

**RENEWAL AMENDMENT NO. 1
FOR PROFESSIONAL SERVICE AGREEMENT
BETWEEN HealthPort Technologies LLC AND
THE NATIVIDAD MEDICAL CENTER
FOR
Professional Management & Operation SERVICES**

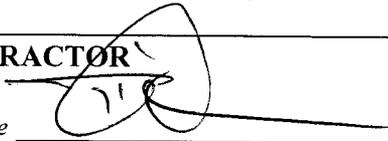
The parties to Professional Service Agreement, dated July 1, 2009 between the County of Monterey, on behalf of Natividad Medical Center ("NMC"), and HealthPort Technologies LLC (Contractor), hereby agree to renew their Agreement No. (BPO153) on the following amended terms and conditions:

1. Contractor will continue to provide NMC with the same scope of service as stated in the original Agreement No. (BPO153). Additionally, Contractor will provide services described on Attachment A attached to this Amendment #1.
2. This Renewal Amendment shall become effective on April 12, 2010 and shall continue in full force and extending the term date until June 30, 2011.
3. The total amount payable by County to Contractor under Agreement No. (BPO153) shall not exceed the total sum of \$230,000 for the full term of the Agreement and \$30,000 for fiscal year 2010-2011.
4. All other terms and conditions of the Agreement shall continue in full force and effect.
5. A copy of this Amendment shall be attached to the original Agreement No. (BPO153).

IN WITNESS WHEREOF, the parties hereto are in agreement with this Amendment and Professional Service Agreement on the basis set forth in this document and have executed this amendment on the day and year set forth herein.

CONTRACTOR

Signature _____



Dated _____

3/30/10

Printed Name _____

Torrey Barnhouse

Title _____

VP of Operations,
Healthcare Consulting Svcs

NATIVIDAD MEDICAL CENTER

Signature _____

Purchasing Manager

Dated _____

Signature _____



NMC - CEO

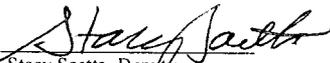
Dated _____

4/5/10

Approved as to Legal Form:

Charles J. McKee, County Counsel

By _____


Stacy Saetta, Deputy
Attorneys for County and NMC

Dated: _____

4/8, 2010

Reviewed as to fiscal provisions


Auditor-Controller
County of Monterey

4-8-10

ATTACHMENT A

This amendment (“Amendment”) amends the Agreement for Professional Services, dated July 1, 2009, between HealthPort Technologies, LLC and Natividad Medical Center. All capitalized terms in this Amendment shall have the meanings set forth in the Agreement.

Now, therefore, in consideration of the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, HealthPort agrees to provide the following additional health information management services, under the following terms and conditions:

1. **Services to be Provided.** The Agreement is amended by adding Auditing & Education Services to be performed by HealthPort, as described herein.
3. Except as specifically stated in this Amendment, all other terms and conditions of the Agreement remain in full force and effect.
4. This Amendment is effective on April 12, 2010 and will continue concurrent with the Agreement.

Auditing & Education Services

1. Services.
 - a. HealthPort will provide staff to perform an audit of NMC's medical records in accordance with the ICD-9-CM, CPT, and HCPCS official coding guidelines recognized by the American Hospital Association (AHA), the Centers for Medicare and Medicaid Services (CMS), the American Medical Association (AMA), and the American Health Information Management Association (AHIMA). Local payor policies that differ with official coding guidelines will be considered only if satisfactory written policies, and an accompanying written request from NMC in a form approved by HealthPort, are provided to HealthPort by NMC. HealthPort will begin providing services within two weeks of receipt of appropriate logins and authorization to access NMC's systems. In accordance with these guidelines, HealthPort will identify and/or assess the validity of:
 - b. When applicable, HealthPort will analyze the resulting audit data in an effort to determine:
 - Financial gain/loss;
 - Overall coding accuracy rate;
 - MS-DRG and APC accuracy rate, where applicable;
 - Primary diagnosis accuracy rate; and
 - CPT code/reimbursement changes
 - c. Upon completion, HealthPort will submit a written report of the audit findings, including both a summary and detailed presentation of the records reviewed, proposed coding changes, and target areas for on-going review.
 2. Staffing. All auditing and education staff provided by HealthPort will possess one or more current AHIMA and/or AAPC credential(s) (i.e., CCS, RHIA, RHIT, CPC, CPC-H, etc.) and have a minimum of five years of relevant experience in coding, reimbursement, and/or compliance.
 3. NMC Obligations. In support of the services described herein, NMC shall:
 - a. No more than 10 days after execution of this Agreement, and also prior to an audit being conducted, provide HealthPort with electronic copies of, or consistently reliable access to, the following:

- Face sheet (demographics);
- Dictated notes;
- Orders;
- History and physical reports;
- Progress notes;
- Lab reports;
- Emergency room records (if patient came through ER);
- Reports of procedures;
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b. Prepare a sample consisting of at least 5% of, but no less than 100, medical records and associated documentation. NMC will work with HealthPort staff to determine the categories of records to be reviewed and the method used for selection.

4. Fees. For the services outlined herein, NMC will pay HealthPort an hourly fee of \$99.00, plus any travel expenses accrued for on-site services. All travel expenses will be paid in accordance with the Monterey County Travel Policy. These fees will be based on the number of hours required for preparation, auditing, and education. When requested by NMC, HealthPort will draft a scope of work for each unique auditing assignment.

In witness whereof, the parties have caused this Amendment to be executed by their duly authorized representatives, as evidenced by their signatures below.

HEALTHPORT TECHNOLOGIES, LLC



 Torrey Barnhouse *of Operations*
 Vice President and General Manager,
 Healthcare Consulting Services

Date: 3/30/10

NATIVIDAD MEDICAL CENTER



 Name: Henry Weis
 Title: CEO

Date: 4/5/10

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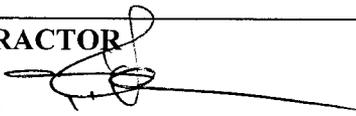
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Torrey Barnhouse

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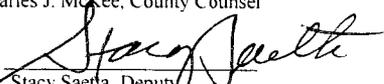
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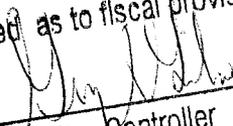
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Attorneys for County and NMC

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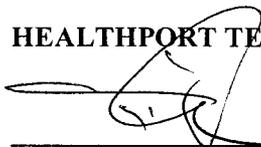
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HEALTHPORT TECHNOLOGIES, LLC



Torrey Barnhouse
Vice President and General Manager,
Healthcare Consulting Services

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NATIVIDAD MEDICAL CENTER

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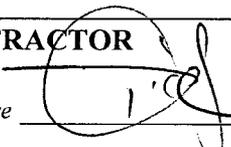
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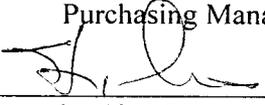
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Signature _____

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Dated _____

Signature _____



NMC - CEO

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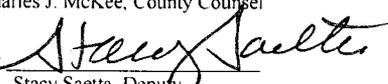
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HEALTHPORT TECHNOLOGIES, LLC



Torrey Barnhouse *of Operations*
 Vice President and ~~General Manager~~,
 Healthcare Consulting Services

Date: 3/30/10

NATIVIDAD MEDICAL CENTER

Name: _____

Title: _____

Date: _____

 Natividad MEDICAL CENTER
COUNTY OF MONTEREY AGREEMENT FOR PROFESSIONAL SERVICES
(MORE THAN \$100,000)

This Professional Services Agreement (hereinafter "Agreement") is made by and between Natividad Medical Center ("NMC"), a general acute care teaching hospital wholly owned and operated by the County of Monterey, which is a political subdivision of the State of California and HealthPort Technologies, LLC (hereinafter "CONTRACTOR").

In consideration of the mutual covenants and conditions set forth in this Agreement, the parties agree as follows:

1. **SERVICES TO BE PROVIDED.** NMC hereby engages CONTRACTOR to perform, and CONTRACTOR hereby agrees to perform, the services described in **Exhibit A** in conformity with the terms of the Agreement. The services are generally described as follows: Provide On-Site Management & Operation Services
2. **PAYMENTS BY NMC.** NMC shall pay the CONTRACTOR in accordance with the payment provisions set forth in **Exhibit A**, subject to the limitations set forth in this Agreement. The total amount payable by NMC to CONTRACTOR under this Agreement shall not exceed the sum of \$200,000
3. **TERMS OF AGREEMENT** The term of this Agreement is from Jul 1, 2009 to Jun 30, 2010 unless sooner terminated pursuant to the terms of this Agreement. This Agreement is of no force or effect until signed by both CONTRACTOR and NMC and with NMC signing last and CONTRACTOR may not commence work before NMC signs this Agreement.
4. **ADDITIONAL PROVISIONS/EXHIBITS.** The following attached exhibits are incorporated herein by reference and constitute a part of this Agreement:
 - Exhibit A Scope of Services/Payment Provisions
 - Exhibit B Insurance Justification
5. **PERFORMANCE STANDARDS.**
 - 5.1. CONTRACTOR warrants that CONTRACTOR and Contractor's agents, employees, and subcontractors performing services under this Agreement are specially trained, experienced, competent, and appropriately licensed to perform the work and deliver the services required under this Agreement and are not employees of NMC, or immediate family of an employee of NMC.
 - 5.2. CONTRACTOR, its agents, employees, and subcontractors shall perform all work in a safe and skillful manner and in compliance with all applicable laws and regulations. All work performed under this Agreement that is required by law to be performed or supervised by licensed personnel shall be performed in accordance with such licensing requirements.
 - 5.3. CONTRACTOR shall furnish, at its own expense, all materials, equipment, and personnel necessary to carry out the terms of this Agreement, except as otherwise specified in this Agreement. CONTRACTOR shall not use NMC premises, property (including equipment,

5.03. CONTRACTOR shall furnish, at its own expense, all materials, equipment, and personnel necessary to carry out the terms of this Agreement, except as otherwise specified in this Agreement. CONTRACTOR shall not use County premises, property (including equipment, instruments, or supplies) or personnel for any purpose other than in the performance of its obligations under this Agreement.

6. PAYMENT CONDITIONS.

6.01. CONTRACTOR shall submit to the Contract Administrator an invoice on a form acceptable to County. If not otherwise specified, the CONTRACTOR may submit such invoice periodically or at the completion of services, but in any event, not later than 30 days after completion of services. The invoice shall set forth the amounts claimed by CONTRACTOR for the previous period, together with an itemized basis for the amounts claimed, and such other information pertinent to the invoice as the County may require. The Contract Administrator or his or her designee shall certify the invoice, either in the requested amount or in such other amount as the County approves in conformity with this Agreement, and shall promptly submit such invoice to the County Auditor-Controller for payment. The County Auditor-Controller shall pay the amount certified within 30 days of receiving the certified invoice.

