

**AMENDMENT NO. 3  
TO PROFESSIONAL SERVICES AGREEMENT  
BETWEEN Versaworks Inc. AND  
THE NATIVIDAD MEDICAL CENTER  
FOR  
Professional Information Technology Services**

This Amendment No. 3 to Professional Services Agreement (“Agreement”), dated November 1, 2010, is entered into by and between the County of Monterey, on behalf of Natividad Medical Center (“NMC”), and Versaworks Inc. (Contractor), with respect to the following:

**RECITALS**

**WHEREAS**, the County and Contractor amended the Agreement previously on July 1, 2011 via Amendment No. 1, and on July 1, 2012 via Amendment No. 2; and

**WHEREAS**, the County and Contractor wish to amend the Agreement to extend the term end date to allow for existing services to continue; and

**WHEREAS**, the County and Contractor wish to amend the Agreement to increase the amount of the Agreement because of the term extension and the amount payable for services rendered.

**AGREEMENT**

**NOW, THEREFORE**, the parties agree to amend the Agreement as follows:

1. Exhibit A to the Agreement is replaced with Amendment-3 to Exhibit A, attached to this Amendment. All references in the Agreement to Exhibit A shall be construed to refer to Amendment-3 to Exhibit A.
2. Section 2. “PAYMENTS BY NMC” shall be amended by removing, “*The total amount payable by NMC to CONTRACTOR under this Agreement shall not exceed the sum of \$832,900.*” and replacing it with “*The total amount payable by County to CONTRACTOR under Agreement No. (MYA524) shall not exceed the total sum of \$8,829,374 for the full term of the Agreement*”.
3. Section 2. “TERM OF AGREEMENT” shall be amended by removing, “*The term of this Agreement is from November 1, 2010 to June 30, 2011 unless sooner terminated pursuant to this Agreement*” and replacing it with “*The term of this Agreement is November 1, 2010 to June 30, 2015 unless sooner terminated pursuant to this Agreement*”.
4. Except as provided herein, all remaining terms, conditions and provisions of the Agreement and Amendment Nos. 1 and 2 are unchanged and unaffected by this Amendment No. 3 and shall continue in full force and effect as set forth in the Agreement.
5. A copy of this Amendment No. 3 and all previous amendments shall be attached to the original Agreement (No. MYA524).
6. The effective date of this Amendment is July 1, 2013.

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

**Natividad Medical Center**

By: \_\_\_\_\_  
Sid Cato, NMC Contracts Manager

Date: \_\_\_\_\_

By: [Signature]  
Harry Weis, NMC Chief Executive Officer

Date: 5/1/13

**APPROVED AS TO LEGAL PROVISIONS**

By: [Signature]  
Anne Brauer  
Monterey County, Deputy County Counsel

Date: May 6, 2013

**APPROVED AS TO FISCAL PROVISIONS**

By: [Signature]  
Gary Giboney  
Monterey County Auditor/Controller's Office

Date: 5-6-13

**Contractor**

Versaworks, Inc.  
Contractor's Business Name\*\*\* (see instructions)

[Signature]  
Signature of Chair, President, or Vice-President

Johnson Kit Son Sun, President  
Name and Title

Date: 4/26/2013

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

Wil Wong, VP & Secretary  
Name and Title

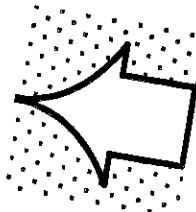
Date: 4/26/2013

\*\*\*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 (two signatures required).

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 (two signatures required).

If CONTRACTOR is contracting in and individual capacity, the individual shall set forth the name of the business, if any and shall personally sign the Agreement (one signature required)





## Amendment-3 to Exhibit A

### Consulting and Software Services Proposal and Statement of Work

**Natividad Contact:**

Jim Fenstermaker  
Tel: (831) 783-2559

**Submitted by:**

Versaworks, Inc.  
2560 Mission College Blvd. Ste 140  
Santa Clara, CA 95054

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Revised:  
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## 1 EXECUTIVE SUMMARY

Versaworks is a specialized health information technology solutions and services firm, serving hospitals and acute care facilities throughout the U.S. The name, Versaworks, reflects the versatility of its approach and the breadth of its services to hospitals. Fusing expertise in leading-edge technology and in clinical operations, Versaworks' enterprise solutions meet a full range of customer needs. Versaworks is a recognized thought leader in the issues most important to the healthcare industry, from meaningful use of electronic medical records to data security and system interoperability. Versaworks applies its creative thinking to find innovative solutions for its clients' most pressing technical and business challenges.

## 2 PROPOSAL

Versaworks is pleased to present this proposal and Statement of Work (SOW) which defines the services and deliverables that Versaworks shall provide to Natividad Medical Center ("Customer") under the terms of the Professional Services Agreement (the "Agreement") made between Natividad Medical Center ("Customer") and Versaworks, Inc. ("Versaworks").

### 2.1 CONSULTING SERVICES PROJECT AND PRICING SUMMARY

This section describes the scope of work for Consulting Services to support the projects listed below.

#### Year 1: July 2013 to June 2014

ID	Project	Resource	Hourly Rate	Estimated Hours	Total
1	Hospital Computing Systems Upgrade and Implementation	Sr. Systems Engineer	\$175	1,800	\$315,000
2	Clinical Systems Project Management	Principal Project Manager	\$175	1,800	\$315,000
3	Network Infrastructure and Security	Sr. Network Engineer	\$175	1,800	\$315,000
4	IT Operations Management	Sr. Management Consultant	\$190	1,500	\$285,000
5	Clinical and Enterprise Systems Integration	Sr. Implementation Specialist	\$175	1,500	\$262,500
6	Enterprise Database Management	Sr. Database Administrator	\$175	1,000	\$175,000
Year 1 total					<b>\$1,667,500</b>

**Year 2: July 2014 to June 2015**

ID	Project	Resource	Hourly Rate	Estimated Hours	Total
1	Hospital Computing Systems Upgrade and Implementation	Sr. Systems Engineer	\$175	1,800	\$315,000
2	Clinical Systems Project Management	Principal Project Manager	\$175	1,800	\$315,000
3	Network Infrastructure and Security	Sr. Network Engineer	\$175	1,800	\$315,000
4	IT Operations Management	Sr. Management Consultant	\$190	1,500	\$285,000
5	Clinical and Enterprise Systems Integration	Sr. Implementation Specialist	\$175	1,500	\$262,500
6	Enterprise Database Management	Sr. Database Administrator	\$175	1,000	\$175,000
Year 2 total					<b>\$1,667,500</b>
Consulting Services 2 year Subtotal					<b>\$3,335,000</b>

**2.1.1 HOSPITAL COMPUTING SYSTEMS UPGRADE AND IMPLEMENTATION**

<u>Project ID</u>	1
<u>Project Name</u>	Hospital Computing Systems Upgrade and Implementation
<u>Resource</u>	Senior Systems Engineer

**Project Description**

As Natividad continues to pursue its EMR initiative, further optimization and upgrade of its enterprise computing systems and clinical IT systems are necessary to meet the needs of the hospital. The **“Senior Systems Engineer”** will be responsible for implementing and supporting a large number of hospital wide computing systems and mission critical enterprise applications.

**Project Scope**

- Deploy and upgrade all hospital workstations to Microsoft Windows 7 Operating Systems
- Deploy and configure Microsoft SharePoint enterprise collaboration application
- Deploy and build out Computing Servers for the new remote datacenter
- Provide systems administration support for the Picture Archiving and Communication System (PACS)

- Provide advanced systems administration and optimization for all windows computing servers
- Manage and support security patching for all enterprise wide computing systems

2.1.2 CLINICAL SYSTEMS PROJECT MANAGEMENT

<u>Project ID</u>	2
<u>Project Name</u>	Clinical Systems Project Management
<u>Resource</u>	Principle Project Manager

**Project Description**

Natividad Medical Center is currently on its path to upgrade and expand its clinical systems and capabilities in order to further improve the quality of patient care. There are number of new clinical systems planned to be deployed in the coming years. The “**Principle Project Manager**” will be responsible for managing the implementation and rollout of a number of mission critical clinical systems and initiatives.

**Project Scope**

- Develop project plan and milestone deliverables for the assigned clinical systems and initiatives.
- Manage requirement gathering, identify system capabilities and document feature requirements and workflow changes.
- Manage vendor(s) to ensure accurate systems setup and configurations.
- Manage production rollout schedule and coordinate end user training.
- The following is a list of Clinical systems and initiatives scheduled to be implemented in the coming years:
  - Tele-Neurology
  - Echo Cardio
  - OBIX and Meditech ADT Integration
  - Meaningful Use Stage 2
  - Clinical Data Analytics and Reporting
  - Patient Portal and Physician Portal

**2.1.1.3 NETWORK INFRASTRUCTURE AND SECURITY**

<u>Project ID</u>	3
<u>Project Name</u>	Network Infrastructure and Security
<u>Resource</u>	Sr. Network Engineer

**Project Description**

Network infrastructure and security is the critical backbone of the hospital operation. As NMC continues to deploy more advanced clinical and enterprise systems, its network infrastructure and computing environment have grown further and become more complex and sophisticated. The **“Senior Network Engineer”** will be responsible for implementing and supporting the following network and infrastructure enhancement and security projects.

**Project Scope**

- Build out and implement new core network infrastructure for the remote datacenter
- Build, implement and update network infrastructure (Switching, routing, voice, data, wireless) for new hospital construction including Building 400 3rd floor remodeling, Emergency Department remodeling, IT Trailer build out and move.
- Deploy and implement network and telecommunication infrastructure for the Tele-neurology project.
- Design, implement and support the on-campus datacenter power upgrade
- Manage and support hospital wide network infrastructure and Information Systems security
- Manage and support Cisco UC Voice-Over-IP (VoIP) network telephony computing systems.

**2.1.1.4 IT OPERATIONS MANAGEMENT**

<u>Project ID</u>	4
<u>Project Name</u>	IT Operations Management
<u>Resource</u>	Sr. Management Consultant

**Project Description**

Service Operation has been a key component of the IT mission in providing best in class services to all users in the hospital. The function of the **“IT Operations Management”** role is to augment the IT leadership team in guiding the IT Operations and Business Applications teams on infrastructure build out and Clinical Applications implementations to support the EMR initiatives. The **“Sr. Management Consultant”** will be delivering the following services defined in the project scope.



**Project Scope**

- Provide day-to-day guidance and oversight on all network infrastructure, systems computing and IT Service Delivery Operations
- Provide strategic guidance and oversight on clinical and non-clinical application-related projects
- Develop and implement a disaster recovery and business continuity plan for MEDITECH and other mission critical business applications
- Establish IT Service Delivery Operational standards; implement and monitor service level metrics
- Establish and implement Information Security standards and policies
- Develop Service Excellency methodology in providing Service Delivery and Support to all hospital users
- Develop a strategy and road map to elevate the skills and competencies of the in-house IT staff

**2.1.5 CLINICAL AND ENTERPRISE SYSTEMS INTEGRATION**

<u>Project ID</u>	5
<u>Project Name</u>	Clinical and Enterprise Systems Integration
<u>Resource</u>	Sr. Implementation Specialist

**Project Description**

Over the past 2 years, Natividad has added a number of new clinical and enterprise systems and there are additional clinical systems such as an Ambulatory EMR and Cardio-PACS scheduled to be implemented in the coming year. It is essential that the newly implemented systems can integrate with the hospital's core EMR systems, Meditech. The **"Senior Implementation Specialist"** will implement and support a number clinical and enterprise systems integration projects and also provide operational support to existing systems and application optimization projects.

**Project Scope**

- Develop and implement integration capability between Meditech and QS1
- Develop and implement integration capability between Meditech and OBIX
- Develop and implement integration capability between Meditech and PACS
- Develop and implement integration capability between Meditech and Cardio-PACS
- Develop and implement integration capability between Meditech and Ambulatory EMR
- Develop and implement ADT and clinical messaging interfaces between Meditech and external data sources to support Health Information Exchange (HIE).
- Develop Meditech NPR reports to meet operational requirements

2.1.1.6 ENTERPRISE DATABASE MANAGEMENT

<u>Project ID</u>	6
<u>Project Name</u>	Enterprise Database Management
<u>Resource</u>	Sr. Database Administrator

**Project Description**

Natividad is currently running a large number of mission critical SQL database instances among various clinical and enterprise applications. The “**Senior Database Administrator**” will be responsible for managing and supporting multiple SQL database instances among various clinical and enterprise applications.

**Project Scope**

- Perform all aspects of SQL database administration and management including: building database servers, applying necessary hot fixes and/or service packs, provisioning and upgrading the SQL servers, configuring server parameters, backing up and restoring system and user databases.
- Provide technical analysis of existing database design and performance
- Perform SQL tuning analysis, implement performance enhancements and conduct database capacity monitoring and planning
- Configure log shipping, database mirroring and replication; optimize, update, and maintain existing software and reporting applications
- Implement SQL database disaster recovery and fail-over capability
- Advise, implement and maintain change control procedures for database and applications interface in both the production and test environments
- Develop Ad-hoc reports for hospital business units to meet the needs of compliance, financial performance and operational management

## 2.2 BUSINESS INTELLIGENCE SOFTWARE SERVICES

### Project Background

Natividad Medical Center (NMC) is a 172-bed acute care hospital owned and operated by Monterey County. As the safety-net hospital providing healthcare to the residents of Monterey County for over 125 years, Natividad provides healthcare access to all patients regardless of their ability to pay. NMC is currently running the Meditech Client Server EHR software and the hospital is in the process of pursuing Meaningful Use attestation for Stage 1. The need has been identified to implement a Business Intelligence solution to meet the reporting and data analytics needs of the hospital including: (a) maintain Meaningful Use compliance and prepare to meet Stage 2 requirements; (b) consolidate and transform exiting ad-hoc and manual reporting process to an integrated enterprise reporting platform, and (c) automatically calculate and submit the Clinical Quality Measures (CQM) and provide on-demand access to their CQM data for continuous performance monitoring and quality improvement.

### Project Description

Versaworks is pleased to propose the use of NAAVIS Healthcare Business Intelligence software suite for NMC to meet its enterprise reporting and data analytics needs. Included in the NAAVIS suite is (a) NAAVIS Compliance Manager; the Drummond certified modular EHR software that enables healthcare provider to keep track of Meaningful Use Stage 1 Clinical Quality Measures (CQM) data and meet Stage 2 reporting requirements, and (b) NAAVIS Enterprise Manager; an integrated healthcare business intelligences solution that gives organizations on-demand access to key performance indicators (KPI) of their financial, operational and clinical data.

#### 2.2.1 NAAVIS COMPLIANCE MANAGER

NAAVIS Compliance Manager is a Drummond certified modular EHR software enabling healthcare providers to qualify for funding under the American Recovery and Reinvestment Act (ARRA). The Compliance Manager Software is a cloud based on-demand reporting solution specifically designed for Meaningful Use Stage 1 Clinical Quality Measures. NAAVIS automatically collects daily CQM data from Meditech and transforms the data into actionable dashboards and interactive reports, providing you with instantaneous access to all your Meaningful Use CQM compliance data from any secured device, anywhere.

## 2.2.2 DESCRIPTION OF NAAVIS COMPLIANCE MANAGER FEATURES

### Meaningfully Certified

As part of the federal meaningful use mandate, hospitals are required to adopt certified EHR technology and use it to achieve meaningful use objectives. NAAVIS is qualified to help hospitals meet these objectives because it has successfully completed EHR modular certification testing in the areas of privacy, security, and calculating and submitting clinical quality measures and has been certified by the Drummond Group, Inc., an approved ONC-ATCB for Complete EHR and/or EHR Modules.\*



NAAVIS includes dashboards that will allow you to spot trends and analyze your meaningful use data, empowering your organization to make actionable and strategic decisions.

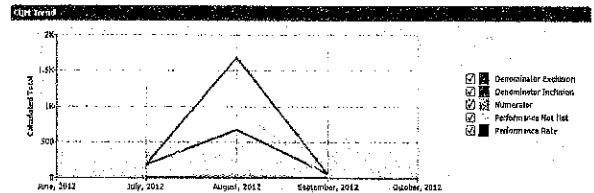


Figure 2: Clinical Quality Measure Trend

This chart displays the key performance indicators (KPI) for a measure, and how the KPIs are trending over time

### Useful Features

#### Interactive Reports

Visual analytics is at the core of NAAVIS. The NAAVIS experience includes reports and dashboards that offer rich, intuitive, and interactive data visualization, allowing users to drill-down, filter, aggregate, and analyze their organization's meaningful use data.

Unlike other reporting tools, NAAVIS includes interactive tabular reports, allowing you to filter, aggregate, search, and explore your meaningful use data with just a few clicks or a simple drag and drop.

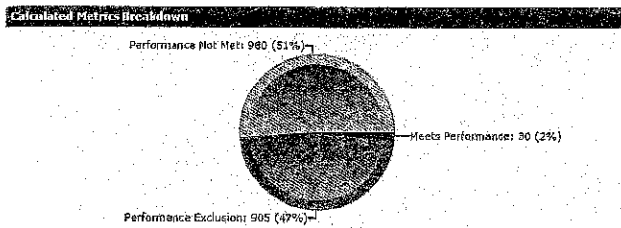


Figure 1: Calculated metrics breakdown pie chart

This chart offers a visual representation of patients included in the denominator of a measure, and whether they fall into the categories of being excluded, not meeting the numerator criteria, or meeting the overall criteria for the measure

File Number	Created Date	Created Time	Created by	Version	Specialty
360	10-01-2012	08:02	vwdemo		
359	10-01-2012	07:41	vwdemo		
358	09-30-2012	22:47	vwdemo		
357	09-19-2012	17:39	vwdemo		
▼ staff					
▼ admin					

Figure 3: Tabular Reports

NAAVIS tabular reports includes filtering, grouping, sorting, and aggregation capabilities, providing you with the tools to conduct an in-depth analysis of your organization's meaningful use data

#### Export Data and Charts

NAAVIS charts and gauges can be exported into an image, which can then be embedded into documents to help improve collaboration and enhance presentations. NAAVIS also provides users with the ability to export meaningful use data to Excel and CSV, further enabling them to conduct additional investigation and analysis.

\* This EHR Module is 2011/2012 compliant and has been certified by Drummond Group, an ONC-ATCB approved to certify any complete or modular EHR both ambulatory and inpatient, in accordance with the applicable certification criteria adopted by the Secretary of Health and Human Services. This certification does not represent an endorsement by the U.S. Department of Health and Human Services or guarantee the receipt of incentive payments. Versaworks, Inc. received Modular certification on 9/20/2012 for NAAVIS Compliance Manager 1.0. Certificate Number 09202012-1630-5 was issued for the following Clinical Quality Measures Certified: NQF0371, NQF0372, NQF0373, NQF0374, NQF0375, NQF0376, NQF0435, NQF0436, NQF0437, NQF0438, NQF0439, NQF0440, NQF0441, NQF0495, NQF0497

2.2.3 DESCRIPTION OF NAAVIS BUSINESS INTELLIGENCE PLATFORM FEATURES

**Customized Data-Driven Alerts**

Timing is crucial, especially when it comes to ensuring the quality of care for patients. When it comes to NAAVIS Compliance Manager, being informed of notable changes in your organization’s data does not have to be a manual process. This is because NAAVIS’ alerting feature enables you to configure notifications to be sent to team members and decision-makers on a scheduled or even data-driven basis, such as when a particular threshold is reached. NAAVIS’ alerting capabilities are designed to give your team advanced notice of trends or limits that have been reached, allowing your team to be proactive rather than reactive to patterns and changes in your organization’s activity.

**Mobile**

Everyone is on the go these days, whether it be working remotely or moving from one meeting to the next. This means the need to receive insight and answers via a mobile device can only continue to grow. NAAVIS addresses this need by offering the ability to view, interact with, and perform your analysis via a tablet or mobile device, such as the iPad. With NAAVIS it is possible to conduct reporting from your MEDITECH and ancillary systems using a mobile device, and with the growing demands of healthcare the need for immediate access to your data makes NAAVIS the ideal solution for your organization’s reporting requirements.

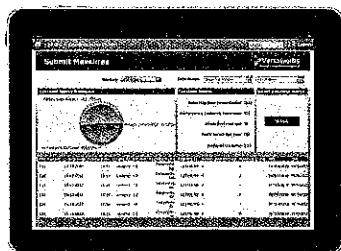


Figure 4: Analytics and Reporting on Mobile Devices

*NAAVIS delivers interactive reports through mobile devices, providing you with immediate access to information even if you’re on the go*

**In the Cloud**

NAAVIS is a Software-as-a-Service (SaaS) solution which enables organizations to quickly adopt and gradually expand the use of NAAVIS without the significant IT footprint and upfront investments typically associated with traditional on-premise software. With on-premise software, the organization generally purchases the software upfront, and in many cases, there can be additional hardware costs that are also required to make the software operational. In addition, the organization’s staff must have the expertise or be trained in supporting the on-premise software, which invariably leads to an increase in the number of applications that needs to be monitored and maintained. The end result is less time and fewer resources that are dedicated to strategic projects and supporting other critical software applications. In every organization, resources are valuable but limited, and this is why many healthcare organizations are adopting the use of cloud-based solutions, such as NAAVIS.

