, of all responsibility for the injury or death.
2. Transfer to us their right to recover from others who may be responsible for the injury or death.
3. Cooperate with us and do everything necessary to enable us to enforce the right to recover from others.

If the persons entitled to the benefits of this insurance fail to do those things, our duty to pay ends at once. If they claim damages from you or from us for the injury or death, our duty to pay ends at once.

E. Recovery From Others

If we make a recovery from others, we will keep an amount equal to our expenses of recovery and the benefits we paid. We will pay the balance to the persons entitled to it.

If the persons entitled to the benefits of this insurance make a recovery from others, they must reimburse us for the benefits we paid them.

F. Employers' Liability Insurance

Part Two (Employers' Liability Insurance) applies to bodily injury covered by this endorsement as though the State of Employment was shown in Item 3.A. of the Information Page.

This provision 5 does not apply in New Jersey or Wisconsin.

EMPLOYERS' LIABILITY STOP GAP COVERAGE

6. Employers' Liability Stop Gap Coverage

- A. This coverage only applies in Montana, North Dakota, Ohio, Washington, West Virginia and Wyoming.
- B. Part One (Workers' Compensation Insurance) does not apply to work in states shown in Paragraph A above.
- C. Part Two (Employers' Liability Insurance) applies in the states shown in Paragraph A, as though they were shown in Item 3.A. of the Information Page.
- D. Part Two, Section C Exclusions is changed by adding these exclusions.

This insurance does not cover

5. bodily injury intentionally caused or aggravated by you or in Ohio bodily injury resulting from an act which is determined by an Ohio court of law to have been committed by you with the belief that an injury is substantially certain to occur. However, the cost of defending such claims or suits in Ohio is covered.
13. bodily injury sustained by any member of the flying crew of any aircraft.
14. any claim for bodily injury with respect to which you are deprived of any defense or defenses or are otherwise subject to penalty because of default in premium under the provisions of the workers' compensation law or laws of a state shown in Paragraph A.
- L. This insurance applies to damages for which you are liable under West Virginia Code Annot. § 23-4-2.

EXTENDED OPTIONS

1 Employers' Liability Insurance

Item 3.B of the Information Page is replaced by the following

B. Employers' Liability Insurance

- 1 Part Two of the policy applies to work in each state listed in Item 3 A.

The Limits of Liability under Part Two are the higher of

Bodily Injury by Accident	<u>\$500,000</u>	<u>Each Accident.</u>
Bodily Injury by Disease	<u>\$500,000</u>	<u>Policy Limit</u>
Bodily Injury by Disease	<u>\$500,000</u>	<u>Each Employee</u>

OR

2. The amount shown in the Information Page

This provision 1 of EXTENDED OPTIONS does not apply in New York because the Limits Of Our Liability are unlimited

In this provision the limits are changed from \$500,000 to \$1,000,000 in California

2 Unintentional Failure to Disclose Hazards

If you unintentionally should fail to disclose all existing hazards at the inception date of your policy, we shall not deny coverage under this policy because of such failure

3 Waiver of Our Right To Recover From Others

- A. We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against any person or organization for whom you perform work under a written contract that requires you to obtain this agreement from us.

This agreement shall not operate directly or indirectly to benefit anyone not named in the agreement.

- B. This provision 3 does not apply in the states of Pennsylvania and Utah

4 Foreign Voluntary Compensation and Employers' Liability Reimbursement

A. How This Reimbursement Applies

This reimbursement provision applies to bodily injury by accident or bodily injury by disease. Bodily Injury includes resulting death

- 1 The bodily injury must be sustained by an officer or employee
- 2 The bodily injury must occur in the course of employment necessary or incidental to work in a country not listed in Exclusion C 1 of this provision
- 3 Bodily injury by accident must occur during the policy period
- 4 Bodily injury by disease must be caused or aggravated by the conditions of your employment. The officer or employee's last exposure to those conditions of your employment must occur during the policy period

B. We Will Reimburse

We will reimburse you for all amounts paid by you whether such amounts are

- 1 voluntary payments for the benefits that would be required of you if you and your officers or employees were subject to any workers' compensation law of the state of hire of the individual employee
- 2 sums to which Part Two (Employers' Liability Insurance) would apply if the Country of Employment were shown in Item 3 A of the Information Page.