6.02. CONTRACTOR shall not receive reimbursement for travel expenses unless set forth in this Agreement.

7. TERMINATION.

7.01. During the term of this Agreement, the County may terminate the Agreement for any reason by giving written notice of termination to the CONTRACTOR at least thirty (30) days prior to the effective date of termination. Such notice shall set forth the effective date of termination. In the event of such termination, the amount payable under this Agreement shall be reduced in proportion to the services provided prior to the date of termination.

7.02. The County may cancel and terminate this Agreement for good cause effective immediately upon written notice to CONTRACTOR. "Good cause" includes the failure of CONTRACTOR to perform the required services at the time and in the manner provided under this Agreement. If County terminates this Agreement for good cause, the County may be relieved of the payment of any consideration to CONTRACTOR, and the County may proceed with the work in any manner, which County deems proper. The cost to the County shall be deducted from any sum due the CONTRACTOR under this Agreement.

8. **INDEMNIFICATION.** CONTRACTOR shall indemnify, defend, and hold harmless the County, its officers, agents, and employees, from and against any and all ~~claims~~, liabilities, and losses whatsoever (including damages to property and injuries to or death of persons, court costs, and reasonable attorneys' fees) occurring or resulting to any and all persons, firms or corporations furnishing or supplying work, services, materials, or supplies in connection with the performance of this Agreement, and from any and all ~~claims~~, liabilities, and losses occurring or resulting to any person, firm, or corporation for damage, injury, or death arising out of or connected with the CONTRACTOR's performance of this Agreement, unless such ~~claims~~, liabilities, or losses arise out of the sole negligence or willful misconduct of the County. "CONTRACTOR's performance" includes CONTRACTOR's action or inaction and the action or inaction of CONTRACTOR's officers, employees, agents and subcontractors.

9.0 INSURANCE.

9.01 Evidence of Coverage:

Prior to commencement of this Agreement, the Contractor shall provide a "Certificate of Insurance" certifying that coverage as required herein has been obtained. Individual endorsements executed by the insurance carrier shall accompany the certificate. In addition a certified copy of the policy or policies shall be provided by the Contractor upon request.

This verification of coverage shall be sent to the County's, Contracts/Purchasing Department, unless otherwise directed. The Contractor shall not receive a "Notice to Proceed" with the work under this Agreement until it has obtained all insurance required and such, insurance has been approved by the County. This approval of insurance shall neither relieve nor decrease the liability of the Contractor.

9.02 Qualifying Insurers:

All coverage's, except surety, shall be issued by companies which hold a current policy holder's alphabetic and financial size category rating of not less than A--VII, according to the current Best's Key Rating Guide or a company of equal financial stability that is approved by the County's Purchasing Manager.

9.03 Insurance Coverage Requirements: Without limiting CONTRACTOR's duty to indemnify, CONTRACTOR shall maintain in effect throughout the term of this Agreement a policy or policies of insurance with the following minimum limits of liability:

Commercial general liability insurance, including but not limited to premises and operations, including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual Liability, Broadform Property Damage, Independent Contractors, Products and Completed Operations, with a combined single limit for Bodily Injury and Property Damage of not less than \$1,000,000 per occurrence.

Exemption/Modification (Justification attached; subject to approval).

Business automobile liability insurance, covering all motor vehicles, including owned, leased, non-owned, and hired vehicles, used in providing services under this Agreement, with a combined single limit for Bodily Injury and Property Damage of not less than \$1,000,000 per occurrence.

Exemption/Modification (Justification attached; subject to approval).

Workers' Compensation Insurance, if CONTRACTOR employs others in the performance of this Agreement, in accordance with California Labor Code section 3700 and with Employer's Liability limits not less than \$1,000,000 each person, \$1,000,000 each accident and \$1,000,000 each disease.

Exemption/Modification (Justification attached; subject to approval).

Professional liability insurance, if required for the professional services being provided, (e.g., those persons authorized by a license to engage in a business or profession regulated by the California Business and Professions Code), in the amount of not less than \$1,000,000 per claim and \$2,000,000 in the aggregate, to cover liability for malpractice or errors or omissions made in the course of rendering professional services. If professional liability insurance is written on a "claims-made" basis rather than an occurrence basis, the CONTRACTOR shall, upon the expiration or earlier termination of this Agreement, obtain extended reporting coverage ("tail

coverage”) with the same liability limits. Any such tail coverage shall continue for at least three years following the expiration or earlier termination of this Agreement.

Exemption/Modification (Justification attached; subject to approval).

9.04 Other Insurance Requirements.

All insurance required by this Agreement shall be with a company acceptable to the County and issued and executed by an admitted insurer authorized to transact Insurance business in the State of California. Unless otherwise specified by this Agreement, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of three years following the date CONTRACTOR completes its performance of services under this Agreement.

Each liability policy shall provide that the County shall be given notice in writing at least thirty days in advance of any endorsed reduction in coverage or limit, cancellation, or intended non-renewal thereof. Each policy shall provide coverage for Contractor and additional insureds with respect to claims arising from each subcontractor, if any, performing work under this Agreement, or be accompanied by a certificate of insurance from each subcontractor showing each subcontractor has identical insurance coverage to the above requirements.

Commercial general liability and automobile liability policies shall provide an endorsement naming the County of Monterey, its officers, agents, and employees as Additional Insureds with respect to liability arising out of the CONTRACTOR'S work, including ongoing and completed operations, and shall further provide that such insurance is primary insurance to any insurance or self-insurance maintained by the County and that the insurance of the Additional Insureds shall not be called upon to contribute to a loss covered by the CONTRACTOR'S insurance. The required endorsement form for Commercial General Liability Additional Insured is ISO Form CG 20 10 11-85 or CG 20 10 10 01 in tandem with CG 20 37 10 01 (2000). The required endorsement form for Automobile Additional Insured endorsement is ISO Form CA 20 48 02 99.

Prior to the execution of this Agreement by the County, CONTRACTOR shall file certificates of insurance with the County's contract administrator and County's Contracts/Purchasing Division, showing that the CONTRACTOR has in effect the insurance required by this Agreement. The CONTRACTOR shall file a new or amended certificate of insurance within five calendar days after any change is made in any insurance policy, which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify or change the indemnification clause in this Agreement, which shall continue in full force and effect.

CONTRACTOR shall at all times during the term of this Agreement maintain in force the insurance coverage required under this Agreement and shall send, without demand by County, annual certificates to County's Contract Administrator and County's Contracts/Purchasing Division. If the certificate is not received by the expiration date, County shall notify CONTRACTOR and CONTRACTOR shall have five calendar days to send in the certificate, evidencing no lapse in coverage during the interim. Failure by CONTRACTOR to maintain such insurance is a default of this Agreement, which entitles County, at its sole discretion, to terminate this Agreement immediately.

10. RECORDS AND CONFIDENTIALITY.

- 10.01 Confidentiality. CONTRACTOR and its officers, employees, agents, and subcontractors shall comply with any and all federal, state, and local laws which provide for the confidentiality of records and other information. CONTRACTOR shall not disclose any confidential records or other confidential information received from the County or prepared in connection with the performance of this Agreement, unless County specifically permits CONTRACTOR to disclose such records or information. CONTRACTOR shall promptly transmit to County any and all requests for disclosure of any such confidential records or information. CONTRACTOR shall not use any confidential information gained by CONTRACTOR in the performance of this Agreement except for the sole purpose of carrying out CONTRACTOR's obligations under this Agreement.
- 10.02 County Records. When this Agreement expires or terminates, CONTRACTOR shall return to County any County records which CONTRACTOR used or received from County to perform services under this Agreement.
- 10.03 Maintenance of Records. CONTRACTOR shall prepare, maintain, and preserve all reports and records that may be required by federal, state, and County rules and regulations related to services performed under this Agreement. CONTRACTOR shall maintain such records for a period of at least three years after receipt of final payment under this Agreement. If any litigation, claim, negotiation, audit exception, or other action relating to this Agreement is pending at the end of the three year period, then CONTRACTOR shall retain said records until such action is resolved.
- 10.04 Access to and Audit of Records. The County shall have the right to examine, monitor and audit all records, documents, conditions, and activities of the CONTRACTOR and its subcontractors related to services provided under this Agreement. Pursuant to Government Code section 8546.7, if this Agreement involves the expenditure of public funds in excess of \$10,000, the parties to this Agreement may be subject, at the request of the County or as part of any audit of the County, to the examination and audit of the State Auditor pertaining to matters connected with the performance of this Agreement for a period of three years after final payment under the Agreement.
- 10.05 Royalties and Inventions. County shall have a royalty-free, exclusive and irrevocable license to reproduce, publish, and use, and authorize others to do so, all original computer programs, writings, sound recordings, pictorial reproductions, drawings, and other works of similar nature produced in the course of or under this Agreement. CONTRACTOR shall not publish any such material without the prior written approval of County.

11. **NON-DISCRIMINATION.** During the performance of this Agreement, CONTRACTOR, and its subcontractors, shall not unlawfully discriminate against any person because of race, religious creed, color, sex, national origin, ancestry, physical disability, mental disability, medical condition, marital status, age (over 40), or sexual orientation, either in CONTRACTOR's employment practices or in the furnishing of services to recipients. CONTRACTOR shall ensure that the evaluation and treatment of its employees and applicants for employment and all persons receiving and requesting services are free of such discrimination. CONTRACTOR and any subcontractor shall, in the performance of this Agreement, fully comply with all federal, state, and local laws and regulations, which prohibit discrimination. The provision of services primarily or exclusively to such target population as may be designated in this Agreement shall not be deemed to be prohibited discrimination.

12. **COMPLIANCE WITH TERMS OF STATE OR FEDERAL GRANT.** If this Agreement has been or will be funded with monies received by the County pursuant to a contract with the state or federal

government in which the County is the grantee, CONTRACTOR will comply with all the provisions of said contract, to the extent applicable to CONTRACTOR as a subgrantee under said contract, and said provisions shall be deemed a part of this Agreement, as though fully set forth herein. Upon request, County will deliver a copy of said contract to CONTRACTOR, at no cost to CONTRACTOR.