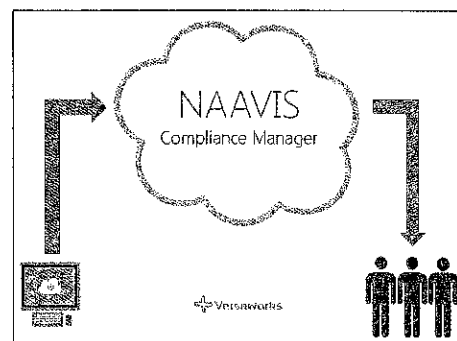


Figure 5: NAAVIS Cloud-based Clinical and Business Intelligence

*The NAAVIS Software-as-a Service (SaaS) model provides the organization with an opportunity to use and experience the benefits of NAAVIS without the substantial upfront financial and resource costs that are typically associated with on-premise software*

2.2.4 DESCRIPTION OF NAAVIS BUSINESS INTELLIGENCE SECURITY FEATURES

**Security**

It is not uncommon to see security as one of the top priorities for an organization’s IT department, but when it comes to healthcare the security and privacy of electronic protected health information (ePHI) is of the utmost importance. This is precisely why NAAVIS was designed with an elevated level of security, on top of an already proven and secured leading technology.

**End-to-End Data Encryption**

NAAVIS ensures the security of data by encrypting patient data throughout all phases of the reporting lifecycle. In the NAAVIS reporting lifecycle, data is encrypted once it is retrieved from the source system, securely transmitted to the NAAVIS cloud, stored in NAAVIS where the data is encrypted at rest, and remains encrypted until the data is presented to the viewer in a dashboard or report. This end-to-end data encryption ensures the data is carefully safeguarded right at the start and remains this way until an authorized user accesses it in NAAVIS.

**Access to the NAAVIS Application**

The NAAVIS application can be accessed via a secured website at: <https://sitename.navis.com/>

**Application access includes:**

- 24/7 access to the NAAVIS application
- Unlimited number of Viewer licenses
- 2 Administrator licenses

**Site ID and User Credential:**

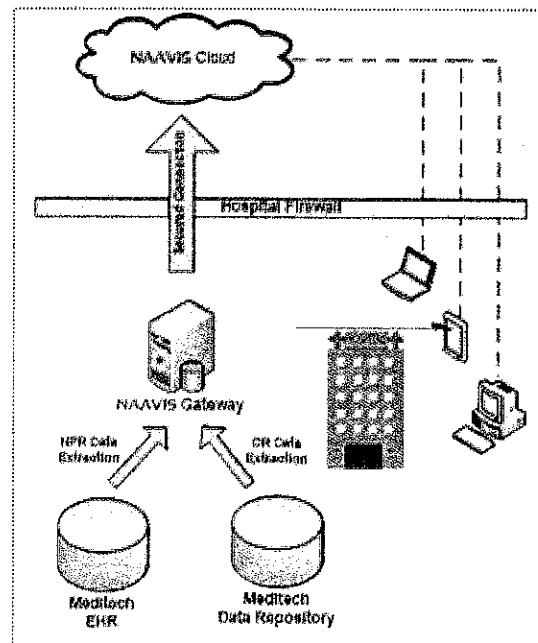
Each customer will have a unique organization Site ID. Organization users will each have their individual account credential (user name and password).

**Tested and Certified**

NAAVIS is a HIPAA compliant reporting platform and is Drummond certified in ensuring the privacy and security of patient health records. The certified security features include access control, authentication, detection and audit logging, integrity, encryption, and exchanging electronic health information.

**Security Dashboards and Reports**

NAAVIS Compliance Manager not only reports meaningful use data, but also includes security dashboards and reports which will offer insight and historical details of user activity within NAAVIS. These security dashboards and reports retrieve monitoring and auditing activity collected by the NAAVIS system, and will allow administrators to trace and analyze user activity, such as logins, patient views, and patient data modifications.



2.2.5 NAAVIS ENTERPRISE EDITION

The Versaworks NAAVIS Enterprise Edition is a web-based Healthcare Business Intelligence platform that gives organizations on-demand access to key performance indicators (KPI) of their financial, operational and clinical data. The system is built on a private cloud platform that serves as an integrated framework for aggregating financial, operational and clinical events from disparate systems and transforming the data into actionable dashboards, benchmarks and scorecards to support decision-making at the enterprise, department, care provider and patient levels. NAAVIS Enterprise is built on the same platform as the NAAVIS Compliance Manager and offers the same platform level features and security with the same look and feel for ease of use across all NAAVIS reporting modules.

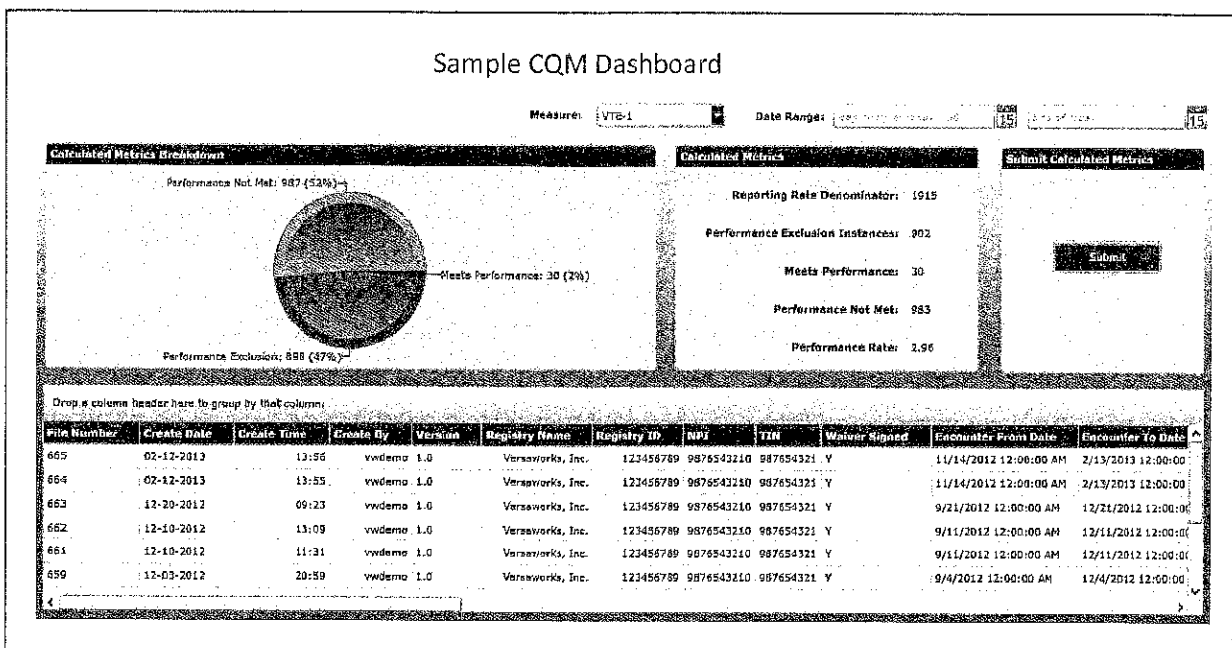
2.2.6 NAAVIS ENTERPRISE DASHBOARD MODULES

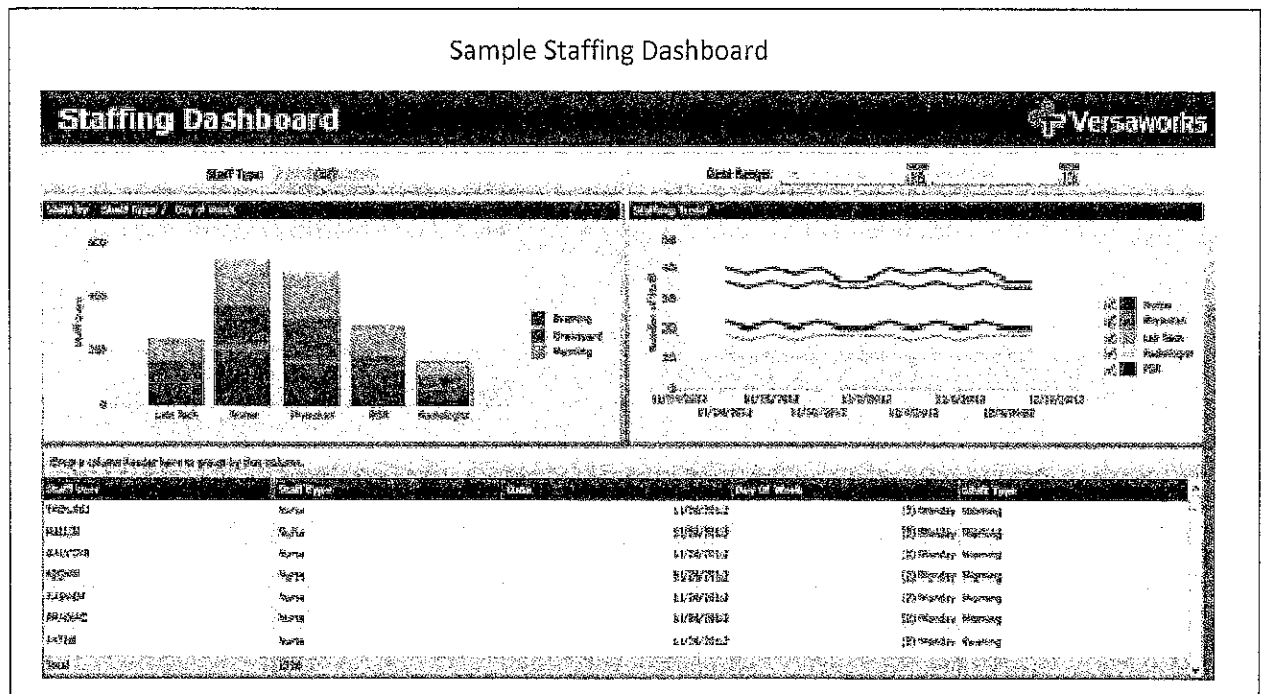
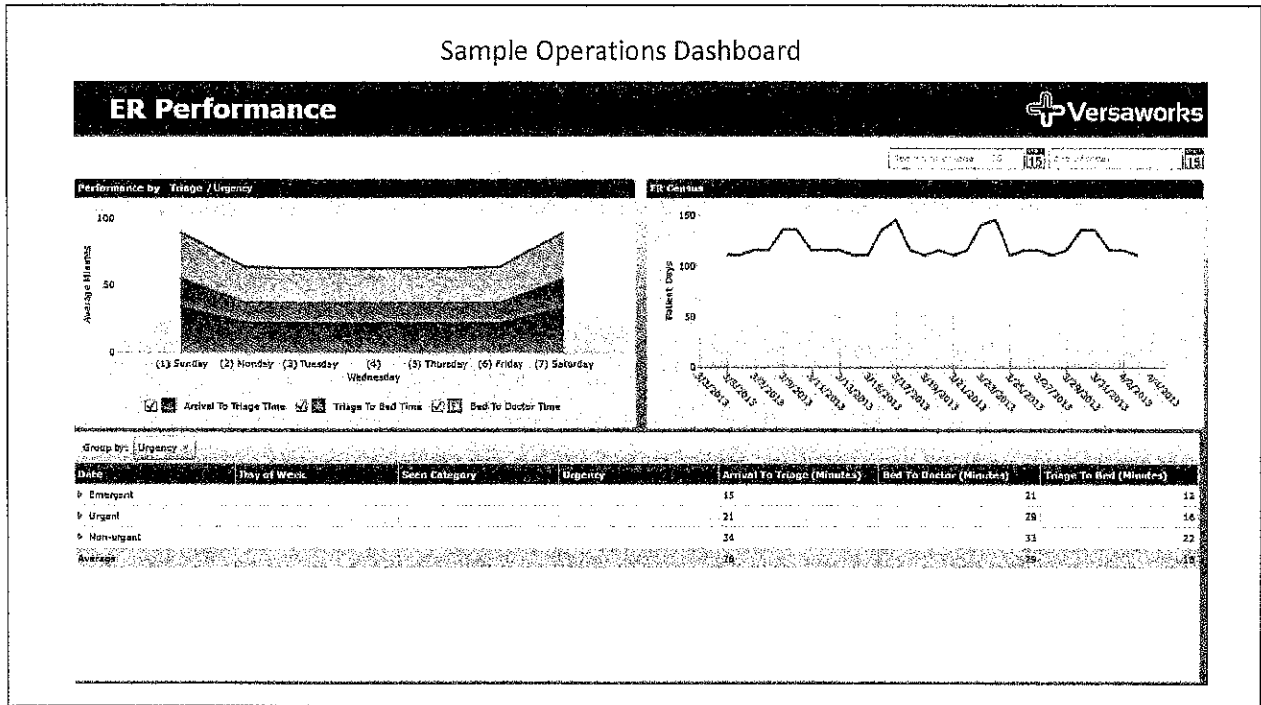
The NAAVIS Enterprise application offers a number of Operational, Clinical and Financial dashboards and reports, collectively known as Dashboard modules. NAAVIS Enterprise Edition supports data extraction from up to 3 additional data sources in addition to Meditech.

- Each dashboard module corresponds to a department or functional area within the hospital.
- Each hospital departmental/functional area Dashboard module includes a number of standard and User-defined dashboards and reports with drill down capabilities.

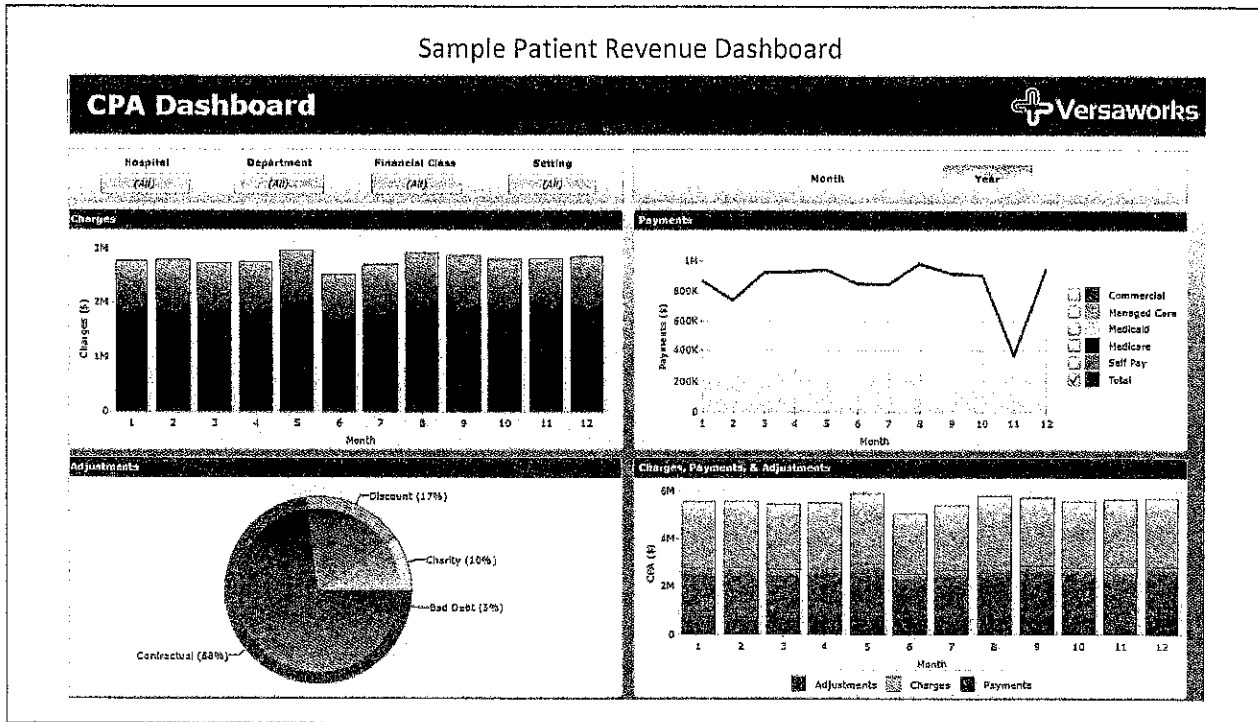
The following Dashboard modules are included in the NAAVIS Enterprise Edition:

- Daily Census and historical trending
- Clinical Quality Measure Dashboard
- Department Productivity
- Staffing Summary
- Patient Revenue dashboard
- Aged Trial Balance Report
- Budget Income Summary
- Consolidated P&L
- Department Rollup by Account
- Pay Period Productivity









### 2.2.7 DESCRIPTION OF NAAVIS ENTERPRISE LICENSE ESSENTIALS

**Features and Services included in the Enterprise license:**

- 10 NAAVIS Dashboard Modules
- Data extraction from Meditech Data Repository or Meditech NPR plus up to 3 additional data sources
- NAAVIS Gateway software deployed at customer site
- Secured SFTP data transfer
- Nightly sync of data between customer data source and NAAVIS platform

**2.2.8 BUSINESS INTELLIGENCE SOFTWARE SERVICE PRICING SUMMARY**
**Year 1: July 2013 to June 2014**

ITEM	DESCRIPTION	TERM	ANNUAL PRICE	DISC %	UNIT PRICE	# of LICENSED BEDS	EXTENDED PRICE	
1	NAAVIS Enterprise Professional Platform License	Year 1	\$30,000.00	-	\$30,000.00	-	\$30,000.00	
2	NAAVIS Compliance Manager	Year 1	Included	-	-	-	Included	
3	NAAVIS Enterprise Professional Application License	Year 1	\$350.00	25%	\$262.50	172	\$45,150.00	
4	Initial Implementation	-	-	-	\$10,000.00	-	\$10,000.00	
5	Professional Service for customization on Meaningful Use Stage 1 CQM reporting and 10 dashboard modules	800 hours	-	-	\$150.00	-	\$120,000.00	
NOTE: Applicable sales tax is the purchaser's responsibility and will be added to this quote when invoiced. If applicable, all travel and incidental expenses are included in the pricing proposal.							Subtotal	\$205,150.00
							Sales Tax	16,412.00
							Year 1 Total	<b>\$221,162.00</b>

**Year 2: July 2013 to June 2014**

ITEM	DESCRIPTION	TERM	ANNUAL PRICE	DISC %	UNIT PRICE	# of LICENSED BEDS	EXTENDED PRICE	
1	NAAVIS Enterprise Professional Platform License	Year 2	\$30,000.00	-	\$30,000.00	-	\$30,000.00	
2	NAAVIS Compliance Manager	Year 2	Included	-	-	-	Included	
3	NAAVIS Enterprise Professional Application License	Year 2	\$350.00	25%	\$262.50	172	\$45,150.00	
4	Professional Service for customization on Meaningful Use Stage 2 CQM reporting and electronic submittal	700 hours	-	-	\$150.00	-	\$105,000.00	
NOTE: Applicable sales tax is the purchaser's responsibility and will be added to this quote when invoiced. If applicable, all travel and incidental expenses are included in the pricing proposal.							Subtotal	\$180,150.00
							Sales Tax	14,412.00
							Year 2 Total	<b>\$194,562.00</b>
Business Intelligence Software Services 2 year subtotal								<b>\$415,724.00</b>

**2.3 TWO YEAR CONSULTING AND SOFTWARE SERVICES PRICING SUMMARY**

DESCRIPTION	TERM	ANNUAL PRICE	EXTENDED PRICE
Consulting Services	Year 1 (July 2013 to June 2014)	\$1,667,500	\$1,667,500
Business Intelligence Software Services	Year 1 (July 2013 to June 2014)	\$221,162	\$221,162
		<b>Year 1 Subtotal</b>	<b>\$1,888,662</b>
Consulting Services	Year 2 (July 2014 to June 2015)	\$1,667,500	\$1,667,500
Business Intelligence Software Services	Year 2 (July 2014 to June 2015)	\$194,562	\$194,562
		<b>Year 2 Subtotal</b>	<b>\$1,862,062</b>
		<b>TOTAL</b>	<b>\$3,750,724</b>

## Exhibit #1

This Agreement is made by and between Versaworks, Inc., a California corporation having a principal place of business at 2560 Mission College Boulevard, Suite 140, Santa Clara, California 95054 (“Versaworks”) and Natividad Medical Center having its principal offices at 1441 Constitution Blvd, Salinas, CA 93906 (“Client”). Client desires to access and use Versaworks NAAVIS Software, upon the terms and conditions of this agreement which includes the Monterey County PSA, the Proposal incorporated herein and Scope of Work.