C. Exclusions

This insurance does not cover

- 1 any occurrences in the United States, Canada, and any country or jurisdiction which is the subject of trade or economic sanctions imposed by the laws or regulations of the United States of America in effect as of the inception date of this policy
- 2 any obligation imposed by a workers' compensation or occupational disease law, or similar law
- 3 bodily injury intentionally caused or aggravated by you

- 4 liability for any consequence, whether direct or indirect, of war, invasion, act of Foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power. No endorsement now or subsequently attached to this policy shall be construed as overriding or waiving this limitation unless specific reference is made thereto.

D. Before We Pay

Before we reimburse you for the benefits to the persons entitled to them, you must have them

- 1 release you and us, in writing, of all responsibility for the injury or death,
- 2 transfer to us their right to recover from others who may be responsible for their injury or death,
- 3 cooperate with us and do everything necessary to enable us to enforce the right to recover from others.

If the persons entitled to the benefits paid fail to do these things, our duty to reimburse ends at once. If they claim damages from us for the injury or death, our duty to reimburse ends at once.

E. Recovery From Others

If we make a recovery from others, we will keep an amount equal to our expenses of recovery and the benefits we reimbursed. We will pay the balance to the persons entitled to it. If persons entitled to the benefits make a recovery from others, they must repay us for the amounts that we have reimbursed you.

F. Reimbursement for Actual Loss Sustained

This endorsement provides only for reimbursement for the loss you actually sustain. In order for you to recover loss or expenses under this reimbursement you must:

- 1 actually sustain and pay the loss or expense in money after trial, or
- 2 secure our consent for the payment of the loss or expense.

G. Repatriation

Our reimbursement includes the additional expenses of repatriation to the United States

of America necessarily incurred as a direct result of bodily injury.

Our reimbursement shall be limited as follows:

- 1 to the amount by which such expenses exceed the normal cost of returning the officer or employee if in good health, or
- 2 in the event of death, to the amount by which such expenses exceed the normal cost of returning the officer or employee if alive and in good health.

In no event shall our reimbursement exceed the bodily injury by accident limit shown in Item 3 B of the Information Page as respects any one such officer or employee whether dead or alive.

H. Endemic Disease

The word "disease" includes any endemic diseases.

The coverage applies as if endemic diseases were included in the provisions of the workers' compensation law.

5. Longshore and Harbor Workers' Compensation Act Coverage

General Section C Workers' Compensation Law is replaced by the following:

C. Workers' Compensation Law

Workers' Compensation Law means the workers or workers' compensation law and occupational disease law of each state or territory named in Item 3 A of the Information Page and the Longshore and Harbor Workers' Compensation Act (33 USC Sections 901-950). It includes any amendments to those laws that are in effect during the policy period. It does not include any other federal workers or workers' compensation law, other federal occupational disease law or the provisions of any law that provide nonoccupational disability benefits.

Part Two (Employers' Liability Insurance), C Exclusions, exclusion 8, does not apply to work subject to the Longshore and Harbor Workers' Compensation Act.

This coverage does not apply to work subject to the Defense Base Act, the Outer Continental Shelf Lands Act, or the Nonappropriated Fund Instrumentalities Act.

SECTION III

1. SCHEDULE OF COVERED STATES

A This endorsement only applies in the states listed in this Schedule of Covered States

B If a state, shown in Item 3 A of the Information Page, approves this endorsement after the effective date of this policy, this endorsement will apply to this policy. The coverage will apply in the new state on the effective date of the state approval

C Schedule of Covered States

CA

Countersigned by _____

Authorized Representative