13. **INDEPENDENT CONTRACTOR.** In the performance of work, duties, and obligations under this Agreement, CONTRACTOR is at all times acting and performing as an independent contractor and not as an employee of the County. No offer or obligation of permanent employment with the County or particular County department or agency is intended in any manner, and CONTRACTOR shall not become entitled by virtue of this Agreement to receive from County any form of employee benefits including but not limited to sick leave, vacation, retirement benefits, workers' compensation coverage, insurance or disability benefits. CONTRACTOR shall be solely liable for and obligated to pay directly all applicable taxes, including federal and state income taxes and social security, arising out of CONTRACTOR's performance of this Agreement. In connection therewith, CONTRACTOR shall defend, indemnify, and hold County harmless from any and all liability, which County may incur because of CONTRACTOR's failure to pay such taxes.
14. **NOTICES.** Notices required under this Agreement shall be delivered personally or by first-class, postage pre-paid mail to the County and CONTRACTOR'S contract administrators at the addresses listed below:

FOR COUNTY:	FOR CONTRACTOR:
CEO, Natividad Medical Center	<i>General Counsel</i>
Name and Title 1441 Constitution Blvd Salinas, CA. 93906	Name and Title <i>925 N Point Parkway, Suite 350 Atlanta, GA 30005</i>
Address 831.755.4114	Address <i>770-360-1700</i>
Phone	Phone

15. **MISCELLANEOUS PROVISIONS.**

- 15.01 Conflict of Interest. CONTRACTOR represents that it presently has no interest and agrees not to acquire any interest during the term of this Agreement, which would directly or indirectly conflict in any manner or to any degree with the full and complete performance of the professional services required to be rendered under this Agreement.
- 15.02 Amendment. This Agreement may be amended or modified only by an instrument in writing signed by the County and the CONTRACTOR.
- 15.03 Waiver. Any waiver of any terms and conditions of this Agreement must be in writing and signed by the County and the CONTRACTOR. A waiver of any of the terms and conditions of this Agreement shall not be construed as a waiver of any other terms or conditions in this Agreement.
- 15.04 Contractor. The term "CONTRACTOR" as used in this Agreement includes CONTRACTOR's officers, agents, and employees acting on CONTRACTOR's behalf in the performance of this Agreement.
- 15.05 Disputes. CONTRACTOR shall continue to perform under this Agreement during any dispute.

- 15.06 Assignment and Subcontracting. The CONTRACTOR shall not assign, sell, or otherwise transfer its interest or obligations in this Agreement without the prior written consent of the County. None of the services covered by this Agreement shall be subcontracted without the prior written approval of the County. Notwithstanding any such subcontract, CONTRACTOR shall continue to be liable for the performance of all requirements of this Agreement.
- 15.07 Successors and Assigns. This Agreement and the rights, privileges, duties, and obligations of the County and CONTRACTOR under this Agreement, to the extent assignable or delegable, shall be binding upon and inure to the benefit of the parties and their respective successors, permitted assigns, and heirs.
- 15.08 Compliance with Applicable Law. The parties shall comply with all applicable federal, state, and local laws and regulations in performing this Agreement.
- 15.09 Headings. The headings are for convenience only and shall not be used to interpret the terms of this Agreement.
- 15.10 Time is of the Essence. Time is of the essence in each and all of the provisions of this Agreement.
- 15.11 Governing Law. This Agreement shall be governed by and interpreted under the laws of the State of California.
- 15.12 Non-exclusive Agreement. This Agreement is non-exclusive and both County and CONTRACTOR expressly reserve the right to contract with other entities for the same or similar services.
- 15.13 Construction of Agreement. The County and CONTRACTOR agree that each party has fully participated in the review and revision of this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendment to this Agreement.
- 15.14 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.
- 15.15 Authority. Any individual executing this Agreement on behalf of the County or the CONTRACTOR represents and warrants hereby that he or she has the requisite authority to enter into this Agreement on behalf of such party and bind the party to the terms and conditions of this Agreement.
- 15.16 Integration. This Agreement, including the exhibits, represent the entire Agreement between the County and the CONTRACTOR with respect to the subject matter of this Agreement and shall supersede all prior negotiations, representations, or agreements, either written or oral, between the County and the CONTRACTOR as of the effective date of this Agreement, which is the date that the County signs the Agreement.
- 15.17 Interpretation of Conflicting Provisions. In the event of any conflict or inconsistency between the provisions of this Agreement and the Provisions of any exhibit or other attachment to this Agreement, the provisions of this Agreement shall prevail and control.

This space is left blank, intentionally.

IN WITNESS WHEREOF, County and CONTRACTOR have executed this Agreement as of the day and year written below.

COUNTY OF MONTEREY

CONTRACTOR

By: [Signature]
Purchasing Manager

Date: 5/28/09

By: [Signature]
Department Head (if applicable)

Date: 4/24/09

By: _____
Board of Supervisors (if applicable)

Date: _____

Approved as to Form

By: [Signature]
County Counsel

Date: 5/2/09

Approved as to Fiscal Provisions

By: [Signature]
Auditor/Controller

Date: 5/1/09

Approved as to Liability Provisions

By: _____
Risk Management¹

Date: _____

HealthPort Technologies, LLC
Contractor's Business Name*

By: [Signature]
(Signature of Chair, President, or Vice-President)*

Torrey Barnhouse
VP? GM, Healthcare Consulting Service
Name and Title

Date: 4/7/09

By: [Signature]
(Signature of Secretary, Asst. Secretary, CFO, or Asst. Treasurer)*

Brian Grazzini, CFO
Name and Title

Date: 4/9/09

County Board of Supervisors' Agreement Number: _____

*INSTRUCTIONS: If CONTRACTOR is a corporation, including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers. If CONTRACTOR is a partnership, the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership. If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any, and shall personally sign the Agreement.

¹Approval by Risk Management is necessary only if changes are made in paragraph 8 or 9.
²Approval by County Counsel is necessary only if changes are made to the standard provisions of the PSA.

Exhibit A: Scope of Services/Payment Provisions & Formal Proposal

1. On-site Management & Operation Services

- HealthPort’s Consultant will provide assistant management of operations and / or supervision of staff, working with the Health Information Management and other professional staff as deemed appropriate, and serving in an interim capacity with the Director of Health Information Management as Assistant Director of Health Information Management.
- HealthPort Consultant will execute action items identified in initial assessment and provide an on-going assessment of progress. Additional work items may be added to the work plan as necessary and appropriate.
- HealthPort Consultant will participate in administrative meetings, committees, and task forces, as needed.
- Consultant will be off duty the following holidays:
 - New Year’s Day – 1 day
 - Memorial Day – 1 day
 - Independence Day – 1 day
 - Labor Day – 1 day
 - Thanksgiving – 2 days
 - Christmas – 2 days

Fee Schedule:

Management & Operations Services	Hourly Fee
On-site Interim Assistant Department Management	\$ 100.00

* Travel related expenses will be billed separately and according to county policy.

2. Exhibit B: On-site Project Management Services

- HealthPort’s Consultant will provide oversight and management of Provider’s scanning effort to include developing workflow and best practices and reporting to the Director of the Health Information Management department.
- Consultant will be off duty the following holidays:
 - New Year’s Day – 1 day
 - Memorial Day – 1 day
 - Independence Day – 1 day
 - Labor Day – 1 day
 - Thanksgiving – 2 days
 - Christmas – 2 days

Fee Schedule:

Project Management Services	Hourly Fee
Onsite Project Management Services	\$ 75.00

* Travel related expenses will be billed separately and according to county policy.

March 31, 2009

Steven Beaucaire
Project Manager
Natividad Medical Center
1441 Constitution Blvd.
Salinas, CA 93906

Dear Mr. Beaucaire,

Thank you for all your time, attention and courtesy which you have extended to HealthPort to discuss your facility's challenges and opportunities. We are honored and appreciate the opportunity to propose our customized Healthcare Consulting Services to help you address the issues you face. Our services are designed to meet and exceed your expectations at all levels with peerless service and support.

This document will serve as a formal proposal to outline those services which have been derived from our previous conversations and discussions. The scope of work, terms, and conditions are all set forth herein and are valid for a period of 90 days from the date of this proposal.

This proposal comprises four segments:

1. An **Executive Summary** that highlights the critical issues of the facility and solution HealthPort is prepared to provide.
2. Detailed information on the components, scope of work and estimated return on investment of the **proposed HealthPort solution**.

We are prepared and excited with anticipate of potentially serving you. I am certain once you have had an opportunity to review this proposal you will conclude that HealthPort is thoroughly competent and completely qualified to address your facility's special requirements.

On behalf of all of us at HealthPort, thank you for the opportunity to share our services, it would be an honor to serve you.

Sincerely,

Jeffrey R. Johnston
Regional Director - Western Region

EXECUTIVE SUMMARY

Summary of Critical Issues:

Natividad Medical Center (NMC) has a current need for an Assistant Director of Health Information Services as well as a Project Manager to lead, direct and oversee all aspect of a large digitization project comprised of both a day-forward and back-scan project. For this project, HealthPort is proposing an Assistant DHIM to support the current DHIM (Sandy Losik) and a Project Manager to lead and direct all operations associated with the Digitization Project (Scanning Project.)

Proposed Solution:

In our view, NMC requirements can be realized by selecting carefully two qualified persons, an Assistant DHIM and a Project Manager for the Scanning Project. Our proposed solution is that HealthPort will provide a qualified temporary help to realize and exceed your expectations for both responsibilities. The assigned professionals will provide exemplary management and leadership skill sets to service these two specific needs.

Pricing Summary:

Our "On-Site" Assistant DHIM Services are valued at \$100 per hour and our "On-Site" Project Management Services are valued at \$75 per hour for the term of the agreement.

Next Step:

A general business agreement document (attached – end of this document) would need to be established --- then we are ready to begin work immediately.

PROPOSED HEALTHPORT SOLUTIONS

The need for quality health information is a "constant" in this exceptionally competitive healthcare market. The importance of an effective and efficient HIM department is vital for the overall timely delivery of critical information. As you embark on continued improvement at NMC, HealthPort stands ready to serve, support, protect and improve the flow of the precious information your patients have entrusted you with. HealthPort is the company to generate exemplary HIM support, at both the Directorship level and Project Management level.

As mentioned in the Executive Summary section, our Interim DHIM Assistant would be available to offer overall operational support for the department which would generally include organizing department workflow and activities, meet DNFB goals along with all quality initiatives and document reimbursement policies. We would suggest this begin immediately with the Project Management position to follow.

Proposed Solution: HealthPort's Assistant DHIM Management Service

An experienced, credentialed Interim Manager from HealthPort can oversee all aspects of your HIM Department including transcription, coding and other vital department functions. Value of services is \$100 per hour for term of agreement.

More specific summary of the critical issues would include: (but not limited to)

- Guidance for HIM staff to include, clerical, coding, transcription, release of information for your HIM Department.
- Discharged not final billed and accounts receivable monitoring and guidance.
- JCAHO compliance and preparedness by attending appropriate committees, and being involved with record review.
- Policy and Procedure maintenance, updates revisions etc.
- Hospital Statistics when necessary
- Provide weekly dashboards with goals and involve HIM staff in the setting of and meeting goals process
- HIPAA privacy and security guidance
- Monitor productivity and set standards, implement best practices.
- Monitor workflow and watch for bottlenecks
- Help to keep the morale of the HIM staff up during the transition
- And any other services the DHIM would ask the Assistant DHIM to perform.