1. **DEFINITIONS.** For purposes of this Agreement, the terms below shall have the meanings defined below. Additional terms are defined in the preamble above and throughout this Agreement.
  - 1.1. “Client Data” means any data, information, trademarks, logos, files, images, text or other content that may be provided by Client or its authorized users for use in conjunction with the Software or Services.
  - 1.2. “Subscription Term” means the period during which the Services and access to the Software will be provided by Versaworks to Client, including the Initial Term (as defined in Section 6.1).
  - 1.3. “Services” means the hosting, maintenance, support, email and other services provided by Versaworks pursuant to this Agreement.
  - 1.4. “Software” means the software specified as a “subscription” on the Proposal.
  - 1.5. “User Documentation” means the Versaworks user documentation relating to the Software.
2. **WEB-BASED LICENSE.** Versaworks grants to Client, and Client accepts, a nontransferable, nonexclusive license and right to access the Software via the Internet and use the Software and the User Documentation only as authorized in this Agreement, for its own internal purpose and operations, during the Subscription Term. Client acknowledges that its access to and use of the Software will be web-based only and the Software will be hosted by Versaworks (as described in Section 3) and accessed and used by Subscriber through the use of the Internet and Subscriber’s computers.
3. **ACCESSIBILITY.** Versaworks will make the Software available for Client’s use during the Subscription Term on Client’s computer systems that meet the Software System Recommendations set forth in the User Documentation. Versaworks will provide Client with secure access to the latest supported version of the Software via the Internet from the hosting facility that Versaworks leases from a third-party hosting vendor (the “Hosting Site”) on a 24x7 basis, except for scheduled system back-up or other on-going maintenance as required and scheduled in advance by Versaworks. Versaworks will provide a single administrator user account and a backup administrator user account for secure administrator access. Versaworks will also provide this administrator user the necessary tools to create other users for access to the Software.
4. **LIMITATIONS.** The maximum number of Client’s employees, contractors, volunteers, and other agents that are simultaneously accessing or using the Software at any given time shall not exceed the “User Limit” specified on the Proposal. Client’s use of the Software may not exceed the scope of the use provisions above without Versaworks’ express written consent and Client’s payment of an increased Subscription Fee (based on the then-current list price).
5. **FEES AND PAYMENT.** Client shall pay a “Subscription Fee” on an annual basis during the Subscription Term as described in the Proposal. The Subscription Fee is fixed for the Initial Term.
6. **TERM AND TERMINATION.**
  - 6.1. **Initial Term.** The Subscription Term will commence on the “Commencement Date” indicated in the Notice of Commencement delivered by Versaworks to Client when Versaworks begins making the Software available to the Client via the Internet as contemplated by Section 2 above. The Subscription Term shall continue in effect for a period of twenty-four (24) months (the “Initial Term”), unless sooner terminated as provided in this Agreement.
  - 6.2. **Termination for Breach.** Notwithstanding Section 6.1, either Client or Versaworks may terminate this Agreement in the event of a material breach of this Agreement by the other party, if (a) such party provides written notification to the other party of the material breach, and (b) such material breach is not cured within thirty (30) days of notification.

- 6.3. Termination for Convenience. Notwithstanding Section 6.1, either Client or Versaworks may terminate this Agreement without cause upon thirty (30) days prior written notice to the other party.
- 6.4. Effect of Termination. In the event the Agreement is terminated by Client prior to the completion of the Initial Term or any Renewal Term, Client shall pay Versaworks any unpaid balance of Subscription Fees owed for the period of the Initial Term prior to the effective termination date. In the event of termination of the Agreement for any reason, Client's access and use of the Software shall cease immediately, Versaworks will transmit a copy of the Client's database file to Client, and the provisions of Sections 14, 16, and 18 shall survive.
7. MAINTENANCE WINDOWS. Versaworks and/or its hosting or telecommunications vendor(s) may perform system maintenance during the planned "Maintenance Windows", and Versaworks will announce all planned upgrades and outages in advance. Notifications of planned system maintenance and upgrades shall be delivered to Client's primary contact via electronic mail fifteen (15) days prior to the scheduled maintenance window. Client understands and agrees that there may be instances where Versaworks needs to interrupt access to the Software without notice to protect the integrity of the Software or Services due to security issues and other unforeseen circumstances.
8. AVAILABILITY.
- 8.1. Commitment Level. Versaworks will provide 99.9% "availability" to the Software during the Subscription Term, calculated on a monthly basis. If Versaworks provides 99.7% or less availability in any given calendar month, Versaworks shall refund ten (10%) percent of the Subscription Fee for such month. If Versaworks provides 99.5% or less availability in any given calendar month, Versaworks shall refund twenty (20%) percent of the Subscription Fee for such month. For purposes of this Agreement, "availability" exists unless the Software is not accessible to Client due to (i) a hardware failure of the server at the Hosting Site, or (ii) a connection failure between the server hosting the Software and the closest Internet router, in each case excluding Maintenance Windows defined above.
- 8.2. System Monitoring. Versaworks will monitor performance indicators on the systems and network infrastructure (its own and that of third party suppliers) to gauge the overall performance of its hosting services, and will take reasonable steps to address systems and network infrastructure as required to maintain application performance. Versaworks will use an internal system to measure whether the Software is available, and Client agrees that this system will be the sole basis for resolution of any dispute that may arise between Client and Versaworks regarding this Agreement.
9. SUPPORT. Versaworks will provide telephone and e-mail support to Client during the Subscription Term. Versaworks Product Support is available from 8:00 a.m. to 5:00 p.m. Pacific Time, Monday through Friday excluding holidays. Support outside of these hours is only provided for down or mission critical cases (for example: unable to access software).
10. UPGRADES.
- 10.1. Minor Upgrades. Versaworks will install minor upgrades/releases of the Software which are generally made available to its other subscribers, including patches and/or fixes, as they are made available at no charge during the Subscription Term. Versaworks will determine and announce all planned upgrades as described in Section 7 of this Agreement.
- 10.2. Major Upgrades. Upgrades to major releases and related conversions require careful planning and data decisions that must be managed jointly by Client and Versaworks, and may require the engagement of Versaworks consulting services which will be contracted via separate agreement. Software installation of major releases will be performed by Versaworks on a mutually agreed upon schedule not to exceed one (1) year after a major release of the Software at no charge for the Subscription Term. Additional services related to conversions to major releases (e.g. data conversion, report and software customizations, data cleanup) are outside the scope of the Services and this Agreement.
11. CLIENT PRIMARY CONTACT. Client shall identify, and name, an appropriate individual, with corresponding contact information, including electronic mail address, as the "Primary Contact" with whom Versaworks should

communicate matters regarding the Software and Services, such as maintenance notifications, and who has the authority to make Services requests including release of Client data, both internally to Versaworks and to the Client, restoration of data, and other configuration changes. By default, the individual who signs the Proposal becomes the Primary Contact.

12. **CLIENT RESPONSIBILITIES.** Client shall abide by all laws, rules and regulations applicable to its performance under this Agreement. Client will retain responsibility for administering security within the Versaworks applications (e.g., the granting of rights to a user for a specific report or dashboard in the application). Client is responsible for maintaining its user desktops and providing user's network access to the Software. Client is also responsible for ensuring that its users comply with this Agreement with respect to use of the Software and Services. Client shall provide connectivity and security to the Internet for its location(s) for purposes of providing adequate access to Software hosted at the Versaworks Hosting Site. Versaworks shall not be responsible for the reliability or continued availability of the communications lines, or the corresponding security configurations, used by Client in accessing the Internet to access the Software. Client shall provide adequate industry "best practice" standards to ensure reasonable security for integration between applications at the Client site and Software hosted by Versaworks. Client shall provide accurate input information in the manner reasonably prescribed by Versaworks in connection with the Software and Services provided under this Agreement. Client shall advise Versaworks of any changes to Client's operations, Primary Contact, or other information that would require a change in the support, operation, or configuration of the hosted Software. Client shall configure necessary user accounts via the administrator account provided by Versaworks.
13. **VERSAWORKS' OBLIGATIONS.** Versaworks shall abide by all laws, rules and regulations applicable to its performance under this Agreement. Versaworks shall have no right, title or interest in or to the Client Data, except that Versaworks may capture and maintain the Client Data in connection with Versaworks' provision of Services to Client subject to the Confidentiality provisions in this Agreement.
14. **INTELLECTUAL PROPERTY RIGHTS.** Client agrees that the Software, User Documentation and Services are proprietary products and services of Versaworks and that all right, title and interest in and to the Software, User Documentation and Services, including all associated intellectual property rights, are and shall at all times remain with Versaworks and its third party licensors. The Software contains trade secret and proprietary information owned by Versaworks or its third party licensors and is protected by United States copyright laws and international trade provisions. Client must treat the Software like any other copyrighted material and Client may not copy or distribute the Software or the User Documentation, electronically or otherwise, for any purpose. Client hereby grants to Versaworks a nonexclusive right to use all Client Data as necessary solely for the purposes of providing the Software and Services to Client and its authorized users pursuant to this Agreement.
15. **RESTRICTIONS.** Use of the Software, Services and User Documentation is restricted to use by the specific licensing entity only, and only for Client's internal business purposes. Client may not use the Software for the benefit of any third parties or provide service bureau or other access or use of the Software to third parties. Client may not, directly or indirectly, sublicense, assign, transfer, sell, rent, lend, lease or otherwise provide the Software, Services or the User Documentation, or any portions thereof, to any third party, and any attempt to do so is null and void. Client may not reverse engineer, disassemble, decompile or make any attempt to ascertain, derive or obtain the source code for the Software. Software shall not be used for any commercial purpose beyond the functionality driven by the Software.
16. **INDEMNIFICATION.** Per Versaworks-Natividad Medical Center PSA
17. **WARRANTIES AND LIABILITIES.**
  - (a) Versaworks warrants that each of the Software and Services will conform materially to the specifications set forth in the User Documentation. Client's remedy for Versaworks' breach of warranty shall be as set forth in this Agreement. EXCEPT AS PROVIDED IN THIS AGREEMENT, ALL SERVICES AND SOFTWARE ARE PROVIDED ON AN "AS IS" BASIS WITHOUT WARRANTY OF ANY KIND. EACH PARTY HEREBY EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, WHETHER EXPRESS, IMPLIED, STATUTORY OR OTHERWISE INCLUDING WITHOUT LIMITATION THE IMPLIED WARRANTIES OF MERCHANTABILITY, NON-INFRINGEMENT AND

FITNESS FOR A PARTICULAR PURPOSE OR WARRANTIES AS TO ANY RESULTS TO BE OBTAINED FROM ANY USE OF THE SERVICES OR DATA DERIVED THEREFROM.

(b) EXCEPT FOR THE PARTIES' OBLIGATIONS OF 18 (CONFIDENTIALITY), 16 (INDEMNIFICATION), AND CLIENT'S OBLIGATIONS PURSUANT TO SECTIONS 14 (INTELLECTUAL PROPERTY RIGHTS) AND 15 (RESTRICTIONS), IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES, INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOSS OF PROFITS, LOST BUSINESS, LOST DATA, OR LOSSES FROM INTERRUPTION, TERMINATION, OR FAILED OPERATION OF THE INTERNET OR THIRD-PARTY TELECOMMUNICATION SERVICES INCURRED BY THE OTHER PARTY OR ANY THIRD PARTY, WHETHER IN AN ACTION IN CONTRACT OR TORT, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

(c) If the Software fails to comply with the Software Warranty set forth above, Versaworks' entire liability and Client's exclusive remedy will be either a) repair or replacement of the Software, or if in Versaworks' opinion such repair or replacement is not possible, then b) termination of the Agreement and a pro rata refund of the Subscription Fees paid for the Software. Except pursuant to a party's obligations set forth in sections 16 and 18 above or for any breach of Client's obligations under sections 5 (Fees and Payment), 12 (Client's Responsibilities), 14 (Intellectual Property Rights) or 15 (Restrictions) of this Agreement, neither party's aggregate and cumulative liability for damages under this Agreement shall exceed the amount paid of payable by Client to Versaworks in the twelve month period immediately preceding the cause of action giving rise to the cause of action. This limited warranty is void if failure of the Software has resulted from accident, abuse, misuse or negligence of any kind in the use, handling or operation of the Software, including any use not consistent with the User Documentation or Versaworks training. Versaworks' entire liability and Client's exclusive remedy for any breach of warranty with respect to the Services as described above shall be Versaworks repeating the Services performed.

#### 18. CONFIDENTIALITY.

(a) "**Confidential Information**" shall mean: (i) any and all information which is disclosed by either party, either directly or indirectly, verbally, electronically, visually, or in a written or other tangible form which is either identified or should be reasonably understood to be confidential or proprietary; and (ii) the terms, including without limitation, the pricing, of the Services and any proposals or other documents that preceded these Terms and Conditions. Confidential Information may include, but not be limited to, trade secrets, computer programs, software, source code, documentation, formulas, customer data (including Client Data), inventions, techniques, algorithms, business plans, customer lists, customer names, engineering information, hardware configuration information, know-how, ideas, inventions, processes, products, product plans, research, specifications, or any other information which is designated as "confidential", "proprietary" or some similar designation (collectively, the "**Disclosed Materials**").

(b) Confidential Information shall not, however; include any information that (i) was publicly known and made generally available in the public domain prior to the time of disclosure by the disclosing party; (ii) becomes publicly known and made generally available after disclosure by the disclosing party to the receiving party through no action or inaction of the receiving party; (iii) is already in the possession of the receiving party at the time of disclosure by the disclosing party as shown by the receiving party's files and records immediately prior to the time of disclosure; (iv) is obtained by the receiving party from a third party lawfully in possession of such information and without a breach of such third party's obligations of confidentiality; or (v) is independently developed by the receiving party without use of or reference to the disclosing party's Confidential Information, as shown by documents and other competent evidence in the receiving party's possession.

(c) The obligations set forth in this section 18 shall not apply to the extent that the other party's Confidential Information is required to be disclosed by law, subpoena, court order or other governmental authority; provided, however, that the disclosing party shall (i) deliver prompt written notice of such requirement so that the other party may seek a protective order or other appropriate relief; (ii) use commercially reasonable efforts to cooperate with such other party's attempt to obtain a protective order; and (iii) shall disclose only that information required to be disclosed by law, subpoena, court order or other governmental authority.

(d) Each party will use commercially reasonable efforts to maintain in confidence and to not disclose or disseminate to any third party, or use except as permitted herein any Confidential Information of the other party after its receipt of such Confidential Information provided, however, that Client may use such consultants and contractors as are reasonably

necessary for Client to implement and make use of the Services provided further, however, that (i) any such consultants and contractors shall have executed a confidentiality agreement with Client that is substantially similar to this section 18; and

(e) Notwithstanding anything else in this Agreement, in no event shall Client knowingly provide any Versaworks' competitor with access to the Services or Versaworks' NAAVIS Software.

(f) **Confidentiality and Disclosure of Protected Health Information.** The Parties will enter into a Business Associates Agreement ("BAA") that will govern the disclosure and use of Protected Health Information ("PHI") as defined in the Health Insurance Portability and Accountability Act ("HIPAA") in connection with its Services.

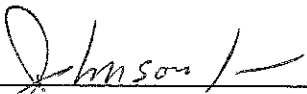
**19. RIGHTS TO DERIVATIVE WORKS OF THE SOFTWARE OR SERVICE.** Any expression or result of Versaworks' Services, such as findings, analyses, conclusions, opinions, recommendations, ideas, techniques, know-how, designs, programs, tools, applications, interfaces, enhancements, software (object code only), and other technical information (collectively "Derivatives") created by Versaworks in the course of performing the Services hereunder are the property of Versaworks and are licensed to Client, without further license fees, pursuant to the license in this Agreement, provided, however, Derivatives do not include, and Client shall retain title to (i) Confidential Information of Client, (ii) all Client Content, including without limitation all proprietary rights of Client. Client shall have no right to sublicense, transfer, assign, convey or permit any third party to use or copy any Derivatives.

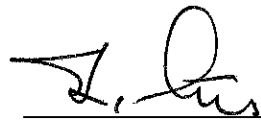
**20. INDEPENDENT CONTRACTOR STATUS.** Versaworks performs the Services as an independent contractor, not as an employee of Client. Nothing in this Agreement is intended to construe the existence of a partnership, joint venture, or agency relationship between Client and Versaworks.

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

**VERSAWORKS, INC.**

**CLIENT**

  
\_\_\_\_\_  
AUTHORIZED SIGNATURE

  
\_\_\_\_\_  
AUTHORIZED SIGNATURE

*Johnson Kit Son Sun, President*  
\_\_\_\_\_  
PRINT NAME AND TITLE

*Henry Wei CEO*  
\_\_\_\_\_  
PRINT NAME AND TITLE

*4/26/2013*  
\_\_\_\_\_  
DATE

*5/1/13*  
\_\_\_\_\_  
DATE



**Exhibit #2****BUSINESS ASSOCIATES ADDENDUM**

This Business Associate Addendum (“BAA”) is made effective as of the \_\_\_ day of \_\_\_\_\_ 2013, by and between Versaworks, Inc. (“Versaworks”) and Natividad Medical Center (“Client”) and is an addendum to the existing License Agreement dated \_\_\_\_\_ between Versaworks and Client (“License Agreement”). (Versaworks and Client may be referred to herein as a “Party” or the “Parties”).

Both Parties shall meet the requirements of this BAA and the business associate requirements of Title 45, Parts 160 and 164 of the Code of Federal Regulations (the “CFR”) and, regarding contracts specifically, 45 CFR §164.504(e).

1. **Definitions.** Capitalized terms not otherwise defined in the BAA shall have the meanings given to them in Title 45, Parts 160 and 164 of the CFR and are incorporated herein by reference.
2. **Use and Disclosure of Protected Health Information.** Each Party shall use and/or disclose Protected Health Information (“PHI”) only to the extent necessary to satisfy that Party’s obligations under this BAA, the License Agreement, the agreements that each Party may have with a Covered Entity, or as required by law. Each Party acknowledges that Sections 164.308, 164.310, 164.312, 164.316, and 504(e)(2) of Title 45 of the Code of Federal Regulations, shall apply to it in the same manner in which such sections apply to Covered Entity. The additional requirements of Title XIII of the HITECH Act, that relate to security and are made applicable to Covered Entity, shall also be applicable to each Party herein and are incorporated into this BAA. In the case of a violation of said provisions, each Party acknowledges that 42 U.S.C. §§ 1320d-5 and 1320d-6 shall apply to it with respect to said violation in the same manner in which such sections apply to Covered Entity.
3. **Data Aggregation Services.** Either Party may use PHI to provide Data Aggregation Services to its customers in accordance with each Party’s agreements with their respective covered entities, as permitted by 45 C.F.R. § 164.504(e)(2)(i)(B).
4. **PHI Safeguards.** Each Party shall develop, implement, maintain and use appropriate administrative, technical and physical safeguards to prevent the improper use or disclosure of any PHI received from or on behalf of the other Party.
5. **Electronic Health Information Security and Integrity.** Each Party shall develop, implement, maintain and use appropriate administrative, technical and physical security measures in compliance with Section 1173(d) of the Social Security Act, Title 42, Section 1320d-2(d) of the United States Code and Title 45, Part 162 and Part 164 of the CFR to preserve the integrity and confidentiality of all electronically maintained or transmitted Health Information received from the other Party. Each Party shall document and keep these security measures current.
6. **Reporting.** Both Parties shall report to their respective covered entities, in writing, following the discovery of a breach of unsecured PHI or the discovery of any use or disclosure of PHI not authorized by their respective agreements with the covered entities, by law, or in writing by their respective covered entities. Both Parties agree to report to the other Party following the discovery of a breach of unsecured PHI or the discovery of any use or disclosure of the PHI obtained or maintained for mutual customers not provided for by this BAA or any Security Incident of which it becomes aware of pertaining to any of the Parties’ mutual customers. Upon discovery of a breach of the security of PHI or a Security Incident, the Party discovering the breach shall notify the other Party within five (5) business days. Such notification will contain the elements required in 45 C.F.R. § 164.410. However, for the purpose of this BAA, Security Incident shall not include “trivial incidents” that occur

on a daily basis, and that do not represent a material threat to the confidentiality, integrity, or availability of Protected Health Information (such as scans, “pings,” or unsuccessful attempts to penetrate computer networks or servers maintained by either Party).

7. **Obligations of the Parties.**

- a. *Revocation of Consent.* A Party shall notify the other Party in writing of any changes in, or revocation of, permission by covered entity or Individual to use or disclose PHI, to the extent that such changes may affect the other Party’s use or disclosure of PHI and to the extent that one of the Parties has knowledge of the revocation.
- b. *Restrictions on Use of Protected Health Information.* A Party shall notify the other Party in writing of any restriction to the use or disclosure of PHI that one of the Parties has agreed to in accordance with the HIPAA Privacy Rule, to the extent that such restriction may affect the other Party’s use or disclosure of PHI and the Party has knowledge of the restriction.
- c. Both Parties shall coordinate to ensure they each can appropriately access the PHI as needed to allow each Party to perform services for its customers. The Parties each agree not to access any PHI that is not permitted by HIPAA.

8. **Indemnification.** Each Party hereby agrees to indemnify, defend and hold harmless the other Party and its shareholders, directors, officers, partners, members, employees, agents and/or contractors against any fines, penalties, costs or expenses (including reasonable attorneys’ fees) which may be imposed upon such Party by reason of any third party claim or proceeding by a government body, which results from the Party’s breach of this BAA, including, but not limited to failure to comply with the terms and requirements of the Privacy Regulations. This indemnification obligation shall survive the termination of this BAA for any reason.