Further examples of potential duties (but not limited to):

1. Work directly with the Director of HIM to help plan, organize and supervise the multi-shift operations of the Medical Records Department
2. Assist where needed in the leadership on all compliance policies, procedures and quality assurance standards, work with the Director. Work to development and finalize the policies, procedures and quality assurance standards and supervise where needed.
3. Help with all phases of the selection, hiring, training, development, performance and performance review of staff. Provide leadership and disciplinary action associated with developing staff as needed.
4. Work with other departments and staff (including physicians) to improve Health Information Department interconnected work processes.
5. Supervise and conduct research and special studies to analyze policies, guidelines, systems and techniques as designated by DHIM.
6. Prepare or supervise a variety of records, statistics and correspondence as seen fit by DHIM.
7. Assist in evaluating staff, equipment and supplies and prepare recommendations to DHIM. Oversee supplies, equipment and maintenance for areas of responsibility.

8. Work with physicians regarding resolution of incomplete charts; explanation of medical records policies and procedures regarding problem solving and proper chart completion.
9. EHR transition assistance and preparation, imaging systems, selection and implementation, medical record purges, loose filing and analysis of backlogs. Our Assistant DHIM has extensive working knowledge of the On-Base Software system.

Summary of Benefits of HealthPort's Assistant DHIM:

- Smooth integration of manual or electronic systems
- Fill staff departure voids
- Manage volume fluctuations
- Eliminate chronic departmental backlogs
- Improve access to patient records

HealthPort offers complete HIM Services, including a detailed analysis of the current HIM operations and a high-level evaluation of flow of medical record information. The assessment will be completed utilizing a HIM consultant with at least 20 years of experience with high-level management of HIM operations and improvements. Below is a complete list of available HIM Services:

HIM Contracted Solutions: Our expertise in HIM Contracted (Outsourcing) Solutions is the answer to your staffing shortages, improving your DNFB, EHR implementation and enhancing efficiencies through application of best practices.

HIM Operational Assessment: Our HIM Operational Assessment provides an overview of your current HIM processes with a comparison to best practices. In addition, the assessment includes customized recommendations for improvements to your facility.

Electronic Health Record (EHR) Assessment and Implementation: We provide expertise and assistance to organizations as they move from paper-based to the electronic health record. Our consultants have experience with diverse imaging and online documentation systems.

Interim Management: A seasoned HIM professional from our staff will provide progressive leadership and expertise to your health information/medical record function.

Joint Commission: Be prepared for your upcoming Joint Commission survey with our HIM Joint Commission preparation gap analysis. Our Joint Commission consulting team has more than 10 years experience assisting hospitals before, during and after surveys. Our consultants participate in an average of at least 3 Joint Commission surveys per year.

HIPAA Security Risk Assessment: Our assessment includes identification of potential risks and vulnerabilities to the confidentiality, integrity and availability of electronically protected health information.

Unbilled Management: We provide an assessment of your unbilled accounts receivable coding issues. We can also provide implementation of the assessment finding including training for your staff or provide a qualified HIM professional to act as the interim unbilled specialist.

Proposed Solution: HealthPort's Project Manager – Project Scanning Leadership

An experienced, skilled, knowledgeable Project Manager is made available by HealthPort to oversee all aspects of your digitization project. Strong working knowledge of your project is helpful as well as a comprehensive understanding of your On-Base Software solution. Project Management services of this type and with these skills sets, is valued at \$75 per hour for term of agreement.

The Project Manager would be responsible for all aspects pertaining to overseeing and leading the production process of converting old records (back-scan images) as well as your Day-Forward scanned images into the "On-Base" Software System. This leadership position would direct the activities of your local scanning people to accomplish the goals established in the vision of converting your hospital from a paper driven system to an electronic system in the most effective and efficient manner.

More specific summary of the critical issues would include: (but not limited to)

- The Project Manager will provide direction, plan, organize and direct the work of a large group of hospital Health Information Management (HIM) staff engaged in the digitization project.
- The Project Manager will spend time to schedule and supervision all assigned staff on the project.
- The Project Manager will have an understanding of all modern office methods and procedures as well as office supplies, materials, and equipment needed for the project.
- Prepare reports and correspondence independently utilizing a wide knowledge of vocabulary, grammar, and spelling
- Learn and apply specific laws, rules, and office policies and procedures of NMC
- Speak and write effectively
- Analyze situations accurately and take effective action
- Establish and maintain effective working relationships with those contacted in the course of work

Further examples of potential duties (but not limited to):

1. Coordinates HIM activities with other related functional units to evaluate and improve assigned activities.
2. Plans, organizes and supervises assigned staff or work units of the scanning operations of the Health Information Management department; schedules, develops, trains, and gives instruction; makes effective recommendations for hire.
3. Performs employee evaluations, provides performance improvement and recognition, document performance deficiencies, recommends and initiates disciplinary actions.

4. Supervises the monitoring of compliance to policies, procedures, productivity and quality assurance standards; works with the Director in the development, finalization and approval of standard operating procedures for the scanning project.
5. Recommends changes to HIM systems and procedures based on Federal, State, HIPAA regulations, and Joint Commission standards.
6. Interprets HIM departmental policy and complex standard operating procedures to subordinate staff; translates general instructions from technical and administrative sources into detailed operating procedures and instructs staff in their use.
7. Provides information to the public, NMC medical staff and NMC personnel regarding the business of the scanning project.
8. Assists in evaluation of equipment and supply needs and prepares recommendations to the Director; oversees provision of supplies and maintenance of equipment for the scanning project.
9. Works directly with the Director regarding resolution of incomplete charts, explanation of health information management procedures, and related problem solving.
10. Conducts and/or attends staff meetings.
11. Performs other related duties as assigned.

Confidentiality -

HP requires all abstraction professionals to have signed Confidentiality Statements on file. Each consultant may further sign a confidentially statement specific to contracting you're your facility. It is agreed and understood that information concerning the business of your healthcare facility or information relating to its business, operations, patients, staff or internal processes shall be treated as confidential. HealthPort, its employees or agents are bound to not divulge, disclose, or communicate in any manner any confidential or protected information to any third party without prior written consent of your facility. Any violation of confidentiality as defined in herein shall be considered a material violation of this agreement.

Both healthcare facility and HealthPort take reasonable security precautions, at least as great as the precautions taken to protect each their own confidential information but in no event less than reasonable care, to keep confidential the information of the other party. Each party may disclose confidential information or materials only to their respective employees or consultants on a need-to-know basis. Each party shall execute appropriate written agreements with its employees and consultants sufficient to enable it to comply with all provisions of this agreement.

HIPAA Compliance

All "protected health information" as defined by the Health Insurance Portability and Accountability Act of 1996 (HIPAA) shall be governed exclusively according to the following HIPAA Assurances: To comply with the Health Insurance Portability and Accountability Act of 1996 (HIPAA), the parties agree to certain additional terms and conditions as identified in the HIPAA Business Associate Agreement, mutually executed by both parties before commencement of project duties and incorporated herein by reference.

Terms and Conditions:

- o Healthcare facility agrees to pay HealthPort for consultant's travel expenses, including lodging, car mileage and meals.
- o Pricing is subject to change based on instructions from customer; however, services for the Assistant DHIM are valued at \$100 per hour and \$75 per hour for the Project Manager position for the term of the agreement. **Note:** Only two positions are recommended (not 3-4 as per our conference call).
- o All pricing on this proposal will be good for 90 days.
- o Healthcare Facility agrees to pay HealthPort per County of Monterey standards. Payments will be mailed to:

HealthPort
PO Box 409669
Atlanta, GA 30384

BUSINESS ASSOCIATE AGREEMENT

This Agreement, hereinafter referred to as "**Agreement**", is made effective May 1, 2009 by and between the County of Monterey, a political subdivision of the State of California, on behalf of Natividad Medical Center, hereinafter referred to as "**Covered Entity**", and HealthPort Technologies, LLC hereinafter referred to as "**Business Associate**", (individually, a "**Party**" and collectively, the "**Parties**").

WITNESSETH:

WHEREAS, Sections 261 through 264 of the federal Health Insurance Portability and Accountability Act of 1996, Public Law 104-191, known as "the Administrative Simplification provisions," direct the Department of Health and Human Services to develop standards to protect the security, confidentiality and integrity of health information; and

WHEREAS, pursuant to the Administrative Simplification provisions, the Secretary of Health and Human Services has issued regulations modifying 45 CFR Parts 160 and 164 (the "**HIPAA Privacy Rule**"); and

WHEREAS, the State of California has enacted statutes designed to safeguard patient privacy including, without limitation, the Confidentiality of Medical Information Act ("**CMIA**"), California Civil Code § 56 *et seq.*, Senate Bill 541, enacted September 30, 2008, and Assembly Bill 211, enacted September 30, 2008; and

WHEREAS, the parties acknowledge that California law may include provisions more stringent and more protective of the confidentiality of health information than the provisions of HIPAA; and

WHEREAS, the Parties wish to enter into or have entered into an arrangement whereby Business Associate will provide certain services to Covered Entity, hereby referred to as the "**Service Agreement**" and, pursuant to such arrangement, Business Associate may be considered a "**business associate**" of Covered Entity as defined in the HIPAA Privacy Rule and under California law; and

WHEREAS, Business Associate may have access to Protected Health Information (as defined below) in fulfilling its responsibilities under such arrangement;

THEREFORE, in consideration of the Parties' continuing obligations under the Service Agreement, compliance with the HIPAA Privacy Rule, compliance with California law, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree to the provisions of this Agreement in order to address the requirements of the HIPAA Privacy Rule and California law and to protect the interests of both Parties.

I. DEFINITIONS

Except as otherwise defined herein, any and all capitalized terms in this Section shall have the definitions set forth in the HIPAA Privacy Rule. In the event of an inconsistency between the provisions of this Agreement and mandatory provisions of the HIPAA Privacy Rule, as amended, the HIPAA Privacy Rule shall control. In the event of an inconsistency between the provisions of this Agreement and mandatory provisions of CMIA or other California law, California law shall control. Where provisions of this Agreement are different than those mandated in the HIPAA Privacy Rule and California law, but nonetheless are permitted by the HIPAA Privacy Rule and California law, the provisions of this Agreement shall control.

The term "Protected Health Information" means individually identifiable health information including, without limitation, all information, data, documentation, and materials, including without limitation, demographic,

medical and financial information, that relates to the past, present, or future physical or mental health or condition of an individual; the provision of health care to an individual; or the past, present, or future payment for the provision of health care to an individual; and that identifies the individual or with respect to which there is a reasonable basis to believe the information can be used to identify the individual.

Business Associate acknowledges and agrees that all Protected Health Information that is created or received by Covered Entity and disclosed or made available in any form, including paper record, oral communication, audio recording, and electronic display by Covered Entity or its operating units to Business Associate or is created or received by Business Associate on Covered Entity's behalf shall be subject to this Agreement.

II. CONFIDENTIALITY REQUIREMENTS

(a) Business Associate agrees:

(i) to access, use, or disclose any Protected Health Information solely: (1) for meeting its obligations as set forth in any agreements between the Parties evidencing their business relationship or (2) as required by applicable law, rule or regulation, or by accrediting or credentialing organization to whom Covered Entity is required to disclose such information or as otherwise permitted under this Agreement, the Service Agreement (if consistent with this Agreement the HIPAA Privacy Rule, and California law), the HIPAA Privacy Rule, or California law and (3) as would be permitted by the HIPAA Privacy Rule and California law if such use or disclosure were made by Covered Entity;

(ii) at termination of this Agreement, the Service Agreement (or any similar documentation of the business relationship of the Parties), or upon request of Covered Entity, whichever occurs first, if feasible, Business Associate will return or destroy all Protected Health Information received from or created or received by Business Associate on behalf of Covered Entity that Business Associate still maintains in any form and retain no copies of such information, or if such return or destruction is not feasible, Business Associate will extend the protections of this Agreement to the information and limit further access, uses, and disclosures to those purposes that make the return or destruction of the information not feasible; and

(iii) to ensure that its agents, including a subcontractor, to whom it provides Protected Health Information received from or created by Business Associate on behalf of Covered Entity, agrees to the same restrictions and conditions that apply to Business Associate with respect to such information. In addition, Business Associate agrees to take reasonable steps to ensure that its employees' actions or omissions do not cause Business Associate to breach the terms of this Agreement.

(b) Notwithstanding the prohibitions set forth in this Agreement, Business Associate may use and disclose Protected Health Information as follows:

(i) if necessary, for the proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate, provided that as to any such disclosure, the following requirements are met:

(A) the disclosure is required by law; or

(B) Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will be held confidentially and accessed, used, or further disclosed only as required by law or for the purpose for which it was disclosed to the person, and the person notifies Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached, within five calendar days of discovering said breach of confidentiality;

(ii) for data aggregation services, if to be provided by Business Associate for the health care operations of Covered Entity pursuant to any agreements between the Parties evidencing their business relationship. For purposes of this Agreement, data aggregation services means the combining of Protected Health Information by Business Associate with the protected health information received by

Business Associate in its capacity as a business associate of another covered entity, to permit data analyses that relate to the health care operations of the respective covered entities.

(c) Business Associate will implement appropriate safeguards to prevent access to, use of, or disclosure of Protected Health Information other than as permitted in this Agreement. The Secretary of Health and Human Services shall have the right to audit Business Associate's records and practices related to use and disclosure of Protected Health Information to ensure Covered Entity's compliance with the terms of the HIPAA Privacy Rule. Business Associate shall report to Covered Entity any access, use, or disclosure of Protected Health Information which is not in compliance with the terms of this Agreement of which it becomes aware within five calendar days of discovering such improper access, use, or disclosure. In addition, Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use, disclosure, or access of Protected Health Information by Business Associate in violation of the requirements of this Agreement.

III. AVAILABILITY OF PHI

Business Associate agrees to make available Protected Health Information to the extent and in the manner required by Section 164.524 of the HIPAA Privacy Rule. Business Associate agrees to make Protected Health Information available for amendment and incorporate any amendments to Protected Health Information in accordance with the requirements of Section 164.526 of the HIPAA Privacy Rule. In addition, Business Associate agrees to make Protected Health Information available for purposes of accounting of disclosures, as required by Section 164.528 of the HIPAA Privacy Rule.

IV. TERMINATION

Notwithstanding anything in this Agreement to the contrary, Covered Entity shall have the right to terminate this Agreement and the Service Agreement immediately if Covered Entity determines that Business Associate has violated any material term of this Agreement. If Covered Entity reasonably believes that Business Associate will violate a material term of this Agreement and, where practicable, Covered Entity gives written notice to Business Associate of such belief within a reasonable time after forming such belief, and Business Associate fails to provide adequate written assurances to Covered Entity that it will not breach the cited term of this Agreement within a reasonable period of time given the specific circumstances, but in any event, before the threatened breach is to occur, then Covered Entity shall have the right to terminate this Agreement and the Service Agreement immediately, and seek injunctive and/or declaratory relief in a court of law having jurisdiction over Business Associate.

V. MISCELLANEOUS

Except as expressly stated herein, in the HIPAA Privacy Rule, or under California law, the parties to this Agreement do not intend to create any rights in any third parties. The obligations of Business Associate under this Section shall survive the expiration, termination, or cancellation of this Agreement, the Service Agreement and/or the business relationship of the parties, and shall continue to bind Business Associate, its agents, employees, contractors, successors, and assigns as set forth herein.

This Agreement may be amended or modified only in a writing signed by the Parties. No Party may assign its respective rights and obligations under this Agreement without the prior written consent of the other Party. None of the provisions of this Agreement are intended to create, nor will they be deemed to create any relationship between the Parties other than that of independent parties contracting with each other solely for the purposes of effecting the provisions of this Agreement and any other agreements between the Parties evidencing their business relationship. This Agreement will be governed by the laws of the State of California. No change, waiver or

discharge of any liability or obligation hereunder on any one or more occasions shall be deemed a waiver of performance of any continuing or other obligation, or shall prohibit enforcement of any obligation, on any other occasion.

The parties agree that, in the event that any documentation of the parties, pursuant to which Business Associate provides services to Covered Entity contains provisions relating to the use or disclosure of Protected Health Information which are more restrictive than the provisions of this Agreement, the provisions of the more restrictive documentation will control. The provisions of this Agreement are intended to establish the minimum requirements regarding Business Associate's use and disclosure of Protected Health Information.

In the event that any provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of the provisions of this Agreement will remain in full force and effect. In addition, in the event a party believes in good faith that any provision of this Agreement fails to comply with the then-current requirements of the HIPAA Privacy Rule or California law, such party shall notify the other party in writing. For a period of up to thirty days, the parties shall attempt in good faith to address such concern and amend the terms of this Agreement, if necessary to bring it into compliance. If, at the conclusion of such thirty-day period, a party believes in good faith that the Agreement still fails to comply with the HIPAA Privacy Rule or California law, then either party has the right to terminate this Agreement and the Service Agreement upon written notice to the other party. Neither party may terminate this Agreement without simultaneously terminating the Service Agreement, unless the parties mutually agree in writing to modify this Agreement or immediately replace it with a new Business Associate Agreement that fully complies with the HIPAA Privacy Rule and California law.

Business Associate acknowledges that Natividad Medical Center (NMC) has established a Corporate Compliance Program, and under this program NMC has developed a Code of Conduct Manual to provide guidance in the ethical and legal performance of our professional services. Business Associate further agrees to abide by all principles stated in the Code of Conduct while conducting business with Natividad Medical Center. A copy of the Code of Conduct & Principles of Compliance is available upon request.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year written above.

COVERED ENTITY:

By: [Signature]

Title: CEO

Date: 4/24/09

BUSINESS ASSOCIATE:

By: [Signature]

Title: VP & GM, Healthcare Consulting Services

Date: 4/7/09



CERTIFICATE OF LIABILITY INSURANCE

Page 1 of 3

DATE (MM/DD/YYYY)
11/24/2009

PRODUCER 877-945-7378 Willis Insurance Services of Georgia, Inc. 26 Century Blvd. P. O. Box 305191 Nashville, TN 37230-5191		THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.	
INSURED CT Technologies Holdings, LLC Healthport Technologies, LLC Cindy Kellogg, Controller 120 Bluegrass Valley Pkwy Alpharetta, GA 30005		INSURERS AFFORDING COVERAGE INSURER A: One Beacon America Insurance Company INSURER B: Sparta Insurance Company INSURER C: INSURER D: INSURER E:	NAIC# 20621-004 20613-091

COVERAGES

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. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS
A		GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	717009870	6/1/2009	6/1/2010	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MEDEXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
A		AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS	717009870	6/1/2009	6/1/2010	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
		GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: EA ACC \$ AGG \$
		EXCESS / UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE DEDUCTIBLE RETENTION \$				EACH OCCURRENCE \$ AGGREGATE \$ \$ \$
B		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under SPECIAL PROVISIONS below	004WK00046	6/1/2009	6/1/2010	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
A		OTHER Commercial Property	717009870	6/1/2009	6/1/2010	\$ 7,360,000 Building Coverage \$22,234,584 BPP incl. Computer Prop \$ 4,000,000 Blanket Earnings/Expense

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

THIS VOIDS AND REPLACES PREVIOUSLY ISSUED CERTIFICATE DATED: 7/6/2009 WITH ID: 12780050

See attached:

CERTIFICATE HOLDER

Natividad Medical Center
 Attn: Contracts Manager
 1441 Constitution Blvd.
 Salinas, CA 93906

CANCELLATION 10 days notice of cancellation for non-payment of premium

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

Handwritten Signature

Willis**CERTIFICATE OF LIABILITY INSURANCE**

Page 2 of 3

DATE
11/24/2009

PRODUCER 877-945-7378 Willis Insurance Services of Georgia, Inc. 26 Century Blvd. P. O. Box 305191 Nashville, TN 37230-5191		THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.	
		INSURERS AFFORDING COVERAGE	NAIC#
INSURED CT Technologies Holdings, LLC Healthport Technologies, LLC Cindy Kellogg, Controller 120 Bluegrass Valley Pkwy Alpharetta, GA 30005		INSURER A: One Beacon America Insurance Company	20621-004
		INSURER B: Sparta Insurance Company	20613-091
		INSURER C:	
		INSURER D:	
		INSURER E:	

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS

Error & Omissions:
 Policy No. 027180329
 Policy Period: 7/01/2009 - 7/01/2010
 Carrier: American International Specialty Lines Insurance Co.
 Limits: Tech Liab sublimit: \$5,000,000
 Misc. Prof Liab sublimit: \$5,000,000
 Security/Privacy Liab sub: \$5,000,000
 Media Liab sublimit: \$5,000,000

Applicable SIR of \$100,000 for E&O Coverage.

It is agreed that County of Monterey, its officers, agents and employees are included as Additional Insureds as respects to General Liability, when required by written contract

It is further agreed that such insurance as is afforded shall be Primary and Non-contributory with any other insurance in force for or which may be purchased by Additional Insureds.