9. **Termination.**

- a. This BAA shall become effective upon commencement of the Parties’ relationship and shall continue in effect so long as either Party continues to perform certain functions under the License Agreement and/or provides certain services that qualify it as Covered Entity’s “business associate” pursuant to 45 C.F.R. § 160.103, unless terminated as provided in this Section 10.
- b. A material breach by either Party of this BAA shall provide grounds for termination of this BAA or if said Party fails to cure such breach within thirty (30) days after written notice of such breach by the other Party, which shall state with particularity the nature of the alleged breach. If the alleged breaching Party has not cured the material breach within such reasonable period of time after such notification, or if cure is not possible, the non-breaching Party shall either: (a) terminate this BAA, if feasible; or (b) if termination of this BAA is not feasible, shall report the breach to the Secretary.
- c. Upon termination of this BAA, both Parties shall return or destroy all Protected Health Information received from or created or received by the other Party pursuant to the License Agreement that Business Associate still maintains in any form. If such return or destruction is not feasible, each Party will extend the protections of this BAA to such PHI and limit further uses and disclosures to those purposes that make the return or destruction of the information not feasible. The duties hereunder to maintain the security of PHI shall survive the discontinuance of this BAA.

10. Miscellaneous.

- a. *Amendment.* This BAA may be amended or modified only in writing signed by the Parties.
- b. *Assignment.* Except as provided below, neither Party may assign (by operation of law or otherwise) this BAA (or any of its rights and obligations hereunder) without the written consent of the other Party.
- c. *Governing Law.* The laws of the State of California, excluding that body of law known as conflicts law, will govern all disputes arising out of or relating to this BAA.
- d. *Waiver of Breach.* The waiver by either Party hereto of a breach or violation of any provision of this BAA shall not operate as, or be construed to be, a waiver of any subsequent breach of the same or other provision hereof, and no waiver shall be effective unless made in writing and signed by an authorized representative of the waiving Party.
- e. *Notices.* All notices and other communications required or permitted to be given hereunder shall be given in writing and shall be delivered personally, mailed by U.S. registered or certified mail, postage prepaid, return receipt requested, or sent by nationally recognized overnight courier service, addressed to either Party at its then principal place of business. Notice shall be deemed to have been duly given on the date of delivery (if delivered personally or by nationally recognized overnight courier service) to the Party whom notice is to be given or as of the date indicated on the return receipt if delivered by U.S. registered or certified mail (or, if such notice is refused, on the date when delivery of such notice is first refused). All notices will be sent to the following addresses:

**If to Client:**

Natividad Medical Center  
Attn: CEO  
1441 Constitution Blvd  
Salinas, California 93906

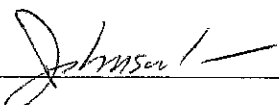
**If to Versaworks:**

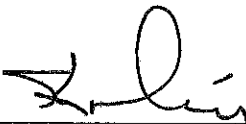
Versaworks, Inc.  
Attn: President & CEO  
2560 Mission College Blvd. Suite 140  
Santa Clara, California 95054

**IN WITNESS WHEREOF**, the Parties have hereunto set their hands as of the day and year first above written.

**Versaworks, Inc.**

**Client**

By: 

By: 

Name: Johnson Kit Son Sun

Name: Henry Weis

Title: President

Title: CEO

Appendix A

REFERENCES



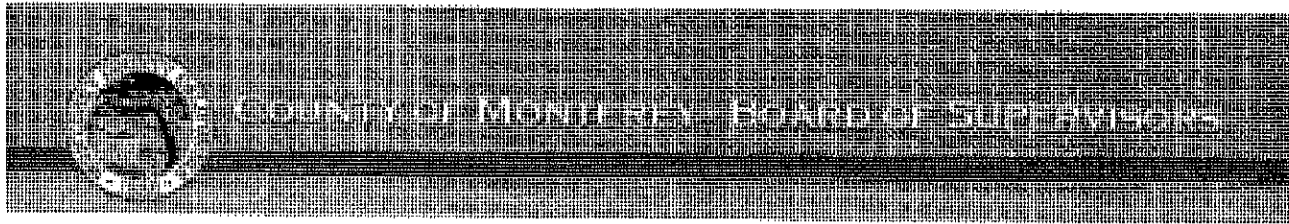
Mitchell County Hospital, Beloit, KS  
David Dick  
Administrator  
(785) 738-2266  
[administrator@mchk.com](mailto:administrator@mchk.com)



Children's Hospital Central California  
Kirk Larson  
Vice President & Chief Information Officer  
(559) 353-7375  
[klarson@childrenscentralcal.org](mailto:klarson@childrenscentralcal.org)



City of Santa Cruz  
Dan Seidel  
Superintendent  
(831) 420-6044  
[dseidel@cityofsantacruz.com](mailto:dseidel@cityofsantacruz.com)



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**File #:** A 12-099    **Version:** 1    **Name:** Versaworks Amendment #2  
**Type:** BoS Agreement    **Status:** Consent Agenda  
**File created:** 5/18/2012    **In control:** Board of Supervisors  
**On agenda:** 6/12/2012    **Final action:**

**Title:** Authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute Amendment No. 2 to the Agreement (A-11891) with Versaworks Inc. for Professional Information Technology Services at NMC, extending the Agreement to June 30, 2013 and adding \$1,845,750 for Fiscal Year (FY) 2012-13 for a revised total Agreement amount not to exceed \$5,078,650 in the aggregate.

**Attachments:** [Versaworks Inc](#)

[History \(0\)](#)    [Text](#)

**Title**

Authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute Amendment No. 2 to the Agreement (A-11891) with Versaworks Inc. for Professional Information Technology Services at NMC, extending the Agreement to June 30, 2013 and adding \$1,845,750 for Fiscal Year (FY) 2012-13 for a revised total Agreement amount not to exceed \$5,078,650 in the aggregate.

**Body**

**RECOMMENDATION:**

It is recommended the Board of Supervisors Authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute Amendment No. 2 to the Agreement (A-11891) with Versaworks Inc. for Professional Information Technology Services at NMC, extending the Agreement to June 30, 2013 and adding \$1,845,750 for Fiscal Year (FY) 2012-13 for a revised total Agreement amount not to exceed \$5,078,650 in the aggregate.

**SUMMARY/DISCUSSION:**

As NMC continues to enhance its information technology capabilities in the Electronic Medical Record and IT infrastructure, a need has been identified for additional technical clinical and non-clinical resources. The recommendation is to engage Versaworks, a company with a strong reputation for providing highly competent information technology services. Versaworks was first contracted by NMC in November of 2010. Accomplishments' to date include.

**Business Applications Interoperability & Integration**

- \* Picis reconfiguration and optimization for Inpatient, Outpatient and Moderate Sedation redesign. Implemented e-signature for Case Records, created custom reports and new case record. Working on process development for materials to interface into Picis where they can be tracked and transmitted back to Meditech for billing; (July 2011-current)
- \* Streamlined CGI Advantage ERP notification process for Accounting and Material Management (July 2011)
- \* Implemented backup solution for Blood Bank History (March, 2012 - April, 2012)
- \* Configured Nighthawk VPN tunnel for direct PACS study access bypassing SVR as a dependency to Nighthawk for third party viewing of radiology images. Established direct connectivity with SVR and NMC PACS systems through a site to site VPN tunnel. This allows NMC and SVR to send and receive studies between NMC and SVR bypassing

- Radworks when situations require such as Radworks outages. (July 2011 - Aug 2011)
- \* Deployed PICIS OR manager to 74 mobile workstations (Oct 2011)

#### **Clinical Business Applications Implementation & Rollout**

- \* Implemented HIPAA 5010 Standard for electronic transmission of health care transactions - Prerequisite for ICD-10.
- \* ICD-10 project preparation and planning - Formed project team, currently performing vendor analysis for documentation, financial impact, education assessments and training tools. (Feb 2012 to On-going)
- \* Complete Ambulatory Management RFP including vendor analysis and vendor selection process (Aug 2011 - March 2012)
- \* Meaningful Use (Stage 1) - On track to complete 14 Core Measure and 5 Menu Set Measures which includes 15 Clinical Quality Measures - Goal is to attest to Medicaid Meaningful Use Stage 1 in June 2012. (July 2011 to Current)
- \* Rolled out Pre-Newborn registration to ensure newborns have an assigned account number prior to birth. (Aug 2011 - Feb 2012)

#### **IT Infrastructure and Business Applications Implementation**

- \* Migrated entire NMC virtual infrastructure and virtual desktop infrastructure (VDI) to HP Blade Environment. New blade environment provides highly available and redundant computing capacity for 240 CPUs and 1.4TB of RAM. NMC is currently running over 250+ Virtual machines, and decommissioned over 4 full server rack cabinets, 300 pieces of copper Ethernet, and 80 physical servers. (July 2011 to current)
- \* Upgraded NMC virtual infrastructure and virtual desktop infrastructure from vSphere 4 to vSphere 5. NMC's internal CLOUD environment now uses the latest and most advanced cloud computing product available worldwide. vSphere 5 brings a whole host of new features including support for windows 7 aero for VDI, Storage DRS for real-time storage resource load balancing, and enhanced security such as built-in hypervisor firewalls. (July 2011 to current)
- \* Finished Wireless deployment of Cisco Wireless Control System, 4 wireless controllers, 1 wireless guest anchor controller, 1 mobility services engine, and over 176 lightweight wireless access points. Implemented to scale building diagrams for wireless coverage tracking with heatmaps. Implemented location services for real-time tracking of all wireless devices. Resolved all major interference issues in clinical areas such as ER and LDU. (Jan 2011 to Nov 2011)
- \* Managed the roll out of OnBase enterprise content management systems at BAR, Admin and Records & Retention (July 2011 - on-going)
- \* Managed and supported with building the new Records and Retention function at Natividad (July 2011 - on-going)
- \* Managed the Implementation of Virtual Desktop Infrastructure (VDI) for workstation hardware refresh project. Replaced and virtualized 130 workstations across various departments such as SPC, ADM, BAR, LDU, OPT, MDR and training rooms (July 2011 to on-going)
- \* Managed the upgrade of the Kronos Timekeeping to version 6.2 (July 2011)

#### **Datacenter Implementation**

- \* Implemented Meditech IDR backups. Reduced recovery point objective "RPO" from 24 hours to 4 hours on all Meditech systems. (July 2011 to current)
- \* Deployed redundant storage area network (SAN) for fiber channel connectivity and Netapp FAS3140 Filers providing 64 TB of usable storage. (July 2011 - Sept 2011)
- \* Configured new T1 circuit and T1 extension for HCIN (Health Care Interpreter Network) MPLS network upgrade. Provided NMC remote connectivity to the HCIN network. Configured T1 crossover for HCIN to NMC's new VOIP System for incoming interpreter calls. (Jan 2012 - Mar 2012)
- \* Reconfigured NMC Wireless infrastructure to support VOIP. Provided wireless connectivity and voice connectivity for over 70x 7925 Cordless/wireless Phones.
- \* Stood up and configured 2x HP C7000 Blade chassis for future virtual infrastructure and virtual desktop infrastructure clusters. (Nov 2011 - Dec 2011)
- \* Configured multicast routing across the enterprise to support features such as UCS music on hold, cisco video conferencing, Tandberg video conferencing and multicast software deployment (Oct 2011 - Dec 2011)

- \* Staged/configured/built all UCS hardware for VOIP deployment. Performed datacenter consolidation and cleanup of MDF and Datacenter for VOIP project. (July 2011 - current)
- \* Information Systems Security
- \* Implemented enterprise wide Quality of Service (QOS) across 150 network infrastructure devices and over 2000+ switch ports. Ensured mission critical performance guarantees for critical voice traffic. (Aug 2011 - Dec 2011)
- \* Configured Application and service level monitoring through Orion Server & Application Monitor. NMC now proactively monitors over 50 network applications running on application servers, database servers, and web servers. This enables NMC IT to respond to application outage conditions before the customer reports errors. (Jan 2012 - April 2012)
- \* Built and configured Infant Security private network for new Infant security system (July 2012)
- \* Coordinated an external IT security assessment being conducted by RedSpin (Jan 2012 - on-going)

#### IT Operations Management

- \* Provided day-to-day operational guidance and oversight on all infrastructure and hardware-related projects (July 2011 to current)
- \* Provided strategic guidance and oversight on clinical and non-clinical application-related projects (July 2011 to current)
- \* Completed remote data center technical architecture and vendor selection process (July 2011 to current)
- \* Implemented new Tiered-level Helpdesk support structure and process (July 2011 - Sept 2011)
- \* Led IT team to achieve high customer satisfaction scores from NMC internal survey. (July 2011 - January 2012)

#### Clinical Reporting platform development

- \* Built new Meditech Data Repository (DR) server. Provided highly scalable and highly available SQL database server environment for Meditech data warehousing purposes. Reduced query time from minutes to seconds. (July 2011 - April 2012)
- \* Rolled out new Contract Management Dashboard and data entry tool for contract tracking (Dec 2011 - March 2012)
- \* Developed new report dashboard for Daily Census (July - Sep 2011)
- \* Develop custom reports for Picis
- \* Develop custom reports dashboard for ATB (Aged Trial Balance) for BAR (Mar 2102 - April 2012)
- \* Develop new Report dashboard for Admitting (July 2011 - Sept 2011)
- \* Completed the software development for porting EPIC/Meditech Lab interface backend to Microsoft SQL (Oct 2011 - Dec 2011)
- \* Systems and Application Monitoring
- \* Systems and Application Monitoring was not implemented as NMC decided to delay the purchase and implementation of the Microsoft System Center Operations Manager (SCOM) software.

#### IT Infrastructure Implementation

- \* Deployed LANDesk imaging and operating system deployment software. Helpdesk technicians can now reimage or provision any machine whether a workstation or a laptop from anywhere on our network. This greatly reduced the manual intervention required to bring machines into compliance or provisioning new hardware for all departments. (July 2011 - Current)
- \* Implemented and deployed additional Numara instances for Admin Rounding and Records & Retention (July 2011 - Jan 2012)
- \* Implemented LANDesk system management software on over 1000 workstations. Provided asset/inventory management, license management, software management, and security remediation. (July 2011 - Aug 2011)

Over the next year, Versaworks will provide both clinical and non-clinical technical resources which will include but not be limited to: principle solutions architect, clinical IT project manager, data center implementation engineer, network &

security architect, data warehouse engineer and IT systems implementation specialist - please see attached Statement of Work (SOW) for more detail.

Versaworks is committed to NMC's long range IT roadmap and by engaging Versaworks, important strategies and goals will be met.

**OTHER AGENCY INVOLVEMENT:**

County Counsel has reviewed and approved this Amendment as to legal form and risk provisions. Auditor-Controller has reviewed and approved this Amendment as to fiscal provisions. The Amendment has also been reviewed and approved by Natividad Medical Center's Board of Trustees.

**FINANCING:**

The cost for this Amendment is \$1,845,750 and is included in the Fiscal Year 2012/2013 Recommended Budget. There is no impact to the General Fund.

Prepared by: Jim Fenstermaker, Chief Information Officer, 783-2559  
Approved by: Harry Weis, Chief Executive Officer, 783-2553

Attachments: Agreement, Amendments 1 and 2.





## Monterey County

168 West Alisal Street,  
1st Floor  
Salinas, CA 93901  
831.755.5066

### Board Order

BoS Agreement: A 12-099

#### Agreement No. A-11891

Upon motion of Supervisor Salinas, seconded by Supervisor Armenta, and carried by those members present, the Board of Supervisors hereby:

Authorized the Purchasing Manager for Natividad Medical Center (NMC) to execute Amendment No. 2 to the Agreement (A-11891) with Versaworks Inc. for Professional Information Technology Services at NMC, extending the Agreement to June 30, 2013 and adding \$1,845,750 for Fiscal Year (FY) 2012-13 for a revised total Agreement amount not to exceed \$5,078,650 in the aggregate.

PASSED AND ADOPTED on this 12th day of June 2012, by the following vote, to-wit:

AYES: Supervisors Armenta, Calcagno, Salinas, Parker, and Potter

NOES: None

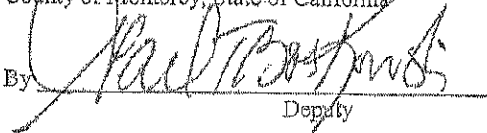
ABSENT: None

I, Gail T. Borkowski, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 76 for the meeting on June 12, 2012.

Dated: June 25, 2012  
File Number: A 12-099

Gail T. Borkowski, Clerk of the Board of Supervisors  
County of Monterey, State of California

By



Deputy

**AMENDMENT NO. 2  
FOR PROFESSIONAL SERVICES AGREEMENT  
BETWEEN Versaworks Inc. AND  
THE NATIVIDAD MEDICAL CENTER  
FOR  
Professional Information Technology Services**

**THIS AMENDMENT NO. 2** to the Professional Services Agreement ("Agreement"), dated November 1, 2010 between the County of Monterey, on behalf of Natividad Medical Center ("NMC"), and Versaworks Inc. (Contractor), is hereby entered into agree to amend their Agreement (No. A-11891) on the following terms and conditions:

**WHEREAS**, the County and Contractor wish to amend the Agreement to extend the term end date to allow for existing services to continue and to add additional services requested by County.

**WHEREAS**, the County and Contractor wish to amend the Agreement to increase the amount of the Agreement because of the term extension and the increase in the amount payable for services rendered.

**WHEREAS**, the County and Contractor amended the Agreement previously on July 1, 2011 via Amendment No. 1.

**NOW, THEREFORE**, the parties agree to amend the Agreement as follows:

1. Exhibit A to the Agreement is replaced with Amendment-2 to Exhibit A, attached to this Amendment. All references in the Agreement to Exhibit A shall be construed to refer to Amendment No. 1 to Exhibit A.
2. Section 2. "PAYMENTS BY NMC" shall be amended by removing, "*The total amount payable by NMC to CONTRACTOR under this Agreement shall not exceed the sum of \$832,000.*" and replacing it with "*The total amount payable by County to CONTRACTOR under Agreement No. A-11891 shall not exceed the total sum of \$5,078,650 for the full term of the Agreement and \$1,845,750 for fiscal year 2012-2013.*"
3. Section 3. "TERM OF AGREEMENT" shall be amended by removing, "*The term of this Agreement is from November 1, 2010 to June 30, 2011 unless sooner terminated pursuant to this Agreement*" and replacing it with "*The term of this Agreement is from November 1, 2010 to June 30, 2013 unless sooner terminated pursuant to this Agreement.*"
4. **New Section: 1.1. Section 1.1 is hereby added to the Agreement to read in its entirety as follows:**

**1.1 Time of Work.** CONTRACTOR shall provide such services as CONTRACTOR deems necessary and reasonable to complete the specific services described in **Exhibit A** but is not required to perform services at any particular time. NMC shall not have first right to CONTRACTOR'S time."
5. **New Section: 1.2. Section 1.2 is hereby added to the Agreement to read in its entirety as follows:**

**1.2 Method of Performing Services.** CONTRACTOR will determine the method, details, and means of performing the services described in **Exhibit A** by CONTRACTOR or any of CONTRACTOR'S employees. NMC shall have no right to, and shall not, control the manner or determine the method of accomplishing CONTRACTOR'S services."
6. **New Section: 5.4. Section 5.4 is hereby added to the Agreement to read in its entirety as follows:**

**5.4 Performance Requirements.** The services must be performed in full compliance at all times with the requirements of this Agreement and to the satisfaction of NMC."
7. **New Section: 5.5. Section 5.5 is hereby added to the Agreement to read in its entirety as follows:**

**5.5 Violation of Performance Requirements.** NMC will be obligated to pay CONTRACTOR only for services actually performed. If CONTRACTOR fails to perform any services in accordance with this Agreement, CONTRACTOR shall, if practicable, re-perform the services at no cost to NMC, or if the services cannot practicably be re-performed, then NMC shall be entitled to deduct from CONTRACTOR'S invoice an amount equal to the equitable difference in value to NMC between the required services and the services actually performed by

Contractor. NMC's remedies set forth in this Section 5.5 shall be in addition to any other remedies available to NMC pursuant to this Agreement or otherwise available pursuant to applicable law or in equity. At any time that CONTRACTOR does not or is unable to perform the services in full compliance, NMC shall have the right to provide any services with its own employees or by the engagement of another vendor regardless of whether NMC elects to terminate this Agreement. If NMC deems it necessary to provide services by use of its employees or another vendor, CONTRACTOR shall reimburse NMC's actual expenses for providing such services if CONTRACTOR was required to provide the services under the terms of the Agreement."

**8. New Section: 5.6. Section 5.6 is hereby added to the Agreement to read in its entirety as follows:**

**"5.6 Contractor Staff Approval.** NMC shall have the right to disapprove of any member of CONTRACTOR'S staff assigned to perform services under this Agreement."