SCHEDULE 1

Effective 06/01/2009 , this schedule forms a part of Policy No. 717-00-98-70-0000
(At the time stated in the policy)

Issued to

CT TECHNOLOGIES HOLDINGS, LLC
(See ASC 00 11 01 98, Schedule 1)

Producer: WILLIS OF NEW YORK, INC.

by OneBeacon America Insurance Company

Named Insured

CT TECHNOLOGIES HOLDINGS, LLC

HEALTHPORT TECHNOLOGIES, LLC

HEALTHPORT, INC.

CT TECHNOLOGIES INTERMEDIATE HOLDINGS,
INC.

SMART HOLDINGS CORP.

SHS HOLDINGS, LLC

CHARTONE HEALTH, LLC

3 4-01-0039 06/25/2009 CAT CPW PR 1.000

POLICY CHANGE 4

Effective 06/01/2009, this endorsement forms a part of Policy No. 717-00-98-70-0000
(At the time stated in the policy)

issued to

CT TECHNOLOGIES HOLDINGS, LLC
(See ASC 00 11 01 98, Schedule 1)
925 NORTHPOINT PKWY STE 350
ALPHARETTA, GA 30005-0000

Producer: WILLIS OF NEW YORK, INC.

by OneBeacon America Insurance Company

In Accordance with this Policy Change Your Premium is Revised as follows:

No Change in Premium

This Policy Change Amends the Following Policy Provisions:

Liability Declarations ASC 00 05 01 98

Amend Form(s):

VCG 205 02 05

@VANTAGE FOR GENERAL LIABILITY

Automobile Declarations, ACA 01 07 91

Amend Form(s):

VCA 201 01 09

@VANTAGE FOR AUTOMOBILE (N/A SC)

3 4-01-0039 07/22/2009 CAT CPW PR 1.000

ASC 00 10 01 98

MANUSCRIPTED

POLICY CHANGE

Page 1 of 1

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

@VANTAGE FOR GENERAL LIABILITY

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

The following schedule lists the coverage extensions provided by this endorsement. Refer to the individual provisions to determine the extent of your coverage.

SCHEDULE OF COVERAGE EXTENSIONS	
1. Additional Insured - Broad Form Vendors	8. Broadened Property Damage Rented Premises
2. Additional Insured - by Contract, Agreement or Permit relating to: <ul style="list-style-type: none">o Work performed by youo Premises you own, rent, lease or occupyo Equipment you lease	9. Coverage Territory - Worldwide
3. Aggregate Limit Per Location	10. Duties in Event of Occurrence, Claim or Suit
4. Blanket Waiver of Subrogation	11. Expected or Intended Injury (PD)
5. Bodily Injury Redefined- Mental Anguish	12. Incidental Medical Malpractice
6. Broadened Named Insured	13. Medical Payments
7. Broadened Property Damage <ul style="list-style-type: none">o Borrowed Equipmento Customers' Goodso Use of Elevators	14. Mobile Equipment Redefined
	15. Newly Acquired or Formed Organizations
	16. Non-Owned Aircraft
	17. Non-Owned Watercraft
	18. Personal and Advertising Injury
	19. Product Recall Expense
	20. Supplementary Payments Increased Limits

1. ADDITIONAL INSURED - BROAD FORM VENDORS

Section II - Who Is An Insured is amended to include as an additional insured any person(s) or organization(s) (referred to below as vendor) with whom you agreed in a written contract or agreement to provide insurance, 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, subject to the following additional exclusions:

a. This provision 1. does not apply to:

- (1) "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;
- (2) Any express warranty unauthorized by you;
- (3) Any physical or chemical change in the product made intentionally by the vendor;
- (4) 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;
- (5) 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;
- (6) Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;
- (7) 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
- (8) "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:
 - (a) The exceptions contained in Subparagraphs 4. or 6.; or
 - (b) 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.

- (9) Any person or organization if the "products-completed operations hazard" is excluded either by the provisions of the Coverage Form or by endorsement.
- b. 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.
2. ADDITIONAL INSURED – CONTRACT, AGREEMENT OR PERMIT
- a. Section II - Who Is An Insured is amended to include as an additional insured any person(s) or organization(s) with whom you agreed in a written contract, written agreement or permit to provide insurance such as is afforded under this Coverage Part, 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 work" for the additional insured(s) at the location designated in the contract, agreement or permit; or
 2. In the maintenance, operation or use of equipment leased to you by such person(s) or organization(s), or
 3. In connection with premises you own, rent, lease or occupy.
- This insurance applies on a primary or primary and non-contributory basis if that is required in writing by the contract, agreement or permit.
- b. The insurance provided to the additional insured herein is limited. This insurance does not apply:
1. Unless
 - (a) the written contract, agreement or permit is currently in effect or becomes effective during the term of this policy; and
 - (b) the contract or agreement was executed or permit issued prior to the "bodily injury", "property damage", or "personal and advertising injury";
 2. To any person or organization included as an insured under the Additional Insured - Broad Form Vendors provision of this endorsement;
 3. To any person or organization included as an insured by an endorsement issued by us and made part of this Coverage Part;
 4. To any person or organization if the "bodily injury", "property damage", or "personal and advertising injury" arises out of the rendering of or failure to render any professional architectural, engineering or surveying services by or for you including:
 - (a) The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - (b) Supervisory, inspection, architectural or engineering activities.
 5. To any:
 - (a) Lessor of equipment after the equipment lease expires; or
 - (b) Owners or other interests from whom land has been leased; or
 - (c) Managers or lessors of premises if:
 - (1) The "occurrence" takes place after you cease to be a tenant in that premises; or
 - (2) The "bodily injury", "property damage", "personal and advertising injury" arises out of structural alterations, new construction or demolition operations performed by or on behalf of the manager or lessor.
 6. To "bodily injury, or "property damage" occurring after:
 - (a) All work on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured at the site of the covered operations has been completed; or
 - (b) That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as part of the same project.
- c. Limits of Insurance applicable to the additional insured are those specified in the contract, agreement or permit or in the Declarations of this policy, whichever is less, and fix the most we will pay regardless of the number of:
1. Insureds;

2. Claims made or "suits" brought; or
3. Persons or organizations making claims or bringing "suits".

These Limits of Insurance are inclusive of and not in addition to the Limits of Insurance shown in the Declarations.

3. AGGREGATE LIMIT PER LOCATION

- a. Under Section III – Limits of Insurance, the General Aggregate Limit applies separately to each of your "locations" owned by or rented or leased to you.
- b. Under Section V – Definitions, the following definition is added:

"Location" means premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway, waterway or right-of-way of a railroad.

4. BLANKET WAIVER OF SUBROGATION

Section IV - Transfer of Rights of Recovery Against Others to Us Condition is amended to add the following:

We will waive any right of recovery we may have against any person or organization because of payments we make for injury or damage arising out of your ongoing operations done under a written contract or agreement with that person or organization and included in "your work" or the "products-completed operations hazard". This waiver applies only to persons or organizations with whom you have a written contract, executed prior to the "bodily injury" or "property damage", that requires you to waive your rights of recovery.

5. BODILY INJURY REDEFINED – MENTAL ANGUISH

Under Section V the definition of "bodily injury" is replaced by the following:

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

6. BROADENED NAMED INSURED

Section II - Who Is An Insured is amended to include as an insured the following:

Any organization which is a legally incorporated entity in which you own a financial interest of more than 50 percent of the voting stock on the effective date of this endorsement will be a Named Insured until the 180th day or the end of the policy period, whichever comes first, provided there is no other similar insurance available to that organization.

The insurance afforded herein does not apply to any entity which 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.

7. BROADENED PROPERTY DAMAGE – BORROWED EQUIPMENT, CUSTOMERS' GOODS AND USE OF ELEVATORS

The insurance for "property damage" liability is subject to the following:

- a. The Damage To Property exclusion under Section I Coverage A is amended as follows:

1. The exclusion for personal property in the care, custody or control of the insured does not apply to "property damage" to equipment you borrow while at a job site and provided it is not being used by anyone to perform operations at the time of loss.
2. The exclusions for
 - (a) Property loaned to you;
 - (b) Personal property in the care, custody or control of the insured; and
 - (c) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it

do not apply to "property damage" to "customers' goods" while on your premises nor do they apply to "property damage" arising from the use of elevators at premises you own, rent, lease or occupy.

Subject to the Each Occurrence Limit, the most we will pay for "property damage" to "Customers' Goods" is \$25,000 per "occurrence".

- b. Under Section V – Definitions, the following definition is added:

"Customers' Goods" means goods of your customer on your premises for the purpose of being:

1. Repaired; or
2. Used in your manufacturing process.

- c. The insurance afforded by this provision is excess over any other valid and collectible property insurance (including any deductible) available to the insured whether such insurance is primary, excess, contingent or

on any other basis. Any payments by us will follow the Other Insurance – Excess provisions in the COMMERCIAL GENERAL LIABILITY CONDITIONS.

8. BROADENED PROPERTY DAMAGE – RENTED PREMISES

- a. In the Damage To Property exclusion under Section I Coverage A, the exclusion for "property damage" to:
Property you own, rent or occupy;
does not apply to real property you rent or temporarily occupy with permission of the owner.
- b. In Section III – Limits Of Insurance, the Damage To Premises Rented To You Limit is amended as follows:
Subject to the Each Occurrence Limit, \$500,000 is the most we will pay under Coverage A for damages because of "property damage" to any one premises while rented to you or occupied by you with permission of the owner. If any amount other than \$500,000 is shown in the Declarations as the Damage To Premises Rented To You Limit, the amount shown in the Declarations will replace \$500,000 as the Limit of Insurance provided for this coverage.
- c. The insurance afforded by this Provision 8. is excess over any other valid and collectible property insurance (including any deductible) available to the insured whether such insurance is primary, excess, contingent or on any other basis. Any payments by us will follow the Other Insurance – Excess Insurance provisions in the COMMERCIAL GENERAL LIABILITY CONDITIONS.

9. COVERAGE TERRITORY – WORLDWIDE

The definition of "coverage territory" is replaced by the following:

"Coverage territory" means anywhere. However, the insured's responsibility to pay damages must be determined in a settlement we agree to or in a "suit" on the merits brought within the United States of America (including its territories and possessions), Puerto Rico or Canada.

10. DUTIES IN THE EVENT OF OCCURRENCE, OFFENSE, CLAIM OR SUIT

Section IV – Duties In The Event Of Occurrence, Claim or Suit is amended by adding the following paragraphs:

- a. The requirements that you must
 1. notify us of an "occurrence" offense, claim or "suit" and
 2. send us documents concerning a claim or "suit"apply only when such "accident" claim, "suit" or "loss" is known to:
 1. You, if you are an individual;
 2. A partner, if you are a partnership;
 3. An executive officer of the corporation or insurance manager, if you are a corporation; or
 4. A manager, if you are a limited liability company.
- b. The requirement that you must notify us as soon as practicable of an "occurrence" or an offense that may result in a claim does not apply if you report an "occurrence" to your workers compensation insurer which later develops into a liability claim for which coverage is provided by this policy. However, as soon as you have definite knowledge that the particular "occurrence" is a liability claim rather than a workers compensation claim, you must comply with the Duties In The Event Of Occurrence, Offense, Claim Or Suit Condition.

11. EXPECTED OR INTENDED INJURY (PROPERTY DAMAGE)

The Expected Or Intended Injury exclusion under Coverage A Bodily Injury and Property Damage is replaced by:

"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.

12. INCIDENTAL MEDICAL MALPRACTICE – EMPLOYED PHYSICIANS, NURSES, EMT'S AND PARAMEDICS

- a. Under Section II – Who Is An Insured the paragraph that excludes an employee or volunteer worker as insured for "bodily injury" or "personal and advertising injury" arising out of his or her providing or failing to provide professional health care services does not apply to a physician, dentist, nurse, emergency medical technician or paramedic employed by you if you are not engaged in the business or occupation of providing medical, paramedical, surgical, dental, x-ray or nursing services.

- b. The insurance afforded by this provision is excess over any other valid and collectible insurance whether such insurance is primary, excess, contingent or on any other basis. Any payments by us will follow the Other Insurance – Excess Insurance provisions in the COMMERCIAL GENERAL LIABILITY CONDITIONS.

13. MEDICAL PAYMENTS - INCREASED LIMITS AND TIME PERIOD

- a. In the Insuring Agreement under Coverage C Medical Payments, the requirement that expenses are incurred and reported to us within one year of the date of the accident is changed to three years.
- b. The Medical Expense Limit is \$10,000 per person or the amount shown in the Declarations as the Medical Expense Limit, whichever is greater.
- c. This provision 13. does not apply if Coverage C - Medical Payments is otherwise excluded either by the provisions of the Coverage Form or by endorsement.

14. MOBILE EQUIPMENT – SELF-PROPELLED SNOW REMOVAL, ROAD MAINTENANCE AND STREET CLEANING EQUIPMENT

The following is added to the "mobile equipment" definition:

Vehicles maintained primarily for purposes other than the transportation of persons or cargo that are self-propelled vehicles of less than 1,000 pounds gross vehicle weight with the following types of permanently attached equipment will be considered "mobile equipment":

- a. Snow removal;
- b. Road maintenance, but not construction or resurfacing; or
- c. Street cleaning.

15. NEWLY FORMED OR ACQUIRED ORGANIZATIONS

Under Section II - Who Is An Insured, the time period limitation for newly acquired or formed organizations is replaced by:

Coverage under this provision is afforded only until the end of the current policy period.

16. NON-OWNED AIRCRAFT

- a. The Aircraft, Auto Or Watercraft exclusion under Coverage A Bodily Injury And Property Damage Liability does not apply to an aircraft that is:
 - 1. Hired, chartered or loaned with a paid crew; and
 - 2. Not owned by any insured.
- b. The insurance afforded by this provision 16. is excess over any other valid and collectible insurance (including any deductible or Self Insured Retention) available to the insured, whether such insurance is primary, excess, contingent or on any other basis. Any payments by us will follow the Other Insurance - Excess Insurance provisions in the COMMERCIAL GENERAL LIABILITY CONDITIONS.

17. NON-OWNED WATERCRAFT

- a. Section II - Who Is An Insured is amended to include as an insured for any watercraft that is covered by this policy, any person who, with your expressed or implied consent, either uses or is responsible for the use of a watercraft. However, no person or organization is an insured with respect to:
 - 1. "Bodily injury" to a co-"employee" of the person operating the watercraft; or
 - 2. "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.
- b. In the exception to the Aircraft, Auto Or Watercraft exclusion under Coverage A Bodily Injury And Property Damage Liability, the limitation on the length of a watercraft is increased to 51 feet.
- c. The insurance afforded by this provision 17. is excess over any other valid and collectible insurance (including any deductible or Self Insured Retention) available to the insured, whether such insurance is primary, excess, contingent or on any other basis. Any payments by us will follow the Other Insurance – Excess Insurance provisions in the COMMERCIAL GENERAL LIABILITY CONDITIONS.

18. PERSONAL AND ADVERTISING INJURY

The following is added to the definition of "personal and advertising injury":

Discrimination because of race, color, creed, national origin, age, sex or physical disability, where insurance therefore is not prohibited by law, but only if such discrimination is:

- a. not done intentionally by or at the direction of:
 - (1) the insured; or
 - (2) any executive officer, director, stockholder, partner or member of the insured staff; and
- b. not directly or indirectly related to the employment, prospective employment or termination of employment of any person or persons by any insured.

The insurance afforded under this provision does not apply to fines or penalties, or that portion of any award or judgment caused by trebling or multiplication of actual damages under state or federal law.

This provision does not apply if Coverage B – Personal and Advertising Injury Liability is otherwise excluded either by the provisions of this Coverage Form or by any endorsement.

19. PRODUCT RECALL EXPENSE

- a. With respect to this Provision 19., the Recall Of Products, Work Or Impaired Property exclusion under Coverage A Bodily Injury And Property Damage Liability is deleted.
- b. The following is added to Section III - Limits Of Insurance section:
 - 1. The Limits of Insurance shown in the Product Recall Schedule and rules below fix the most we will pay regardless of the number of
 - (a) Insureds;
 - (b) "Covered recalls" initiated; or
 - (c) Number of "your products" recalled.
 - 2. The Product Recall Aggregate Limit is the most we will reimburse you for the sum of all "product recall expenses" incurred for all "covered recalls" initiated during the policy period.
 - 3. Subject to 2. above, the Each Product Recall Limit is the most we will reimburse you for the sum of all "product recall expenses" arising out of any one "covered recall" for the same defect or deficiency.

Products Recall Schedule	
	Limits of Insurance
Product Recall Aggregate Limit	\$50,000
Each Product Recall Limit	\$25,000

The Limits of Insurance for this coverage 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 the purposes of determining the Limits of Insurance.

- c. The following is added to the Duties In The Event Of Occurrence, Offense, Claim Or Suit provision under Section IV - Conditions:

You must see to it that the following are done in the event of an actual or anticipated "covered recall" that may result in "product recall expense":

 - 1. Give us prompt notice of any discovery or notification that "your product" must be withdrawn or recalled. Include a description of "your product" and the reason for the withdrawal or recall;
 - 2. Cease any further release, shipment, consignment or any other method of distribution of like or similar products until it has been determined that all such products are free from defects that could be a cause of loss under this insurance;
 - 3. As often as may be reasonably required, permit us to inspect "your product" that demonstrates the need for the "covered recall" and permit us to examine your books and records. Also permit us to take damaged and undamaged samples of "your products" for inspection, testing and analysis; and permit us to make copies from your books and records;
 - 4. Send us a signed, sworn, proof of loss containing the information we requested to settle the claim. You must do this within 60 days after our request. We will supply you with the necessary forms; and
 - 5. Permit us to examine any insured under oath, while not in the presence of any other insured and at such times as may reasonably be required, about any matter relating to this insurance or your claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

d. The following definitions are added to the Definitions Section:

1. "Covered recall" means a recall made necessary because the insured or a government body has determined that a known or suspected defect, deficiency, inadequacy or dangerous condition in "your product" has resulted in or will result in "bodily injury" or "property damage".

2. "Product Recall Expense" means:

(a) The following necessary and reasonable expenses you incur exclusively for the purpose of recalling "your product":

- (1) For communications, including radio or television announcements or printed advertisements including stationery, envelopes and postage;
- (2) For shipping the recalled products from any purchaser, distributor or user to the place or places designated by you;
- (3) For remuneration paid to your regular "employees" for necessary overtime;
- (4) For hiring additional persons, other than your regular "employees";
- (5) Incurred by "employees", including transportation and accommodations;
- (6) To rent additional warehouse or storage space; or
- (7) For disposal of "your products", but only to the extent that specific methods of destruction other than those employed for trash discarding or disposal are required to avoid "bodily injury" or "property damage" as a result of such disposal, but

"product recall expenses" does not include costs of regaining your market share, goodwill, revenue or profit.

(b) "Product Recall Expense" does not include any expenses resulting from:

- (1) Failure of any product to accomplish its intended purpose;
- (2) Breach of warranties of fitness, quality, durability or performance;
- (3) Loss of customer approval, or any cost incurred to regain customer approval;
- (4) Redistribution or replacement of "your product" which has been recalled by like products or substitutes;
- (5) Caprice or whim of the insured;
- (6) A condition likely to cause loss of which any insured knew or had reason to know at the inception of this insurance; and
- (7) Recall of "your products" that have no known or suspected defect solely because a known or suspected defect in another of "your products" has been found

20. SUPPLEMENTARY PAYMENTS - INCREASED LIMITS

In the SUPPLEMENTARY PAYMENTS - Coverages A and B provision:

- a. The limit for the cost of bail bonds is amended to \$2,500; and
- b. The limit for reasonable expenses incurred by the "insured" is amended to \$500 a day.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

@VANTAGE FOR AUTOMOBILE

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

The following schedule lists the coverage extensions provided by this endorsement. Refer to the individual provisions to determine the extent of your coverage.

SCHEDULE OF COVERAGE EXTENSIONS	
1. Additional Insured By Contract	12. Employee Hired Autos
2. Airbag Discharge	13. Fellow Employee Exclusion
3. Auto Theft Reward	14. Glass Repair – Waiver of Deductible
4. Blanket Waiver of Subrogation	15. Hired Auto Physical Damage Coverage
5. Bodily Injury Redefined – Mental Anguish	16. Lease Gap Coverage
6. Broad Form Named Insured	17. Liability Coverage – Supplementary Payments
7. Communications Equipment	18. Newly Formed or Acquired Organizations
8. Diminution in Value	19. Physical Damage – Transportation Expenses
9. Drive Other Car – Executive Officers	20. Rental Reimbursement – Private Passenger Vehicles
10. Duties In The Event of Accident, Claim, Suit or Loss	21. Towing – Any Covered Auto
11. Employees As Insureds	

1. ADDITIONAL INSURED BY CONTRACT

The Who Is An Insured provision under SECTION II – LIABILITY COVERAGE is amended to include as an additional "insured" any person or organization with whom you agreed in a written contract, written agreement or permit, to provide insurance such as is afforded under this Coverage Form. Such person or organization is an "insured" only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part by your maintenance, operation or use of your covered "autos".