**9. New Section: 13.1. Section 13.1 is hereby added to the Agreement to read in its entirety as follows:**

**"13.2 Employment Related Claims.** CONTRACTOR agrees that it shall be solely responsible for the direction, supervision, counseling and discipline of its employees, including the conducting of informal and formal performance evaluations. CONTRACTOR agrees to be solely responsible for all matters relating to compensation of its employees, subcontractors, agents, partners or consultants including but not limited to compliance with federal and state and local wage and hours laws, laws governing workers' compensation, Social Security, lay-off or termination compensation, withholding and payment of any and all federal, state and local personal income taxes, disability/death insurance, unemployment, and any other taxes for such persons, including any related employer assessment or contributions required by law, and all other regulations governing such matters, and the payment of all salary, vacation and other employee benefits. At CONTRACTOR'S expense as described herein, Contractor agrees to defend, indemnify, and hold harmless NMC, its officers, agents, employees, members, subsidiaries, parent, affiliates, and successors in interest from and against any claim, demand, action, proceeding, threatened or actual, judgment, liability, loss, damage, cost, or expense, including, without limitation, attorneys' fees as provided herein arising out of CONTRACTOR's or NMC's alleged failure to pay, when due, all such compensation, premiums, taxes and obligations and including any claim of whatever nature brought by any employee of CONTRACTOR of applicant for employment, arising out of the hiring, or failure to hire the employee/applicant, or arising out of any aspect of his/her employment by CONTRACTOR and the termination thereof (collectively referred to for purposes of this Section as "Employment Claim(s)"). Contractor shall pay to NMC any expenses or charges relating to or arising from any such Employment Claim(s) as they are incurred by NMC."

**10. New Section: 13.2. Section 13.2 is hereby added to the Agreement to read in its entirety as follows:**

**"13.3 Common-Law Employees.** The foregoing shall apply to CONTRACTOR and CONTRACTOR's employees and agents even if CONTRACTOR or any of CONTRACTOR's employees or agents is subsequently reclassified by any court or governmental agency as a common-law employee for periods during which services were performed under this Agreement."

**11. Section 15.7 to the Agreement is hereby amended to read in its entirety as follows:**

**"15.7 Successors and Assigns.** This Agreement and the rights, privileges, duties, and obligations of NMC 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. Any purported assignment or delegation not consented to by NMC shall be void at NMC's option and shall constitute a material breach of this Agreement."

**12. New Section: 15.17. Section 15.17 is hereby added to the Agreement to read in its entirety as follows:**

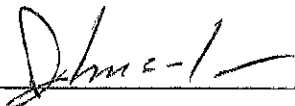
**"15.17 Authority.** CONTRACTOR has the full power, capacity and authority to enter into and perform this Agreement and to make the grant of rights contained herein, and CONTRACTOR'S performance of this Agreement does not violate or conflict with any agreement to which CONTRACTOR is a party; Contractor further represents that there is no pending or threatened litigation that would have a material adverse impact on its performance under this Agreement."

**13. All other terms and conditions of the Agreement shall continue in full force and effect. Except as provided herein, all remaining terms, conditions and provisions of the Agreement and Amendment No. 1 are unchanged and unaffected by this Amendment and shall continue in full force and effect as set forth in the Agreement.**

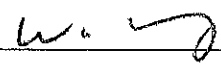
**14. A copy of this Amendment and all previous amendments shall be attached to the original Agreement (No. A-11891).**

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

**CONTRACTOR**

Signature 1  Dated 3/29/2012

Printed Name Johnson Kit Son Sam Title President

Signature 2  Dated 3/29/2012

Printed Name Wilb Wang Title VP of Engineering

*\*\*\*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 and individual capacity, the individual shall set forth the name of the business, if any and shall personally sign the Agreement.*

**NATIVIDAD MEDICAL CENTER**

Signature  Dated 6-14-12  
Purchasing Manager

Signature  Dated 4/3/12  
NMC - CEO

**Approved as to Legality and Legal Form:**

Charles J. McKee, County Counsel

By \_\_\_\_\_

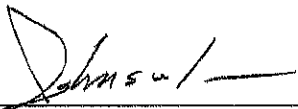
Stacy Saetta, Deputy  
Attorneys for County and NMC

Dated: \_\_\_\_\_, 2012

15. The effective date of this Amendment is July 1, 2012.

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

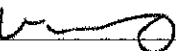
**CONTRACTOR**

Signature 1 

Dated 5/14/2012

Printed Name Johnson Kit San Sun

Title President

Signature 2 

Dated 5/14/2012

Printed Name Wilbur Wong

Title VP of Engineering

*\*\*\*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 and individual capacity, the individual shall set forth the name of the business, if any and shall personally sign the Agreement.*

**NATIVIDAD MEDICAL CENTER**

Signature   
Purchasing Manager

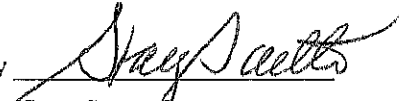
Dated 7-22-12

Signature \_\_\_\_\_  
NMC - CEO

Dated \_\_\_\_\_

**Approved as to Legality and Legal Form:**

Charles J. McKee, County Counsel

By   
Stacy Saetta, Deputy  
Attorneys for County and NMC

Dated: 5/15, 2012



Natividad Medical Center

## Amendment-2 to Exhibit A

(Statement of Work)

Submitted by:

Versaworks, Inc.  
2560 Mission College Blvd. Ste 140  
Santa Clara, CA 95054

Tel: (408) 780-0230

Created: March 29, 2012

Revised:

Version: 2.0

Versaworks

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## 1 EXECUTIVE SUMMARY

Versaworks, Inc. ("Versaworks") is pleased to present this Statement of Work (SOW) proposal which defines the services and deliverables that Versaworks shall provide to Natividad Medical Center ("Customer") under the terms of the Professional Services Agreement (the "Agreement") made between Natividad Medical Center ("Customer") and Versaworks, Inc. ("Versaworks").

## 2 SCOPE OF WORK

This section describes the scope of work for Professional Services to support the projects listed below in section 2.1

### 2.1 PROJECT AND PRICING SUMMARY

ID	Project	Resource	Hourly Rate <sup>1</sup>	Estimated Hours	Total
1	Meditech Disaster Recovery and Datacenter Implementation	Sr. Systems Engineer	\$175	1,500	\$262,500
2	Data Analytics and Platform Integration	Principal Project Manager	\$175	1,200	\$210,000
3	Authority Model	Principal Project Manager	\$175	250	\$43,750
4	Network Security and Infrastructure	Sr. Network Engineer	\$175	1,500	\$262,500
5	IT Operations Management	Sr. Management Consultant	\$200	1,600	\$320,000
6	Quality and Compliance Reporting Development	Software Engineer	\$150	1,500	\$225,000
7	MEDITECH Financial and Operational Reporting Development	Software Engineer	\$150	1,500	\$225,000
8	Systems and Applications Implementation and Support	IT Implementation Specialist	\$165	1,800	\$297,000
				<b>Total</b>	<b>\$1,845,750</b>



## 2.2 SCOPE OF SERVICES

### 2.2.1 MEDITECH Disaster Recovery and Datacenter Implementation

<u>Project ID</u>	1
<u>Project Name</u>	MEDITECH Disaster Recovery and Datacenter Implementation
<u>Resource</u>	Senior Systems Engineer

#### Project Description

Natividad's current HCIS system, MEDITECH is hosted in its own datacenter on campus. As the hospital continues to pursue its EMR initiative, it is imperative to implement a complete restoral and recovery mechanism for the MEDITECH system; including the ability to fail over to a remote disaster recovery datacenter in the event of a major failure at its primary on campus datacenter. To achieve full business continuity, the failover and recoverability requirements will need to include other major mission critical applications such as Picis, Corepoint, SoftMed, Kronos, Email and OnBase. The "**Senior Systems Engineer**" will be responsible for developing a disaster recovery mechanism for the following mission critical applications.

#### Project Scope

- o Develop and implement a full MEDITECH Restoral and Recovery mechanism
- o Design and validate the recovery and failover capability of MEDITECH to a remote datacenter
- o Design and validate the recovery and failover capability of the following mission critical applications:
  - SoftMed
  - Picis
  - Kronos
  - Microsoft Exchange Email
  - OnBase
  - Corepoint Interface Engine

### 2.2.2 Data Analytics and Platform Integration

<u>Project ID</u>	2
<u>Project Name</u>	Data Analytics and Platform Integration
<u>Resource</u>	Principle Project Manager

#### Project Description

**2.2.2a** Natividad Medical Center is currently on its path to pursue EMR Meaningful Use. Today, the sources of patient data (that do exist) reside on many disparate systems and databases. The Clinical Quality

Measure (CQM) is a key component of the EMR Meaningful Use requirement in Stage 1 and Stage 2. The number of Clinical Quality Measures will increase significantly going into Stage 2. In order to prepare the hospital to meet the CMS reporting requirements, a Data Analytics platform must be developed. The purpose of the Data Analytics platform is to enable the aggregation of all patient data from disparate sources into a single data repository. The “**Principle Project Manager**” will be responsible for managing all phases of the Data Analytics platform and Report development.

**2.2.2b** Over the past 2 years, Natividad has significantly expanded its network infrastructure and upgraded many of its legacy IT systems. The hospital IT system is shifting from a decentralized model to a centralized model to enable interoperability, improve efficiency and reduce cost. The hospital is in the process of integrating existing systems and new systems that are being planned for next year. The “**Principle Project Manager**” will be responsible for managing all systems integration projects.

### Project Scope

#### **2.2.2c Data Analytics**

- Each Data Analytics platform development cycle/iteration will consist of the following phases:
  - Requirement Phase
  - Inception Phase
  - Elaboration and Construction Phase
  - QA and UAT Phase
  - Completion
- Requirement Phase Project Management - Identify business requirement, document User Story and develop Feature Brief documentation
- Inception Phase Project Management – Develop Scope definition, identify project resources and establish milestones and timeline
- Elaboration and Construction Phase Project Management – Managing Coding and Testing schedule
- QA and UAT Phase Project Management – Coordinate User Testing and Acceptance
- Completion Phase Project Management – Obtain business stake holder sign off, coordinate production rollout and end user training

#### **2.2.2d Platform Integration**

- Proposed Integration projects:
  - Kronos Workforce TimeKeeper and CGI Advantage ERP
  - OnBase Enterprise Content Management and Microsoft SharePoint Collaboration platform
  - OnBase Enterprise Content Management and MEDITECH
  - Nurse Call System and Cisco VoIP Phone System
  - Vocera Voice Badge System and Cisco VoIP Phone System
- Develop project plan and milestone deliverables for all identified systems and application integration projects

- Manage requirement gathering, identify system capabilities and document feature requirements and workflow changes
- Manage production rollout schedule and coordinate end user training
- Manage vendor(s) to ensure accurate configurations of integrated systems

**2.2.3 Authority Model**

<u>Project ID</u>	3
<u>Project Name</u>	Authority Model
<u>Resource</u>	Principle Project Manager

**Project Description**

NMC has received approval in principle to move to become a Public Hospital Authority. There is significant amount of due diligence to be conducted in order to develop a plan that would support a new business model as a public hospital authority. The “**Principle Project Manager**” will support the project team in managing the project deliverables and milestones and facilitating the communication amongst all internal and external departments and key stake holders.

**Project Scope**

- Develop and maintain a master project schedule
- Document and manage departmental deliverables and milestones
- Provide regular updates to senior leadership team on the project status and progress
- Manage and coordinate regular and ad-hoc meetings with internal and external departments and key stake holders

**2.2.4 Network Security and Infrastructure**

<u>Project ID</u>	4
<u>Project Name</u>	Network Security and Infrastructure
<u>Resource</u>	Sr. Network Engineer

**Project Description**

Security is a critical component of supporting a Hospital grade network environment and is paramount to ensure continuous high availability of services and to safeguard Protected Health Information (PHI). As NMC continues to upgrade its legacy systems and implement new business applications, its network infrastructure and computing environment have grown further and become more sophisticated. With the adoption of

Electronic Medical Record, more and more patient information is being stored electronically; and therefore, its Information Security needs to be further enhanced in order to provide the necessary protection for the hospital network and data. The “**Senior Network Engineer**” will be responsible for implementing the following network and infrastructure enhancement and security remediation.

### Project Scope

- Develop and implement regular security patching process
- Develop and implement a mobile device management process
- Develop and implement 2-factor VPN authentication process
- Review and optimize MEDITECH remote access management process
- Work with third party Security Audit vendor(s) to conduct risk and vulnerability assessment
- Review and monitor network security logs and implement remediation measure

### 2.2.5 IT Operations Management

<u>Project ID</u>	5
<u>Project Name</u>	IT Operations Management
<u>Resource</u>	Sr. Management Consultant

### Project Description

Service Operation has been a key component of the IT mission in providing best in class services to all users in the hospital. The function of the “IT Operations Management” role is to augment the IT leadership team in guiding the IT Operations and Business Applications teams on infrastructure build out and Clinical Applications implementations to support the EMR initiatives. The “**Sr. Management Consultant**” will be delivering the following services defined in the project scope.

### Project Scope

- Provide day-to-day guidance and oversight on all network infrastructure, systems computing and IT Service Delivery Operations
- Provide strategic guidance and oversight on clinical and non-clinical application-related projects
- Develop and implement a disaster recovery and business continuity plan for MEDITECH and other mission critical business applications
- Establish IT Service Delivery Operational standards; implement and monitor service level metrics
- Establish and implement Information Security standards and policies
- Develop Service Excellency methodology in providing Service Delivery and Support to all hospital users
- Develop a strategy and road map to elevate the skills and competencies of the in-house IT staff

**2.2.6 Quality and Compliance Reporting Development**

<u>Project ID</u>	6
<u>Project Name</u>	Quality and Compliance Reporting Development
<u>Resource</u>	Software Engineer

**Project Description**

Build and implement a Data Analytics platform in order to produce Clinical Quality Measure (CQM) and Compliance Reports for CMS, CDC, LIHP, OSHA, CDPH and other regulatory bodies. The **“Software Engineer”** will be delivering the following services defined in the project scope below.

**Project Scope**

- Develop Clinical Quality Measure (CQM) reports for Meaningful Use stage 1
- Develop Clinical Quality Measure (CQM) reports for Meaningful Use stage 2
- Develop program reports for LIHP
- Develop Compliance reports for CDC, OSHA, CDPH and other regulatory bodies

**2.2.7 MEDITECH Financial and Operational Reporting Development**

<u>Project ID</u>	7
<u>Project Name</u>	MEDITECH Financial and Operational Reporting Development
<u>Resource</u>	Software Engineer

**Project Description**

Build and implement a Data Analytics platform in order to produce Financial and Operational reports from MEDITECH. The **“Software Engineer”** will be delivering the following services defined in the project scope below.

**Project Scope**

- Develop Financial Reports for Material Management
- Develop Financial Reports for Revenue Cycle
- Develop Financial Reports for Accounts Payable
- Develop Operational Reports for various Clinical and Business units

**2.2.8 Systems and Applications Implementation and Support**

<u>Project ID</u>	8
<u>Project Name</u>	Systems and Applications Implementation and Support
<u>Resource</u>	IT Implementation Specialist

**Project Description**

Natividad currently has approximately 700 workstations with 1000+ users. The hospital is in the process of integrating existing systems and new systems that are being planned for next year. The “**IT Implementation Specialist**” will implement and support a number IT systems integration projects and also provide operational support to existing systems and application optimization projects.

**Project Scope**

- Implement and support Microsoft SharePoint integration with OnBase
- Implement and support Nurse Call integration with Cisco VoIP phone system
- Implement and support Vocera voice badge system integration with Cisco VoIP phone system
- Implement and support RFID system integration with Cisco VoIP phone system
- Implement and support Kronos TimeKeeper integration with CGI Advantage ERP
- Implement and support Numara Service Desk upgrade and new department rollout

Appendix A

**Customer Acceptance**

The customer, by signing below, indicates that the Statement of Work (SOW) has been read and the terms outlined within have been accepted. Upon acceptance of this Statement of Work (SOW), Customer shall issue a written Purchase Order to Versaworks, for the total amount of **\$1,845,750**.

Versaworks, Inc.

Signature: \_\_\_\_\_

Name: Johnson Kit Son Sun

Title: President

Date: 3/29/2012

Customer

Signature: \_\_\_\_\_

Name: Henry Wei

Title: CEO

Date: 4/2/12

MONTEREY COUNTY BOARD OF SUPERVISORS

<b>MEETING:</b>	July 12, 2011	<b>AGENDA NO.:</b>
<b>SUBJECT:</b>	Authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute Amendment #1 to the Agreement (#A-11891) with Versaworks Inc. for Professional Information Technology Services at NMC in an amount not to exceed \$3,232,900 in the aggregate and \$2,400,000 for the period July 1, 2011 to June 30, 2012.	
<b>DEPARTMENT:</b>	Natividad Medical Center	

**RECOMMENDATION:**

It is recommended the Board of Supervisors authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute Amendment #1 to the Agreement (#A-11891) with Versaworks Inc. for Professional Information Technology Services at NMC in an amount not to exceed \$3,232,900 in the aggregate and \$2,400,000 for the period July 1, 2011 to June 30, 2012.

**SUMMARY/DISCUSSION:**


As NMC continues to enhance its information technology capabilities in the Electronic Medical Record and IT infrastructure, a need has been identified for additional technical clinical and non-clinical resources. The recommendation is to engage Versaworks, a company with a strong reputation for providing highly competent information technology services. Over the next year, Versaworks will provide both clinical and non-clinical technical resources which will include but not be limited to: principle solutions architect, clinical IT project manager, data center implementation engineer, network & security architect, data warehouse engineer and IT systems implementation specialist - please see attached Statement of Work (SOW) for more detail. Versaworks is committed to NMC's long range IT roadmap and by engaging Versaworks, important strategies and goals will be met.

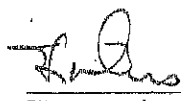
**OTHER AGENCY INVOLVEMENT:**

The Amendment has been reviewed and approved by County Counsel, the Auditor/Controller's office, and the Natividad Medical Center Board of Trustees' Finance Committee.

**FINANCING:**

The cost for this Amendment is \$2,400,000 and is included in the Fiscal Year 2011/2012 Recommended Budget. This action will not require any additional General Fund subsidy.

Prepared by:   
Jim Fenstermaker 796-1647  
Interim Chief Information Officer  
May 23, 2011

  
\_\_\_\_\_  
Harry Weis  
Chief Executive Officer

Attachments: Amendment #1, Revised SOW, Agreement, Board Order  
Attachments are on file with the Clerk of the Board



Before the Board of Supervisors in and for the  
County of Monterey, State of California

Agreement No. A-11891

Authorize the Purchasing Manager for Natividad )  
Medical Center (NMC) to execute Amendment No. 1 )  
to the Agreement No. A-11891 with Versaworks Inc. )  
for Professional Information Technology Services at )  
NMC in an amount not to exceed \$3,232,900 in the )  
aggregate and \$2,400,000 for the period July 1, 2011 to )  
June 30, 2012..... )

Upon motion of Supervisor Calcagno, seconded by Supervisor Armenta, and carried by those  
members present, the Board hereby;

Authorized the Purchasing Manager for Natividad Medical Center (NMC) to  
execute Amendment No. 1 to the Agreement No. A-11891 with Versaworks Inc.  
for Professional Information Technology Services at NMC in an amount not to  
exceed \$3,232,900 in the aggregate and \$2,400,000 for the period July 1, 2011 to  
June 30, 2012.

PASSED AND ADOPTED on this 12<sup>th</sup> day of July, 2011, by the following vote, to wit:

AYES: Supervisors Armenta, Calcagno, Salinas, Parker, and Potter

NOES: None

ABSENT: None

I, Gail T. Borkowski, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby  
certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the  
minutes thereof of Minute Book 75 for the meeting on July 12, 2011.

Dated: July 13, 2011

Gail T. Borkowski, Clerk of the Board of Supervisors  
County of Monterey, State of California

By Christ A. Mue  
Deputy

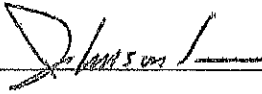
**RENEWAL AMENDMENT NO. 1  
FOR PROFESSIONAL SERVICE AGREEMENT  
BETWEEN Versaworks Inc AND  
THE NATIVIDAD MEDICAL CENTER  
FOR  
Professional Information Technology Services**

The parties to Professional Service Agreement, dated November 1, 2010 between the County of Monterey, on behalf of Natividad Medical Center ("NMC"), and Versaworks Inc (Contractor), hereby agree to renew their Agreement No. (A-11891) on the following terms and conditions:


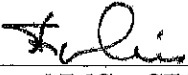
1. Contractor will continue to provide NMC with the same scope of service as stated in the original Agreement No. (A-11891). Additionally, the Contractor will provide the services described in Attachment A attached to this Amendment #1.
2. This Amendment shall become effective on July 1, 2011 and shall continue in full force until June 30, 2012.
3. The total amount payable by County to Contractor under Agreement No. (A-11891) shall not exceed the total sum of \$3,232,900 for the full term of the Agreement and \$2,400,000 for fiscal year 2011-2012.
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. (A-11891).

**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**

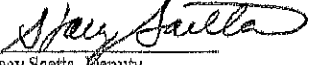
Signature  Dated 6/7/2011  
 Printed Name Johnson Kit Son Sun Title President

**NATIVIDAD MEDICAL CENTER**


Signature  Dated 6-29-11  
 Purchasing Manager  
 Signature  Dated 6/2/11  
 NMC - CEO

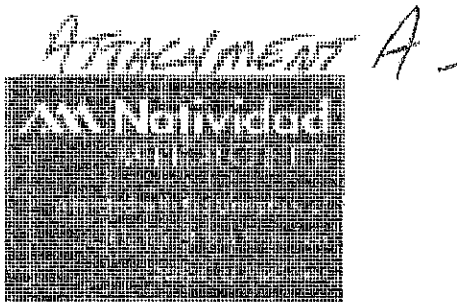
Approved as to Legal Form:

Charles J. McKee, County Counsel

By   
 Stacy Saetta, Deputy  
 Attorneys for County and NMC

Dated: 6/10, 2011

Reviewed as to fiscal provisions  
  
 Auditor-Controller  
 County of Monterey  
 6-10-11



Natividad Medical Center  
IT Consulting Services

Statement of work

Submitted by:

Versaworks, Inc.  
2946 Monte Cresta Dr  
Belmont, CA 94002  
(650) 489-6114

Created: March 20, 2011

Revised:

Version: 1.0



Versaworks

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## 1 EXECUTIVE SUMMARY

Versaworks, Inc. ("Versaworks") is pleased to present this Statement of Work (SOW) proposal which defines the services and deliverables that Versaworks shall provide to Natividad Medical Center ("Customer") under the terms of the Professional Services Agreement (the "Agreement") made between Natividad Medical Center ("Customer") and Versaworks, Inc. ("Versaworks").

## 2 SCOPE OF WORK

This section describes the scope of work for Professional Services to support the projects listed below in section 2.1

### 2.1 PROJECT AND PRICING SUMMARY

ID	Project	Resource	Hourly Rate	Estimated Hours	Total	Notes	
1	Business Applications Interoperability & Integration (Picis, Pyxis, OBIX, Advantage, Meditech, Patient Keeper, SoftMed)	Principle Solution Architect	\$175	1880	\$329,000	40 hr/wk	12 month
2	Clinical Business Applications Implementation & Rollout (PatientKeeper, SoftMed, Ambulatory Practice Mgmt, Zynx, Dr. First)	Clinical IT Project Manager	\$165	1880	\$310,200	40 hr/wk	12 month
3	IT Infrastructure and Business Applications Implementation (Datacenter, VDI, OnBase, Records & Retention, Kronos, Windows 7 Migration)	Sr. IT Project Manager	\$165	1880	\$310,200	40 hr/wk	12 month
4	Datacenter Implementation (Primary and DR)	Datacenter Implementation Engineer	\$165	1880	\$310,200	20 hr/wk	12 month
5	Information Systems Security (Penetration Testing & Vulnerability Assessment, Network Access Control, Remote Access Management, HIPAA Security Compliance)	Network & Security Architect	\$175	600	\$105,000	20 hr/wk	8 month
6	IT Strategist & Operations Management	Sr. Management Consultant	\$200	1,500	\$300,000	30 hr/wk	12 month
7	Clinical Reporting platform development (Meditech Data warehouse reporting, Quality Reporting, KPI Reporting)	Data Warehouse Engineer	\$165	1880	\$310,200	20 hr/wk	12 month
8	Systems and Application Monitoring	Systems Architect	\$175	600	\$105,000	20 hr/wk	8 month
9	IT Infrastructure Implementation (Desktop Management, Inventory Management, Change Management, Windows 7 Migration)	IT Implementation Specialist	\$165	1880	\$310,200	40 hr/wk	12 month
<b>Total</b>					<b>\$2,390,000</b>		

\* The pricing is based on actual time and material. Hourly rates are fully loaded covering all applicable travel expenses.

**2.2 SCOPE OF SERVICES**
**2.2.1 Business Application Interoperability & Integration**

<u>Project ID</u>	1
<u>Project Name</u>	Business Application Interoperability & Integration (PICIS, PYXIS, OBIX, CGI/ADVANTAGE, MEDITECH, PATIENT KEEPER, SOFTMED)
<u>Resource</u>	Principal Solution Architect

**Project Description**

Natividad Medical Center is currently on its path to pursue EMR Meaningful Use. Today, the sources of patient data (that do exist) reside on many isolated data repositories amongst various proprietary clinical software applications. A key component of the EMR Initiative is to develop the capability to aggregate and exchange clinical information about patients between key clinical business applications and Natividad's core HCIS systems, MEDITECH. The EMR adoption also requires adjustments to the existing paper based workflow process to facilitate the migration to electronic based medical record keeping and retention.

This Integration and Interoperability capabilities can be achieved through custom Interface development utilizing the CorePoint HL7 Interface Engine and available API and middleware to enable bi-directional data flow between MEDITECH and critical applications including PICIS, PYXIS, SoftMed, Patient Keeper, OBIX, and CGI/Advantage. The "Principle Solutions Architect" will develop Integration & Interoperability capabilities and custom workflow automation based on agreed upon specifications defined by the Customer.

**Project Scope**
**2.2.1.1 PICIS**

Natividad went live with the OR Manager application from PICIS (acquired by Ingenix) on November 17, 2009. Since that time, gaps have been identified with the current implementation that needs to be addressed in order for the application to function fully as designed. A comprehensive assessment of the PICIS optimization project was completed in Phase 1 of the engagement during the first half of 2011. The next phase of the Project (phase 2) is to develop and execute a detailed plan for building, testing and implementing the new vision based on the Phase 1 results and findings incorporating both processes and system improvements.

- o Implement Comprehensive Electronic Charting for OR nurses
- o Optimize accurate centralized scheduling and enable remote reservations
- o Automate accurate supply management
- o Develop Comprehensive and Accurate Preference Cards
- o Develop Interface to enable Electronic Patient dataflow to PICIS from MEDITECH
- o Develop Interface to enable Electronic Patient dataflow to MEDITECH from PICIS
- o Develop Automated Billing interface to BAR

**2.2.1.2 PYXIS**

Natividad is currently using PYXIS System from CareFusion for automated medication and supply management. Gaps have been identified with the current Implementation that needs to be addressed in order for the PYXIS system to function fully as designed. One major goal will be to increase the accuracy of patient lists on the MedStations in order to ensure patient safety and reduce billing errors.

- o Develop and implement Outbound Interface from Meditech
- o Develop and implement Inbound Interface (filters) on Pyxis procar
- o Develop and Implement Outbound Interface (Pyxis to BAR)
- o Develop and implement process Improvement changes as necessary

**2.2.1.3 OBIX**

Natividad is in the process of purchasing OBIX Fetal Monitoring Systems to replace the existing Phillips Systems. Fetal Monitoring is a critical application in the Labor & Delivery department which is a significantly clinical operation at NMC. It is essential to enable the integration and interoperability capabilities between OBIX and the MEDITECH HCIS systems.

- o Develop interface to enable Electronic Patient dataflow to OBIX from MEDITECH
- o Develop interface to enable Electronic Patient dataflow to MEDITECH from OBIX

**2.2.1.4 SOFTMED**

Natividad is planning to upgrade the existing SOFTMED application to the latest revision as well as implementing additional modules. It is essential to enable the integration and interoperability capabilities between SOFTMED and the MEDITECH HCIS systems.

- o Develop interface to enable Electronic Patient dataflow to SOFTMED from MEDITECH
- o Develop interface to enable Electronic Patient dataflow to MEDITECH from SOFTMED

**2.2.1.5 PATIENT KEEPER**

Natividad is planning to implement a new Physician HIS systems, PatientKeeper. It is essential to enable the integration and interoperability capabilities between PatientKeeper and the MEDITECH HCIS systems.

- o Develop interface to enable Electronic Patient dataflow to PatientKeeper from MEDITECH
- o Develop interface to enable Electronic Patient dataflow to MEDITECH from PatientKeeper

**2.2.1.6 CGI/Advantage**

Natividad's current Material Management (Procurement) and Account Payable functions rely on using the Monterey County Advantage ERP systems. Natividad is also required to enter all Procurement information into its HCIS systems, MEDITECH. There are currently no interface or interoperability capabilities between the two systems. It is essential to develop an interface to streamline the workflow and enable interoperability between MEDITECH and Advantage.

- o Develop interface to enable electronic dataflow to CGI/Advantage from MEDITECH
- o Develop interface to enable electronic dataflow to MEDITECH from CGI/Advantage

**2.2.2 Clinical Business Applications Implementation & Rollout**

<u>Project ID</u>	2
<u>Project Name</u>	Clinical Business Applications Implementation & Rollout (PatientKeeper, SoftMed, Ambulatory Practice Mgmt, Zynx, Dr. First)
<u>Resource</u>	Clinical IT Project Manager

**Project Description**

Natividad currently uses MEDITECH HCIS systems in conjunction with many other clinical applications for both In-Patient and Out-Patient healthcare services. In supporting the initiative to pursue EMR meaningful use, Natividad has the need to streamline the workflow and the interoperability of all the clinical applications to improve quality of care service and patient safety. The "Clinical IT Project Manager" will manage the implementation and rollout of key EMR applications to ensure meeting the Meaningful Use objectives and timeline. This role will also project manage the development and implementation of workflow optimization and integration amongst various clinical applications to improve interoperability in order to support the EMR initiatives.

**Project Scope**

- o Manage the implementation and rollout of PatientKeeper Physician HIS systems
- o Manage the implementation and rollout of Ambulatory Practice Management systems
- o Manage the implementation and rollout of Dr. First E-Prescribing systems
- o Manage the implementation and rollout of Zynx, Evidence-based clinical decision support systems
- o Manage the interoperability requirements amongst various clinical applications
- o Coordinate the assessment and development of clinical application workflow optimization
- o Develop project plan and milestone deliverables for the rollout of all identified integration and interface modules
- o Manage vendor(s) to ensure accurate configurations of clinical applications

**2.2.3 IT Infrastructure and Business Applications Implementation**

<u>Project ID</u>	3
<u>Project Name</u>	IT Infrastructure and Business Applications Implementation (Datacenter, VDI, OnBase, Records & Retention, Kronos, Windows 7 Migration)
<u>Resource</u>	Sr. IT Project Manager

**Project Description**



Natividad has a number of IT Infrastructure and Back office application Implementations planned for the 2<sup>nd</sup> half of 2011. In order to ensure on-time and on-budget delivery of these projects, it is essential to follow Industry best practices in project management function during the plan, design and implementation phases. The "Sr. IT Project Manager" will manage the implementation and rollout of the following projects.

<b>Project Scope</b>
----------------------

- o Manage the roll out of OnBase enterprise content management systems at various departments
- o Manage the implementation and rollout of the new OnBase modules
- o Manage and coordinate with building the new Records and Retention function at Natividad
- o Manage the rollout of the VDI zero client workstations in the clinical and business office areas
- o Manage the build out and implementation of the new offsite collocation datacenter
- o Manage the implementation of the new Kronos Workforce HR systems
- o Manage the rollout of the workstation migration to Windows 7

<b>2.2.4 Datacenter Implementation</b>
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<i>Project ID</i>	4
<i>Project Name</i>	Datacenter Implementation (Primary and DR)
<i>Resource</i>	Datacenter Implementation Engineer

<b>Project Description</b>
----------------------------

Natividad's existing on-campus datacenter has reached its maximum capacity and is not adequate to accommodate all the new systems required in order to support the EMR initiative. A decision has been made to implement a new datacenter at an offsite collocation facility. The new offsite datacenter will be built from scratch and will be provisioning a number of key clinical and non-clinical applications for hospital users. The "Datacenter Implementation Engineer" will be responsible for building and implementing the entire Core Networking and Computing Infrastructure as well as the Applications and management Server farms.

<b>Project Scope</b>
----------------------

- o Implement and configure Cisco Nexus 7K series Core Network Switches
- o Implement and configure HP Blade Server Infrastructure
- o Develop and implement data storage, backup and replication solutions
- o Implement and configure NetApp Storage Area Network (SAN)
- o Implement and configure Remote Access Management Interfaces

**2.2.5 Information Systems Security**

<u>Project ID</u>	5
<u>Project Name</u>	Information Systems Security (Penetration Testing & Vulnerability Assessment, Network Access Control, Remote Access Management, HIPAA Security Compliance)
<u>Resource</u>	Network & Security Architect

**Project Description**

Security is a critical component of supporting a Hospital grade network environment and is paramount to ensure continuous high availability of services and to safeguard Protected Health Information (PHI). Last year, Natividad had completed an infrastructure upgrade by implementing state-of-the-art Cisco Medical grade network equipment along with several security appliances. The objective of the Information Systems Security project is to implement additional security devices and software to expand the level of coverage in protecting the hospital from any malicious attempt and un-authorized access. The "Network & Security Architect" will be responsible for conducting risk and vulnerability assessment and implement additional security appliances and measures to further harden the security level in the hospital network environment.

**Project Scope**

- o Conduct external Network Security Penetration Test against the existing hospital network Infrastructure
- o Conduct Internal Network Vulnerability assessment from within the hospital campus
- o Implement Network Access Control (NAC) Security Appliances and Management Interfaces
- o Implement RSA SecurID VPN authentication Appliance
- o Develop detailed Security Vulnerability Assessment report based on the results
- o Develop and Implement any agreed upon changes to further harden the Hospital network security
- o Establish and formalize Information Security Policies and Procedures
- o Establish Standard Operation Procedures for security incident response and reporting

**2.2.6 IT Strategist & Operations Management**

<u>Project ID</u>	6
<u>Project Name</u>	IT Strategist & Operations Management
<u>Resource</u>	Sr. Management Consultant

**Project Description**

Service Operation has been a key component of the IT mission in providing best in class services to all users in the hospital. The function of the "IT Strategist & Operations Management" role is to augment the IT leadership team in guiding the IT Operations and Business Applications teams on infrastructure build out and Clinical Applications implementations to support the EMR Initiatives. The "Sr. Management Consultant" will be delivering the following services defined in the project scope.

**Project Scope**

- o Provide strategic guidance and oversight on clinical and non-clinical application-related projects
- o Develop and Implement a sound data center management strategy for a new co-location production facility with disaster recovery capabilities
- o Develop data storage architecture best practices and data retention policies and procedures consistent with state and regulatory body requirements.
- o Provide day-to-day operational guidance and oversight on all infrastructure and hardware-related projects
- o Implement and adopt ITIL based best practices within NMC IT
- o Develop Service Excellency methodology in providing Service Delivery and Support to all hospital users
- o Assist in building IT Operations competencies to support the EMR initiative

**2.2.7 Clinical Reporting platform development**

<u>Project ID</u>	7
<u>Project Name</u>	Clinical Reporting platform development (Meditech Data warehouse reporting, Quality Reporting, KPI Reporting)
<u>Resource</u>	Data Warehouse Engineer

**Project Description**

Build and implement a Data Warehouse reporting framework that covers Census, Compliance, infrastructure monitoring and uptime. The "Data Warehouse Engineer" will be delivering all the services defined in the project scope below.

**Project Scope**

- o Develop custom reports for Census and Compliance
- o Develop custom reports for Network monitoring and Service uptime
- o Develop custom reports for IT Service Level Metrics
- o Develop custom reports for Critical Application monitoring
- o Develop custom reports for EMR Meaningful Use
- o Develop custom reports for Quality Measurement

- o Migrate Kazimera application to a new SQL based Medical Record validation Application

### 2.2.8 Systems and Application Monitoring

<u>Project ID</u>	8
<u>Project Name</u>	Systems and Application Monitoring
<u>Resource</u>	Systems Architect

#### Project Description

Natividad is on its path to pursue EMR Meaningful Use. The availability and performance of its HCIS systems and key clinical applications become increasingly critical to the success of achieving Meaningful Use. The need for a cross-platform datacenter management server for operating systems and hypervisors (Virtual Machine Monitor) becomes obvious and necessary. The "Systems Architect" will be responsible for implementing the Microsoft System Center Operations Manager (SCOM) application to monitor the state, health and performance information of computer systems and provide alerts generated according to the availability, performance, configuration or security situation being identified.

#### Project Scope

- o Implement and configure Microsoft System Center Operations Manager (SCOM)
- o Develop Design and Testing plans for System Center Operations Manager
- o Plan, Implement and configure the Deployment of System Center Operations Manager
- o Monitor and fine-tune the System Center Operations Manager post deployment
- o Develop operational and support documentation

### 2.2.9 IT Infrastructure Implementation

<u>Project ID</u>	9
<u>Project Name</u>	IT Infrastructure Implementation (Desktop Management, Inventory Management, Change Management, Windows 7 Migration)
<u>Resource</u>	IT Implementation Specialist

#### Project Description

Natividad currently has approximately 700 workstations with 1000+ users. The management of desktop systems lifecycle is a critical component of IT Service Delivery to ensure systems and software are functioning at the desired level; and resolve any degradation in performance before it impacts productivity, patient care and safety. The "IT Implementation Specialist" will implement and deploy a number of IT Systems Lifecycle Management tools, Virtual Desktop Infrastructure and Windows 7 migration.

#### Project Scope

- o Implement and deploy Numara IT Change Management system
- o Optimize and deploy Numara Service Desk Self Service portal
- o Implement and deploy LANDesk Desktop Management system
- o Implement and deploy LANDesk Inventory Management system
- o Implement and deploy LANDesk Security Suite
- o Implement and support Windows 7 migration
- o Implement and deploy Virtual Desktop Infrastructure (VDI)

Appendix A

**Customer Acceptance**

The customer, by signing below, indicates that the Statement of Work (SOW) has been read and the terms outlined within have been accepted. Upon acceptance of this Statement of Work (SOW), Customer shall issue a written Purchase Order to Versaworks, for the total amount of \$2,390,000.

Versaworks, Inc.


Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Customer

Signature:  \_\_\_\_\_

Name: Mark Davis

Title: CEO

Date: 5/9/11



**~~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 Versaworks Inc (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 Various Information Technology Professional Services as described in the attached Statement of Work (Exhibit A)
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 \$832,900
3. **TERMS OF AGREEMENT** The term of this Agreement is from Nov 1, 2010 to Jun 30, 2011 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

**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,

instruments, or supplies) or personnel for any purpose other than in the performance of its obligations under this Agreement.

## **6. PAYMENT CONDITIONS.**

- 6.1. CONTRACTOR shall submit to the Contract Administrator an invoice on a form acceptable to NMC. If not otherwise specified, the CONTRACTOR may submit such invoice periodically or at the completion of services, but in any event, not later than thirty (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 Administrator or his or her designee shall certify the invoice, either in the requested amount or in such other amount as NMC 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 thirty (30) days of receiving the certified invoice.
- 6.2. CONTRACTOR shall not receive reimbursement for travel expenses unless set forth in this Agreement; and then only in accordance with any applicable County policies.

## **7. TERMINATION.**

- 7.1. During the term of this Agreement, NMC 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.
- 7.2. NMC 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 NMC terminates this Agreement for good cause, NMC may be relieved of the payment of any consideration to Contractor, and NMC may proceed with the work in any manner, which NMC deems proper. The cost to NMC shall be deducted from any sum due the CONTRACTOR under this Agreement.

8. **INDEMNIFICATION:** CONTRACTOR shall indemnify, defend and hold harmless, NMC and the County of Monterey (hereinafter "County"), its officers, agents and employees from any and all claims, liability, 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 NMC. "Contractor's performance" includes Contractor's action or inaction and the action or inaction of Contractor's officers, employees, agents and subcontractors.

## **9. INSURANCE.**

### 9.1. 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, the CONTRACTOR upon request shall provide a certified copy of the policy or policies.

This verification of coverage shall be sent to NMC'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 NMC has approved such insurance. This approval of insurance shall neither relieve nor decrease the liability of the Contractor.

9.2. 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 NMC's Contracts/Purchasing Director.

9.3. 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, Broad form 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 other 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).

#### 9.4. Other Insurance Requirements:

All insurance required by this Agreement shall be with a company acceptable to NMC 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 NMC 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 insured 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 from 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 from for Automobile Additional Insured Endorsement is ISO Form CA 20 48 02 99.

Prior to the execution of this Agreement by NMC, CONTRACTOR shall file certificates of insurance with NMC's Contracts/Purchasing Department, 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 (5) 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 NMC, annual certificates to NMC's Contracts/Purchasing Department. If the certificate is not received by the expiration date, NMC 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 NMC, at its sole discretion, to terminate the Agreement immediately.

#### **10. RECORDS AND CONFIDENTIALITY.**

10.1. 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 NMC or prepared in connection with the performance of this

Agreement, unless NMC specifically permits CONTRACTOR to disclose such records or information, CONTRACTOR shall promptly transmit to NMC 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.

- 10.2. NMC Records. When this Agreement expires or terminates, CONTRACTOR shall return to NMC and NMC records which CONTRACTOR used or received from NMC to perform services under this Agreement.
- 10.3. 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.
- 10.4. Access to and Audit of Records. NMC 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 NMC or as part of any audit of NMC, 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.
- 10.5. Royalties and Inventions. NMC shall have a royalty-free, exclusive and irrevocable license to reproduce, publish, and use, and authorize other 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 NMC.
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, full 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 NMC pursuant to a contract with the state or federal government in which NMC is the grantee, CONTRACTOR will comply with all the provisions of said contract, and said provisions shall be deemed a part of this Agreement, as though fully set forth herein. Upon request, NMC 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 NMC. No offer or obligation of permanent employment with NMC 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 NMC 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 an 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 NMC and the County of Monterey harmless from any and all liability, which NMC 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 per-paid mail to NMC and Contractor's contract administrators at the addresses listed below.

FOR NATIVIDAD MEDICAL CENTER:	FOR CONTRACTOR:
Contracts/Purchasing Manager	
Name and Title	<u>Johnson Kit Son Sun, President</u> Name and Title
1441 Constitution Blvd. Salinas, CA, 93906	<u>2946 Monte Cresta Dr. Belmont, CA 94002</u> Address
Address	Address
831.755.4111	<u>650-489-6114</u> Phone
Phone	Phone

**15. MISCELLANEOUS PROVISIONS.**

15.1. 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.