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

- a. Unless the written contract or agreement has been executed or the permit has been issued prior to the "bodily injury" or "property damage";
- b. To any person or organization included as an "insured" by endorsement or in the Declarations; or
- c. To any lessor of "autos" when their contract or agreement with you for such leased "auto" ends.

2. AIRBAG DISCHARGE

If you purchased physical damage coverage for a covered "auto" under this policy, we will pay to reset or replace an airbag that accidentally discharges without the vehicle being involved in an accident. No deductible applies to this additional coverage. However, this coverage only applies if the airbag is not covered under a manufacturer's warranty and you did not intentionally cause the airbag to discharge.

3. AUTO THEFT REWARD

We will pay up to a \$2,000 reward in the event of a covered loss, for information leading to the arrest and conviction of anyone stealing a covered "auto". A reward will not be paid to you, a family member, employee or any public official while performing their duty.

4. BLANKET WAIVER OF SUBROGATION

The Transfer Of Rights of Recovery Against Others To Us condition under SECTION IV – BUSINESS AUTO CONDITIONS, paragraph A. LOSS CONDITIONS is replaced by the following:

We will waive any right of recovery we may have against any person or organization because of payments we make for injury or damage arising out of the operation of a covered "auto" when you have assumed liability for such "bodily injury" or "property damage" under an "insured contract", provided the contract is in writing and executed prior to the "bodily injury" or "property damage".

5. BODILY INJURY REDEFINED – MENTAL ANGUISH

The definition of "bodily injury" under SECTION V – DEFINITIONS is replaced by the following:

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

6. BROAD FORM NAMED INSURED

- a. The Who Is An Insured provision under SECTION II – LIABILITY COVERAGE is amended to include the following:

Any organization which is a legally incorporated entity in which you own a financial interest of more than 50% of the voting stock on the effective date of this Coverage Form will be a Named Insured until the 180th day or the end of the policy period whichever comes first, provided there is no other similar insurance available to that organization.

- b. Paragraph a. of this provision 6. does not apply to "bodily injury" or "property damage" for which an "insured" is also 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.

7. COMMUNICATIONS EQUIPMENT

- a. The exclusion for electronic equipment under Exclusions of SECTION III – PHYSICAL DAMAGE COVERAGE does not apply to loss of any permanently installed, non-removable communications equipment designed for use as a:

1. Citizen's band radio;
2. Two-way mobile radio or telephone;
3. Scanning monitor receiver; or
4. GPS Navigation System,
including its antenna and other accessories.

- b. No Deductible applies to this additional coverage.

- c. The most we will pay for this coverage is \$5,000 per occurrence.

8. DIMINUTION IN VALUE

The "diminution in value" exclusion under SECTION III – PHYSICAL DAMAGE COVERAGE, B. Exclusions does not apply if the covered "auto" is a private passenger "auto" and is leased, rented, hired or borrowed without a driver for a period of 30 days or less and is used in the conduct of the insured's business. The most we will pay for "loss" arising out of an "accident" is the lesser of \$7,500 or 20% of the actual cash value of the "auto" as determined by Kelley Blue Book or other independent valuation sources.

9. DRIVE OTHER CAR – EXECUTIVE OFFICERS

- a. The Who Is An Insured provision under SECTION II – LIABILITY COVERAGE is amended to include:

If you are designated in the Declarations as:

1. An individual; you and your spouse.
 2. A partnership; your partners and their spouses.
 3. An organization other than an individual or a partnership; your "executive officers" and their spouses.
- b. SECTION II – LIABILITY COVERAGE and SECTION III – PHYSICAL DAMAGE COVERAGE are extended to include "autos" you don't own, hire, lease or borrow while in the care, custody or control of an "insured" listed in 9.a. This does not include any "auto":
1. Owned by any "insured" listed in 9.a., or any member of their household, including any such "auto" that is owned but not insured;
 2. Used by an "insured" listed in 9.a. while working in the business of selling, servicing, repairing or parking autos; or
 3. Insured under another policy of insurance.

If Medical Payments, Uninsured/Underinsured Motorist, Personal Injury Protection or other compulsory coverages required by the governing jurisdiction are covered on this policy, then insureds listed in 9.a. above and family members residing in the same households are "insureds" while:

1. Occupying as a passenger; or
 2. A pedestrian when struck by,
any "auto" you do not own, hire, lease or borrow, except any "auto" owned by that "insured" listed in 9.a, their family members or an "auto" insured under any other policy.
- c. The limits and deductibles applicable to this provision will be the largest applicable to any owned "auto" for the specific insurance.

- d. The following definition is added to the DEFINITIONS section of the policy:
"Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any similar governing document.
- e. The Other Insurance Condition, under Section IV – BUSINESS AUTO CONDITIONS, does not apply to the provisions of this Drive Other Car endorsement. There is no "other insurance" applicable to this endorsement.
10. DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS
Under SECTION IV – BUSINESS AUTO CONDITIONS – the Duties In The Event Of Accident, Claim, Suit Or Loss Condition is amended as follows:
The requirements that you must:
- a. Notify us of an "accident", claim, "suit" or "loss"; and
 - b. Send us documents concerning a claim or "suit",
apply only when such "accident", claim, "suit" or "loss" is known to:
 - a. You, if you are an individual;
 - b. A partner, if you are a partnership;
 - c. An executive officer of the corporation or insurance manager, if you are a corporation; or
 - d. A manager, if you are a limited liability company.
11. EMPLOYEES AS INSURED
The Who Is An Insured provision under SECTION II – LIABILITY COVERAGE is changed by adding the following:
Any "employee" of yours while using a covered "auto" you don't own, hire or borrow in your business or your personal affairs. This coverage is excess over any other collectible insurance.
12. EMPLOYEE HIRED AUTOS
The following is added to the Who Is An Insured Provision:
An "employee" of yours is an "insured" while operating an "auto" hired or rented under a contract or agreement in that "employee's" name, with your permission, while performing duties related to the conduct of your business.
For purposes of this coverage grant, paragraph 5.b. of the Other Insurance Condition in the Business Auto Coverage Form is replaced by the following:
 - b. For Hired Auto Physical Damage Coverage, the following are deemed to be covered "autos" you own:
 1. Any covered "auto" you lease, hire, rent or borrow; and
 2. Any covered "auto" hired or rented by your "employee" under a contract in that individual "employee's" name, with your permission, while performing duties related to the conduct of your business.However, any "auto" that is leased, hired, rented or borrowed with a driver is not a covered "auto".
This coverage is excess over any other collectible insurance.
13. FELLOW EMPLOYEE EXCLUSION
The Fellow Employee exclusion under SECTION II – LIABILITY COVERAGE does not apply if the "bodily injury" results from the use of a covered "auto" you own or hire. This coverage is excess over any other insurance.
14. 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.
15. HIRED AUTO – PHYSICAL DAMAGE COVERAGE
If hired "autos" are covered "autos" under SECTION II – LIABILITY COVERAGE and if Comprehensive, Specified Causes of Loss, or Collision coverages are provided under this policy for any "auto" you own, then SECTION III – PHYSICAL DAMAGE COVERAGE is extended to "autos" you hire, subject to the following limit:
The most we will pay for "loss" to any hired "auto" is the lesser of:
 - a. \$75,000 for "autos" of the private passenger type and \$50,000 for all other "autos";

- b. The actual cash value; or
- c. The cost of repairing or replacing it with other property of like kind or quality.

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.

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 the following conditions are met:

- a. It results from an accident;
- b. You are legally liable; and
- c. The lessor incurs an actual financial loss.

The most we will pay for this loss of use coverage is \$1,000 per "accident".

16. LEASE GAP COVERAGE

Under paragraph C. Limit of Insurance – of SECTION III – PHYSICAL DAMAGE COVERAGE, the following is added:

If a covered "auto" is leased, we will also pay the difference between the actual cash value of a covered "auto" at the time of "loss" and the remaining balance on your lease if the following conditions are met:

- a. The "auto" has a long term lease and is covered on this policy.
- b. The lessor is added as an Additional Insured in a written lease agreement.
- c. You are legally obligated for the remaining balance.

We will not pay for any amounts representing excess wear and tear charges; additional mileage charges; taxes; overdue payments; penalties, interest or charges resulting from overdue payments; or lease termination fees.

17. LIABILITY COVERAGE EXTENSIONS – SUPPLEMENTARY PAYMENTS

Under SECTION II – LIABILITY COVERAGE, the Coverage Extension for Supplementary Payments is revised as follows:

- a. The limit for the cost of bail bonds is amended to \$3,500.
- b. The limit for reasonable expenses incurred by the "insured" is amended to \$500 a day.

18. NEWLY FORMED OR ACQUIRED ORGANIZATIONS

- a. The Who Is An Insured provision under SECTION II – LIABILITY COVERAGE is amended to include as an "insured" any organization that is formed or acquired by you and over which you maintain majority ownership.
- b. Paragraph a. of this provision 18. does not apply to any organization:
 - 1. That is a joint venture or partnership;
 - 2. That is an "insured" under any other policy;
 - 3. That has exhausted its Limit of Insurance under any other policy; or
 - 4. 180 days or more after its acquisition or formation by you, unless you have given us notice of the acquisition or formation.
- c. Paragraph a. of this provision 18. does not apply to "bodily injury" or "property damage" that results from an "accident" that occurred before you formed or acquired the organization.

19. PHYSICAL DAMAGE – TRANSPORTATION EXPENSES COVERAGE

Under SECTION III – PHYSICAL DAMAGE Coverage Extensions, the limit for Transportation Expenses is amended to \$75 per day and the maximum is amended to \$2,250.

20. RENTAL REIMBURSEMENT

We will pay for rental reimbursement expenses incurred by you for the rental of an "auto" of the private passenger type because of "loss" to a "covered auto" of the private passenger type. Payment applies in addition to the otherwise applicable amount of each coverage you have on a "covered auto". No deductibles apply to this coverage.

We will pay those expenses incurred during the policy period beginning 24 hours after the "loss" and ending, regardless of the policy's expiration, six (6) days after the "loss".

Payment is limited to the lesser of the following amounts:

1. Necessary and actual expenses incurred.
2. The maximum daily payment of \$25 for any one day.

This coverage does not apply while there are spare or reserve "autos" available to you.

If "loss" results from the total theft of the private passenger "auto", we will pay under this coverage only that amount of your rental reimbursement expenses which is not already provided for under the PHYSICAL DAMAGE COVERAGE Extension.

21. TOWING – COVERED AUTOS

Under SECTION III – PHYSICAL DAMAGE COVERAGE, Coverage for Towing is amended as follows:

- a. This coverage applies to any covered "auto" for which a premium charge for towing and labor is shown in the Schedule or in the Declarations.
- b. The limit is \$100.