15.2. Amendment. This Agreement may be amended or modified only by an instrument in writing signed by NMC and the Contractor.

15.3. Waiver. Any waiver of any terms and conditions of this Agreement must be in writing and signed by NMC 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.

15.4. 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.

- 15.5. Disputes. CONTRACTOR shall continue to perform under this Agreement during any dispute.
- 15.6. 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 NMC. None of the services covered by this Agreement shall be subcontracted without the prior written approval of NMC. Notwithstanding any such subcontract, CONTRACTOR shall continue to be liable for the performance of all requirements of this Agreement.
- 15.7. Successors and Assigns. This Agreement and the rights, privileges, duties, and obligations of NMC 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.
- 15.8. Compliance with Applicable Law. The parties shall comply with all applicable federal, state, and local laws and regulations in performing this Agreement.
- 15.9. 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 NMC and CONTRACTOR expressly reserve the right to contract with other entities for the same or similar services.
- 15.13. Construction of Agreement. NMC 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. Integration. This Agreement, including the exhibits, represents the entire Agreement between NMC 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 NMC and CONTRACTOR as of the effective date of this Agreement, which is the date that NMC signs the Agreement.
- 15.16. 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.

NATIVIDAD MEDICAL CENTER

By: [Signature]  
NMC Contracts/Purchasing Agent

Date: 12/13/10

By: [Signature]  
Department Head (if applicable)

Date: 10/13/10

By: [Signature]  
Stacy Saetta, Deputy County Counsel

Date: 10-18-10

By: [Signature]  
Auditor/Controller

Date: 10/10/10

CONTRACTOR

Versaworks, Inc.  
Contractor's Business Name\*\*\*

[Signature]  
Signature of Chair, President, or Vice-President

Johnson Kit Son Sun, President  
Name and Title

Date: 10/12/2010

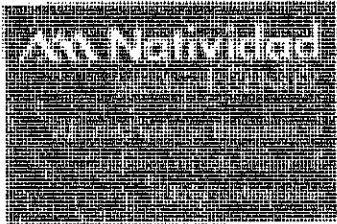
By: [Signature]  
Signature of Secretary, Asst. Secretary,  
CFO, Treasurer or Asst. Treasurer

Johnson Kit Son Sun, CFO  
Name and Title

Date: 10/12/2010

\*\*\*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 and individual capacity, the individual shall set forth the name of the business, if any and shall personally sign the Agreement.

EXHIBIT A



Natividad Medical Center  
IT Consulting Services

Statement of work

Submitted by:

Versaworks, Inc.  
2946 Monte Cresta Dr  
Belmont, CA 94002  
(650) 489-6114

Created: Aug 27, 2010  
Revised: Sept 10, 2010  
Oct 9, 2010  
Version: 1.3

Versaworks

## 1 EXECUTIVE SUMMARY

Versaworks, Inc. ("Versaworks") is pleased to present this Statement of Work (SOW) proposal which defines the services and deliverables that Versaworks shall provide to Natividad Medical Center ("Customer") under the terms of the Professional Services Agreement (the "Agreement") made between Natividad Medical Center ("Customer") and Versaworks, Inc. ("Versaworks").

## 2 SCOPE OF WORK

This section describes the scope of work for Professional Services to support the projects listed below in section 2.1

### 2.1 PROJECT AND PRICING SUMMARY

ID	Project	Resource	Hourly Rate	Estimated Hours	Sub Total	Rate	Duration	
1	<u>HL7 Interface development &amp; Integration (PACS, PICIS, PYXIS, Fetal Monitoring)</u>	HL7 Interface Specialist	\$175	900	\$157,500	40 hr/wk	6 month	
2	<u>PICIS Assessment &amp; Optimization</u>	Clinical IT Project Manager	\$165	320	\$52,800	40 hr/wk	2 month	
3	<u>PYXIS Assessment &amp; Optimization</u>	Clinical IT Project Manager	\$165	320	\$52,800	40 hr/wk	2 month	
4	<u>Clinical Business Applications</u>	Clinical IT Project Manager	\$165	320	\$52,800	40 hr/wk	2 month	
5	<u>Hospital Storage platform Implementation</u>	Sr. Storage Systems Engineer	\$150	400	\$60,000	20 hr/wk	6 month	
6	<u>Information Systems Security -- Penetration Testing &amp; Vulnerability Assessment</u>	Sr. Security Engineer	\$175	400	\$70,000	20 hr/wk	6 month	
7	<u>IT Operations Management</u>	Sr. Management Consultant	\$200	900	\$180,000	40 hr/wk	6 month	
8	<u>Reporting Platform Development (Census, Compliance, Infrastructure monitoring and Uptime)</u>	Software Engineer	\$150	400	\$60,000	20 hr/wk	6 month	
9	<u>Numara FootPrints Rollout</u>	IT Project Manager	\$150	160	\$24,000	40 hr/wk	1 month	
10	<u>OnBase</u>	IT Project Manager	\$150	500	\$75,000	40 hr/wk	3 month	
11	<u>Records and Retention</u>	IT Project Manager	\$150	320	\$48,000	40 hr/wk	2 month	
					<b>Total</b>	<b>\$832,900</b>		

\* The pricing is based on actual time and material. Hourly rates are fully loaded covering all applicable travel expenses.



## 2.2 SCOPE OF SERVICES

### 2.2.1

<i>Project ID</i>	1
<i>Project Name</i>	HL7 Interface development & Integration (PACS, PICIS, PYXIS, Fetal Monitoring)
<i>Resource</i>	HL7 Interface Specialist

#### Project Description

Natividad Medical Center is currently on its path to pursue EMR Meaningful Use. A key component of the EMR Initiative is to develop the capability to integrate various Key Clinical business applications with the Natividad's core HIM systems, MEDITECH. This integration capability can be achieved by developing several custom HL7 Interfaces utilizing the currently CorePoint Interface Engine to enable bi-directional data flow between MEDITECH and PACS, PICIS, PYXIS and Fetal Monitoring Systems. The "HL7 Interface Specialist" will develop the following interfaces based on the available API's published and the agreed upon specifications defined by the Customer.

#### Project Scope

- Customized Interface and Data Parser for McKesson-PACS and MEDITECH
- Customized Interface and Data Parser for PYXIS and MEDITECH
- Customized Interface and Data Parser for PICIS and MEDITECH
- Customized Interface and Data Parser for Fetal Monitoring Systems and MEDITECH
- Project documentation will include:
  - Logical workflow and database table definitions
  - Fully commented programming source code
  - Complete operational and support documentation
  - Systems Administrator manual and troubleshooting guide

The duration of this project is estimated to be completed within 6 months. Milestone Deliverables will be set at 6 week intervals starting at the commencement of the project. The estimated effort required to build each custom Interface is 4 weeks plus an additional 2 weeks of functional and user acceptance testing.

### 2.2.2

<u>Project ID</u>	2
<u>Project Name</u>	PICIS Assessment & Optimization
<u>Resource</u>	Clinical IT Project Manager

#### Project Description

Natividad went live with the OR Manager application from Picis (recently acquired by Ingenix) on November 17, 2009. Since that time, gaps have been identified with the current implementation that needs to be addressed in order for the application to function fully as designed. The "Clinical IT Project Manager" will manage the entire project life cycle throughout the implementation of the following proposed changes.

#### Project Scope

- Design and deliver reports for billing to facilitate current manual process
- Complete input of preference cards
- Review/revise current billing rules in Picis
- Review/revise current process for scheduling patients in Picis and subsequently matching to Meditech record.
- Implement Physician Office Link or Web Access for Physicians to allow outside groups access to scheduling
- Implement Case Record upload

### 2.2.3

<u>Project ID</u>	3
<u>Project Name</u>	PYXIS Assessment & Optimization
<u>Resource</u>	Clinical IT Project Manager

#### Project Description

Natividad is currently using Pyxis System from CareFusion for automated medication and supply management. Gaps have been identified with the current implementation that needs to be addressed in order for the Pyxis system to function fully as designed. One major goal will be to increase the accuracy of patient lists on the MedStations in order to ensure patient safety and reduce billing errors. The "Clinical IT Project Manager" will be managing CareFusion, Natividad and Meditech resources as necessary to review current implementation and address any issues. All components of the systems will be assessed and optimization treatment plan will be developed. The "Clinical IT Project Manager" will manage the entire project life cycle throughout the implementation of the following proposed changes.

### Project Scope

- Develop and implement Outbound Interface from Meditech
- Develop and Implement Inbound Interface (filters) on Pyxis procar
- Develop and Implement Outbound Interface (Pyxis to BAR)
- Develop and Implement process improvement changes as necessary
- Review and assess additional recommendations from CareFusion Clinical Consultant

### 2.2.4

<u>Project ID</u>	4
<u>Project Name</u>	Clinical Business Applications
<u>Resource</u>	Clinical IT Project Manager

### Project Description

Natividad currently uses MEDITECH HIM systems in conjunction with many other clinical applications for both In-Patient and Out-Patient healthcare services. In supporting the initiative to pursue EMR meaningful use, Natividad has the need to streamline the workflow and the interoperability of all the clinical applications to improve quality of care service and patient safety. The "Clinical IT Project Manager" will manage the development and implementation of workflow optimization and integration amongst various clinical applications to improve interoperability in order to support the EMR initiatives.

### Project Scope

- Coordinate the assessment and development of clinical application workflow optimization
- Manage the interoperability requirements amongst various clinical applications
- Develop project plan and milestone deliverables for the rollout of all identified integration and interface modules
- Manage vendor(s) to ensure accurate configurations of clinical applications

### 2.2.5

<u>Project ID</u>	5
<u>Project Name</u>	Hospital Storage platform implementation
<u>Resource</u>	Sr. Storage Systems Engineer

### Project Description

Natividad currently has a number of projects that will require a large amount of server storage capacity to support the initiatives of transforming the paper based record retention to electronic based data repository. This could be achieved by implementing a hospital wide electronic data storage platform for production,

nearline and offline environments. The "Sr. Storage Systems Engineer" will be responsible for implementing the electronic data storage platform in supporting the following clinical and back office applications.

**Project Scope**

- Develop and Implement data storage and backup solutions for MEDITECH, OnBase, and PACS.
- Implement and configure EMC Centera Storage Area Network (SAN) for new MEDITECH hardware
- Implement and configure Dell EqualLogic Storage Area Network (SAN) for OnBase, MEDITECH and PACS
- Implement and configure Dell EqualLogic Storage Area Network (SAN) solutions for VMware server virtualization.
- Implement and configure data backup and replication for MEDITECH and PACS
- Implement and configure Dell EqualLogic Storage Area Network (SAN) for PCS and PCM Documentation

**2.2.6**

<u>Project ID</u>	6
<u>Project Name</u>	Information Systems Security – Penetration Testing & Vulnerability Assessments
<u>Resource</u>	Sr. Security Engineer

**Project Description**

Security is a critical component of supporting a Hospital grade network environment and is paramount to ensure continuous high availability of services and to safeguard Patient Health Information (PHI). Natividad recently has completed an infrastructure upgrade by implementing state-of-the-art Cisco Medical grade network equipment along with several security appliances. The objective of the Information Systems Security project is to further harden the security level in the hospital network environment to help protect the hospital from any malicious attempt and un-authorized access. The "Sr. Security Engineer" will be responsible for conducting security penetration testing and provide Vulnerability Assessments. The deliverables are defined as below.

**Project Scope**

- Conduct external Network Security Penetration Test against the existing hospital network Infrastructure
- Develop detailed Security Vulnerability Assessment report based on the results
- Develop and Implement any agreed upon changes to further harden the Hospital network security
- Establish and formalize Information Security Policies and Procedures
- Establish Standard Operation Procedures for security incident response and reporting

### 2.2.7

<u>Project ID</u>	7
<u>Project Name</u>	IT Operations Management
<u>Resource</u>	Sr. Management Consultant

#### Project Description

Service Operation has been a key component of the IT mission in providing best in class services to all users in the hospital. The role of the Operations Management Consultant is to augment the IT leadership team in guiding the Operations team on Infrastructure project implementations to achieve Operation Excellency. The "Sr. Management Consultant" will be delivering the following services defined in the project scope.

#### Project Scope

- Provide day-to-day operational guidance and oversight on all infrastructure and hardware-related projects
- Implement and adopt ITIL based best practices within NMC IT
- Develop Service Excellency methodology in providing Service Delivery and Support to all hospital users
- Assist in building IT Operations competences to support the EMR initiative

### 2.2.8

<u>Project ID</u>	8
<u>Project Name</u>	Reporting Platform Development (Census, Compliance, Infrastructure monitoring and Uptime)
<u>Resource</u>	Software Engineer

#### Project Description

Build and implement a reporting platform that covers Census, Compliance, Infrastructure monitoring and uptime. The "Software Engineer" will be delivering all the services defined in the project scope below.

#### Project Scope

- Develop automated reports for Census and Compliance
- Develop automated reports for Network monitoring and service uptime
- Develop automated reports for Service Level Metrics
- Develop automated reports for application monitoring

**2.2.9**

<u>Project ID</u>	9
<u>Project Name</u>	Numara FootPrints rollout (Asset mgmt, Configuration mgmt & Service Desk)
<u>Resource</u>	IT Project Manager

**Project Description**

The "IT Project Manager" will manage the implementation and rollout of the Numara FootPrints Asset Management module, Configuration management module, Change management module and Service Desk function (new ticketing system)

**Project Scope**

- Develop project plan and milestone delivery for the rollout of the following FootPrints modules:
  - Asset Management and Configuration Management Database (CMDB)
  - Incident and Change Management
  - Service Desk function (new ticketing system)
  - End user Self service portal
- Work with internal IT staff and third party resources to setup and configure all aforementioned modules
- Work with IT management to establish Asset management policies and hardware refresh strategy

**2.2.10**

<u>Project ID</u>	10
<u>Project Name</u>	OnBase
<u>Resource</u>	IT Project Manager

**Project Description**

The IT Project Manager will manage the implementation and rollout of the OnBase Enterprise Content Management solution.

**Project Scope**

- Manage the deployment of OnBase production server environment
- Coordinate the migration of OnBase data to new production server hardware
- Develop project plan and milestone delivery for the rollout of OnBase to all in-scope departments
- Coordinate and assist with requirement gathering and document definition with various departments
- Manage vendor(s) to ensure accurate configurations of departmental document types and keywords

**2.2.11**

<i>Project ID</i>	11
<i>Project Name</i>	Records and Retention
<i>Resource</i>	IT Project Manager

**Project Description**

The IT Project Manager will provide the following services in assisting with building the new Records and Retention function at Natividad.

**Project Scope**

- Assist with Scanning hardware evaluation and procurement
- Develop process and workflow for batch scanning at the new Records and Retention operation facility
- Assist in developing standard operational procedures and productivity benchmarks for scanning and archiving of all defined document types
- Assist departments in migrating from paper-based records to electronic based data storage repository

Appendix A

**Customer Acceptance**

The customer, by signing below, indicates that the Statement of Work (SOW) has been read and the terms outlined within have been accepted. Upon acceptance of this Statement of Work (SOW), Customer shall issue a written Purchase Order to Versaworks, for the total amount of \$832,900.

**Versaworks, Inc.**

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Customer**

Signature: 

Name: Henry W. J...

Title: CEO

Date: 10/12/10





# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
**04/23/2013**

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

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

PRODUCER <b>Parenti &amp; Associates Insurance Brokers</b> 1091 Industrial Rd. Ste 270 San Carlos, CA 94070 License #: 0G17832	CONTACT NAME: <b>Angela Araujo</b>	
	PHONE (A/C, No, Ext): <b>(650)596-9500</b> FAX (A/C, No): <b>(650)592-4254</b>	
	E-MAIL ADDRESS: <b>angela@parentiinsurance.com</b>	
INSURED <b>Versaworks, Inc.</b> 2560 Mission College Blvd Ste 140 Santa Clara, CA 95054	INSURER(S) AFFORDING COVERAGE	NAIC #
	INSURER A: <b>Hartford Casualty Ins. Co.</b>	
	INSURER B: <b>Prop &amp; Cas Ins Co Hartford</b>	<b>34690</b>
	INSURER C: <b>Hartford Ins Of The West</b>	<b>22357</b>
	INSURER D:	
	INSURER E:	

COVERAGES      CERTIFICATE NUMBER: 00001310-0      REVISION NUMBER: 3

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

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY	Y	N	57SBABB3709	10/14/2012	10/14/2013	EACH OCCURRENCE \$ <b>2,000,000</b>
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence) \$ <b>300,000</b>
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR						MED EXP (Any one person) \$ <b>10,000</b>
	GEN'L AGGREGATE LIMIT APPLIES PER:						PERSONAL & ADV INJURY \$ <b>2,000,000</b>
	<input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						GENERAL AGGREGATE \$ <b>4,000,000</b>
							PRODUCTS - COMP/OP AGG \$ <b>4,000,000</b>
							\$
B	AUTOMOBILE LIABILITY	N	N	57UECPC9434	08/27/2012	08/27/2013	COMBINED SINGLE LIMIT (Ea accident) \$ <b>1,000,000</b>
	<input type="checkbox"/> ANY AUTO						BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS	<input checked="" type="checkbox"/> SCHEDULED AUTOS					BODILY INJURY (Per accident) \$
	<input checked="" type="checkbox"/> HIRED AUTOS	<input checked="" type="checkbox"/> NON-OWNED AUTOS					PROPERTY DAMAGE (Per accident) \$
							\$
	UMBRELLA LIAB						EACH OCCURRENCE \$
	EXCESS LIAB						AGGREGATE \$
	OED						\$
	RETENTION \$						\$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	Y/N	N/A	57WECLY2072	08/27/2012	08/27/2013	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTH-ER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)						E.L. EACH ACCIDENT \$ <b>1,000,000</b>
	If yes, describe under DESCRIPTION OF OPERATIONS below	<input checked="" type="checkbox"/>					E.L. DISEASE - EA EMPLOYEE \$ <b>1,000,000</b>
							E.L. DISEASE - POLICY LIMIT \$ <b>1,000,000</b>
A	Tech E & O	N	N	57SBABB3709	10/14/2012	10/14/2013	Occur / Aggregate \$ <b>1,000,000 / 2,000,000</b>

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)  
**In the respect of the County of Monterey, its officers, agents, and employees, it is hereby noted and agreed that The County of Monterey, its officers, agents, and employees are included as Additional Insureds in regards to the General Liability. Insurance provided under the Additional Insured Status is Primary and Non-Contributory.**

CERTIFICATE HOLDER <b>County of Monterey</b> Contracts/Purchasing Division 168 W. Alisal St. 3rd Floor Salinas, CA 93901	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE  (AMA)
--	--

# **BUSINESS LIABILITY COVERAGE FORM**

**QUICK REFERENCE  
BUSINESS LIABILITY COVERAGE FORM  
READ YOUR POLICY CAREFULLY**

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## BUSINESS LIABILITY COVERAGE FORM

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

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the stock insurance company member of The Hartford providing this insurance.

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

Other words and phrases that appear in quotation marks have special meaning. Refer to Section G. - Liability And Medical Expenses Definitions.

### A. COVERAGES

#### 1. BUSINESS LIABILITY COVERAGE (BODILY INJURY, PROPERTY DAMAGE, PERSONAL AND ADVERTISING INJURY)

##### Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury", "property damage" or "personal and advertising injury" to which this insurance does not apply.

We may, at our discretion, investigate any "occurrence" or offense and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section D. - Liability And Medical Expenses Limits Of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments, settlements or medical expenses to which this insurance applies.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Coverage Extension - Supplementary Payments.

- b. This insurance applies:

- (1) To "bodily injury" and "property damage" only if:

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

(b) The "bodily injury" or "property damage" occurs during the policy period; and

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

(2) To "personal and advertising injury" caused by an offense arising out of your business, but only if the offense was committed in the "coverage territory" during the policy period.

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

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

## BUSINESS LIABILITY COVERAGE FORM

- (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
  - (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.
- d. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".
- e. **Incidental Medical Malpractice**
- (1) "Bodily injury" arising out of the rendering of or failure to render professional health care services as a physician, dentist, nurse, emergency medical technician or paramedic shall be deemed to be caused by an "occurrence", but only if:
    - (a) The physician, dentist, nurse, emergency medical technician or paramedic is employed by you to provide such services; and
    - (b) You are not engaged in the business or occupation of providing such services.
  - (2) For the purpose of determining the limits of insurance for incidental medical malpractice, any act or omission together with all related acts or omissions in the furnishing of these services to any one person will be considered one "occurrence".

## 2. MEDICAL EXPENSES

### Insuring Agreement

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:
- (1) On premises you own or rent;
  - (2) On ways next to premises you own or rent; or
  - (3) Because of your operations;
- provided that:
- (1) The accident takes place in the "coverage territory" and during the policy period;
  - (2) The expenses are incurred and reported to us within three years of the date of the accident; and
  - (3) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

- (1) First aid administered at the time of an accident;
- (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
- (3) Necessary ambulance, hospital, professional nursing and funeral services.

## 3. COVERAGE EXTENSION - SUPPLEMENTARY PAYMENTS

- a. We will pay, with respect to any claim or "suit" we investigate or settle, or any "suit" against an insured we defend:
- (1) All expenses we incur.
  - (2) Up to \$1,000 for the cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which Business Liability Coverage for "bodily injury" applies. We do not have to furnish these bonds.
  - (3) The cost of appeal bonds or bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
  - (4) All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$500 a day because of time off from work.
  - (5) All costs taxed against the insured in the "suit".
  - (6) Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
  - (7) All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

Any amounts paid under (1) through (7) above will not reduce the limits of insurance.

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

- (1) The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
- (2) This insurance applies to such liability assumed by the insured;
- (3) The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
- (4) The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interest of the indemnitee;
- (5) The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
- (6) The indemnitee:
  - (a) Agrees in writing to:
    - (i) Cooperate with us in the investigation, settlement or defense of the "suit";
    - (ii) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
    - (iii) Notify any other insurer whose coverage is available to the indemnitee; and
    - (iv) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
  - (b) Provides us with written authorization to:
    - (i) Obtain records and other information related to the "suit"; and
    - (ii) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments.

Notwithstanding the provisions of Paragraph 1.b.(b) of Section B. – Exclusions, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the Limits of Insurance.

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

- (1) We have used up the applicable limit of insurance in the payment of judgments or settlements; or
- (2) The conditions set forth above, or the terms of the agreement described in Paragraph (6) above, are no longer met.

**B. EXCLUSIONS**

**1. Applicable To Business Liability Coverage**

This insurance does not apply to:

**a. Expected Or Intended Injury**

- (1) "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; or
- (2) "Personal and advertising injury" arising out of an offense committed by, at the direction of or with the consent or acquiescence of the insured with the expectation of inflicting "personal and advertising injury".

**b. Contractual Liability**

- (1) "Bodily injury" or "property damage"; or
- (2) "Personal and advertising injury" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement.

This exclusion does not apply to liability for damages because of:

- (a) "Bodily injury", "property damage" or "personal and advertising injury" that the insured would have in the absence of the contract or agreement; or

## BUSINESS LIABILITY COVERAGE FORM

(b) "Bodily injury" or "property damage" assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purpose of liability assumed in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage" provided:

- (i) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract", and
- (ii) Such attorneys' fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

### c. Liquor Liability

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

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

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

### d. Workers' Compensation And Similar Laws

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

### e. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
  - (a) Employment by the insured; or

(b) Performing duties related to the conduct of the insured's business, or

- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of (1) above.

This exclusion applies:

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

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

### f. Pollution

- (1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

(a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to any insured. However, this subparagraph does not apply to:

- (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;

- (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or

- (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
  - (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
  - (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
    - (i) Any insured; or
    - (ii) Any person or organization for whom you may be legally responsible;
  - (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
    - (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
    - (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
    - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire"; or
  - (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".
- (2) Any loss, cost or expense arising out of any:
- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
  - (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".
- However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.



## BUSINESS LIABILITY COVERAGE FORM

### g. Aircraft, Auto Or Watercraft

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

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

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
  - (a) Less than 51 feet long; and
  - (b) Not being used to carry persons for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft;
- (5) "Bodily injury" or "property damage" arising out of the operation of any of the equipment listed in Paragraph f.(2) or f.(3) of the definition of "mobile equipment"; or
- (6) An aircraft that is not owned by any insured and is hired, chartered or loaned with a paid crew. However, this exception does not apply if the insured has any other insurance for such "bodily injury" or "property damage", whether the other insurance is primary, excess, contingent or on any other basis.

### h. Mobile Equipment

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

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or

- (2) The use of "mobile equipment" in, or while in practice or preparation for, a prearranged racing, speed or demolition contest or in any stunting activity.

### i. War

"Bodily injury", "property damage" or "personal and advertising injury", however caused, arising, directly or indirectly, out of:

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

### j. Professional Services

"Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or failure to render any professional service. This includes but is not limited to:

- (1) Legal, accounting or advertising services;
- (2) Preparing, approving, or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications;
- (3) Supervisory, inspection, architectural or engineering activities;
- (4) Medical, surgical, dental, x-ray or nursing services treatment, advice or instruction;
- (5) Any health or therapeutic service treatment, advice or instruction;
- (6) Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement or personal grooming;
- (7) Optical or hearing aid services including the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products or hearing aid devices;

- (8) Optometry or optometric services including but not limited to examination of the eyes and the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products;
- (9) Any:
  - (a) Body piercing (not including ear piercing);
  - (b) Tattooing, including but not limited to the insertion of pigments into or under the skin; and
  - (c) Similar services;
- (10) Services in the practice of pharmacy; and
- (11) Computer consulting, design or programming services, including web site design.

Paragraphs (4) and (5) of this exclusion do not apply to the Incidental Medical Malpractice coverage afforded under Paragraph 1.e. in Section A. - Coverages.

**k. Damage To Property**

"Property damage" to:

- (1) Property you own, rent or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

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

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

Paragraphs (3) and (4) of this exclusion do not apply to the use of elevators.

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

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

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

**l. Damage To Your Product**

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

**m. Damage To Your Work**

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

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

**n. Damage To Impaired Property Or Property Not Physically Injured**

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

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

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

## BUSINESS LIABILITY COVERAGE FORM

### **o. Recall Of Products, Work Or Impaired Property**

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

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

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

### **p. Personal And Advertising Injury**

"Personal and advertising injury":

- (1) Arising out of oral, written or electronic publication of material, if done by or at the direction of the insured with knowledge of its falsity;
- (2) Arising out of oral, written or electronic publication of material whose first publication took place before the beginning of the policy period;
- (3) Arising out of a criminal act committed by or at the direction of the insured;
- (4) Arising out of any breach of contract, except an implied contract to use another's "advertising idea" in your "advertisement";
- (5) Arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement";
- (6) Arising out of the wrong description of the price of goods, products or services;
- (7) Arising out of any violation of any intellectual property rights such as copyright, patent, trademark, trade name, trade secret, service mark or other designation of origin or authenticity.

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

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

(c) Title of any literary or artistic work;

- (8) Arising out of an offense committed by an insured whose business is:
  - (a) Advertising, broadcasting, publishing or telecasting;
  - (b) Designing or determining content of web sites for others; or
  - (c) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs a., b. and c. under the definition of "personal and advertising injury" in Section G. – Liability And Medical Expenses Definitions.

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

- (9) Arising out of an electronic chat room or bulletin board the insured hosts, owns, or over which the insured exercises control;
- (10) Arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatags, or any other similar tactics to mislead another's potential customers;
- (11) Arising out of the violation of a person's right of privacy created by any state or federal act.

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

- (12) Arising out of:
  - (a) An "advertisement" for others on your web site;
  - (b) Placing a link to a web site of others on your web site;
  - (c) Content from a web site of others displayed within a frame or border on your web site. Content includes information, code, sounds, text, graphics or images; or
  - (d) Computer code, software or programming used to enable:
    - (i) Your web site; or
    - (ii) The presentation or functionality of an "advertisement" or other content on your web site;

- (13) Arising out of a violation of any anti-trust law;
- (14) Arising out of the fluctuation in price or value of any stocks, bonds or other securities; or
- (15) Arising out of discrimination or humiliation committed by or at the direction of any "executive officer", director, stockholder, partner or member of the insured.

**q. Electronic Data**

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

**r. Employment-Related Practices**

"Bodily injury" or "personal and advertising injury" to:

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

This exclusion applies:

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

**s. Asbestos**

- (1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of the "asbestos hazard".
- (2) Any damages, judgments, settlements, loss, costs or expenses that:

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

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

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

**t. Violation Of Statutes That Govern E-Mails, Fax, Phone Calls Or Other Methods Of Sending Material Or Information**

"Bodily injury", "property damage", or "personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
- (3) Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

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

Exclusions c. through h. and k. through o. do not apply to damage by fire, lightning or explosion to premises rented to you or temporarily occupied by you with permission of the owner. A separate Limit of Insurance applies to this coverage as described in Section D. - Liability And Medical Expenses Limits Of Insurance.

## BUSINESS LIABILITY COVERAGE FORM

### 2. Applicable To Medical Expenses Coverage

We will not pay expenses for "bodily injury":

**a. Any Insured**

To any insured, except "volunteer workers".

**b. Hired Person**

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

**c. Injury On Normally Occupied Premises**

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

**d. Workers' Compensation And Similar Laws**

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

**e. Athletics Activities**

To a person injured while practicing, instructing or participating in any physical exercises or games, sports or athletic contests.

**f. Products-Completed Operations Hazard**

Included with the "products-completed operations hazard".

**g. Business Liability Exclusions**

Excluded under Business Liability Coverage.

### C. WHO IS AN INSURED

1. If you are designated in the Declarations as:

**a.** An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.

**b.** A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.

**c.** A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.

**d.** An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.

**e.** A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

2. Each of the following is also an insured:

**a. Employees And Volunteer Workers**

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

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

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

(a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;

(b) To the spouse, child, parent, brother or sister of that co-"employee" or that "volunteer worker" as a consequence of Paragraph (1)(a) above;

(c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs (1)(a) or (b) above; or

(d) Arising out of his or her providing or failing to provide professional health care services.

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

(2) "Property damage" to property:

(a) Owned, occupied or used by,

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

**b. Real Estate Manager**

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

**c. Temporary Custodians Of Your Property**

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

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

**d. Legal Representative If You Die**

Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this insurance.

**e. Unnamed Subsidiary**

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

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

**3. Newly Acquired Or Formed Organization**

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

- a. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier; and

b. Coverage under this provision does not apply to:

- (1) "Bodily injury" or "property damage" that occurred; or
- (2) "Personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

**4. Operator Of Mobile Equipment**

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

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

**5. Operator of Nonowned Watercraft**

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

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

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

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

The person(s) or organization(s) identified in Paragraphs a. through f. below are additional insureds when you have agreed, in a written

## BUSINESS LIABILITY COVERAGE FORM

contract, written agreement or because of a permit issued by a state or political subdivision, that such person or organization be added as an additional insured on your policy, provided the injury or damage occurs subsequent to the execution of the contract or agreement, or the issuance of the permit.

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

However, no such person or organization is an additional insured under this provision if such person or organization is included as an additional insured by an endorsement issued by us and made a part of this Coverage Part, including all persons or organizations added as additional insureds under the specific additional insured coverage grants in Section F. - Optional Additional Insured Coverages.

### a. Vendors

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

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

This insurance does not apply to:

- (a) "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;
- (b) Any express warranty unauthorized by you;
- (c) Any physical or chemical change in the product made intentionally by the vendor;
- (d) Repackaging, except when unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;

(e) Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;

(f) Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;

(g) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or

(h) "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:

(i) The exceptions contained in Subparagraphs (d) or (f); or

(ii) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.

- (2) This insurance does not apply to any insured person or organization from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.

### b. Lessors Of Equipment

- (1) Any person or organization from whom you lease equipment, but only with respect to their liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person or organization.

- (2) With respect to the insurance afforded to these additional insureds, this insurance does not apply to any "occurrence" which takes place after you cease to lease that equipment.

**c. Lessors Of Land Or Premises**

- (1) Any person or organization from whom you lease land or premises, but only with respect to liability arising out of the ownership, maintenance or use of that part of the land or premises leased to you.
- (2) With respect to the insurance afforded to these additional insureds, this insurance does not apply to:
  - (a) Any "occurrence" which takes place after you cease to lease that land or be a tenant in that premises, or
  - (b) Structural alterations, new construction or demolition operations performed by or on behalf of such person or organization.

**d. Architects, Engineers Or Surveyors**

- (1) Any architect, engineer, or surveyor, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:
  - (a) In connection with your premises; or
  - (b) In the performance of your ongoing operations performed by you or on your behalf.
- (2) With respect to the insurance afforded to these additional insureds, the following additional exclusion applies:  
 This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or the failure to render any professional services by or for you, including:
  - (a) The preparing, approving, or failure to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications; or
  - (b) Supervisory, inspection, architectural or engineering activities.

**e. Permits Issued By State Or Political Subdivisions**

- (1) Any state or political subdivision, but only with respect to operations performed by you or on your behalf for which the state or political subdivision has issued a permit.
- (2) With respect to the insurance afforded to these additional insureds, this insurance does not apply to:
  - (a) "Bodily injury", "property damage" or "personal and advertising injury" arising out of operations performed for the state or municipality; or
  - (b) "Bodily injury" or "property damage" included within the "products-completed operations hazard".

**f. Any Other Party**

- (1) Any other person or organization who is not an insured under Paragraphs a. through e. above, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:
  - (a) In the performance of your ongoing operations;
  - (b) In connection with your premises owned by or rented to you; or
  - (c) In connection with "your work" and included within the "products-completed operations hazard", but only if
    - (i) The written contract or written agreement requires you to provide such coverage to such additional insured; and
    - (ii) This Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".
- (2) With respect to the insurance afforded to these additional insureds, this insurance does not apply to:
 "Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:



## BUSINESS LIABILITY COVERAGE FORM

(a) The preparing, approving, or failure to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications; or

(b) Supervisory, inspection, architectural or engineering activities.

The limits of insurance that apply to additional insureds are described in Section D. – Limits Of Insurance.

How this insurance applies when other insurance is available to an additional insured is described in the Other Insurance Condition in Section E. – Liability And Medical Expenses General Conditions.

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

### D. LIABILITY AND MEDICAL EXPENSES LIMITS OF INSURANCE

#### 1. THE MOST WE WILL PAY

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

- a. Insureds;
- b. Claims made or "suits" brought; or
- c. Persons or organizations making claims or bringing "suits".

#### 2. Aggregate Limits

The most we will pay for:

- a. Damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard" is the Products-Completed Operations Aggregate Limit shown in the Declarations.
- b. Damages because of all other "bodily injury", "property damage" or "personal and advertising injury", including medical expenses, is the General Aggregate Limit shown in the Declarations.

This General Aggregate Limit applies separately to each of your "locations" owned by or rented to you.

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

This General Aggregate limit does not apply to "property damage" to premises while rented to you or temporarily occupied by you with permission of the owner, arising out of fire, lightning or explosion.

#### 3. Each Occurrence Limit

Subject to 2.a. or 2.b above, whichever applies, the most we will pay for the sum of all damages because of all "bodily injury", "property damage" and medical expenses arising out of any one "occurrence" is the Liability and Medical Expenses Limit shown in the Declarations.

The most we will pay for all medical expenses because of "bodily injury" sustained by any one person is the Medical Expenses Limit shown in the Declarations.

#### 4. Personal And Advertising Injury Limit

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

#### 5. Damage To Premises Rented To You Limit

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

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

#### 6. How Limits Apply To Additional Insureds

The most we will pay on behalf of a person or organization who is an additional insured under this Coverage Part is the lesser of:

- a. The limits of insurance specified in a written contract, written agreement or permit issued by a state or political subdivision; or
- b. The Limits of Insurance shown in the Declarations.

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

If more than one limit of insurance under this policy and any endorsements attached thereto applies to any claim or "suit", the most we will pay under this policy and the endorsements is the single highest limit of liability of all coverages applicable to such claim or "suit". However, this paragraph does not apply to the Medical Expenses limit set forth in Paragraph 3. above.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

**E. LIABILITY AND MEDICAL EXPENSES  
GENERAL CONDITIONS**

**1. Bankruptcy**

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

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

**a. Notice Of Occurrence Or Offense**

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

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

**b. Notice Of Claim**

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

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

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

**c. Assistance And Cooperation Of The Insured**

You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation, settlement of the claim or defense against the "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization that may be liable to the insured because of injury or damage to which this insurance may also apply.

**d. Obligations At The Insured's Own Cost**

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

**e. Additional Insured's Other Insurance**

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

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

**f. Knowledge Of An Occurrence, Offense, Claim Or Suit**

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

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

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This Paragraph f. applies separately to you and any additional insured.

### 3. Financial Responsibility Laws

- a. When this policy is certified as proof of financial responsibility for the future under the provisions of any motor vehicle financial responsibility law, the insurance provided by the policy for "bodily injury" liability and "property damage" liability will comply with the provisions of the law to the extent of the coverage and limits of insurance required by that law.
- b. With respect to "mobile equipment" to which this insurance applies, we will provide any liability, uninsured motorists, underinsured motorists, no-fault or other coverage required by any motor vehicle law. We will provide the required limits for those coverages.

### 4. Legal Action Against Us

No person or organization has a right under this Coverage Form:

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

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this insurance or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

### 5. Separation Of Insureds

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

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

### 6. Representations

#### a. When You Accept This Policy

By accepting this policy, you agree:

- (1) The statements in the Declarations are accurate and complete;
- (2) Those statements are based upon representations you made to us; and

- (3) We have issued this policy in reliance upon your representations.

#### b. Unintentional Failure To Disclose Hazards

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

### 7. Other Insurance

If other valid and collectible insurance is available for a loss we cover under this Coverage Part, our obligations are limited as follows:

#### a. Primary Insurance

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

#### b. Excess Insurance

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

##### (1) Your Work

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

##### (2) Premises Rented To You

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

##### (3) Tenant Liability

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

##### (4) Aircraft, Auto Or Watercraft

If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. of Section A. – Coverages.

##### (5) Property Damage To Borrowed Equipment Or Use Of Elevators

If the loss arises out of "property damage" to borrowed equipment or the use of elevators to the extent not subject to Exclusion k. of Section A. – Coverages.

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

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

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

That is other insurance available to an additional insured.

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

**(a) Primary Insurance When Required By Contract**

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

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

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

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

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

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

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

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

**c. Method Of Sharing**

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

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

**8. Transfer Of Rights Of Recovery Against Others To Us**

**a. Transfer Of Rights Of Recovery**

If the insured has rights to recover all or part of any payment, including Supplementary Payments, we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them. This condition does not apply to Medical Expenses Coverage.

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

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

## BUSINESS LIABILITY COVERAGE FORM

### F. OPTIONAL ADDITIONAL INSURED COVERAGES

If listed or shown as applicable in the Declarations, one or more of the following Optional Additional Insured Coverages also apply. When any of these Optional Additional Insured Coverages apply, Paragraph 6. (Additional Insureds When Required by Written Contract, Written Agreement or Permit) of Section C., Who Is An Insured, does not apply to the person or organization shown in the Declarations. These coverages are subject to the terms and conditions applicable to Business Liability Coverage in this policy, except as provided below:

#### 1. Additional Insured - Designated Person Or Organization

WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations, 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:

- a. In the performance of your ongoing operations; or
- b. In connection with your premises owned by or rented to you.

#### 2. Additional Insured - Managers Or Lessors Of Premises

- a. WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured - Designated Person Or Organization; but only with respect to liability arising out of the ownership, maintenance or use of that part of the premises leased to you and shown in the Declarations.
- b. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to:

- (1) Any "occurrence" which takes place after you cease to be a tenant in that premises; or
- (2) Structural alterations, new construction or demolition operations performed by or on behalf of such person or organization.

#### 3. Additional Insured - Grantor Of Franchise

WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured - Grantor Of Franchise, but only with respect to their liability as grantor of franchise to you.

#### 4. Additional Insured - Lessor Of Leased Equipment

- a. WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured - Lessor of Leased Equipment, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person(s) or organization(s).
- b. With respect to the insurance afforded to these additional insureds, this insurance does not apply to any "occurrence" which takes place after you cease to lease that equipment.

#### 5. Additional Insured - Owners Or Other Interests From Whom Land Has Been Leased

- a. WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured - Owners Or Other Interests From Whom Land Has Been Leased, but only with respect to liability arising out of the ownership, maintenance or use of that part of the land leased to you and shown in the Declarations.
- b. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to:

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

#### 6. Additional Insured - State Or Political Subdivision - Permits

- a. WHO IS AN INSURED under Section C. is amended to include as an additional insured the state or political subdivision shown in the Declarations as an Additional

Insured – State Or Political Subdivision - Permits, but only with respect to operations performed by you or on your behalf for which the state or political subdivision has issued a permit.

- b. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to:

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

**7. Additional Insured – Vendors**

- a. WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) (referred to below as vendor) shown in the Declarations as an Additional Insured - Vendor, but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business and only if this Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".
- b. The insurance afforded to the vendor is subject to the following additional exclusions:

- (1) This insurance does not apply to:
  - (a) "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;
  - (b) Any express warranty unauthorized by you;
  - (c) Any physical or chemical change in the product made intentionally by the vendor;
  - (d) Repackaging, unless unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;

- (e) Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;

- (f) Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;

- (g) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or

- (h) "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:

- (i) The exceptions contained in Subparagraphs (d) or (f); or

- (ii) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.

- (2) This insurance does not apply to any insured person or organization from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.

**8. Additional Insured – Controlling Interest**

WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured – Controlling Interest, but only with respect to their liability arising out of:

- a. Their financial control of you; or
- b. Premises they own, maintain or control while you lease or occupy these premises.

## BUSINESS LIABILITY COVERAGE FORM

This insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.

### 9. Additional Insured – Owners, Lessees Or Contractors – Scheduled Person Or Organization

a. WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured – Owner, Lessees Or Contractors, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

- (1) In the performance of your ongoing operations for the additional insured(s); or
- (2) In connection with "your work" performed for that additional insured and included within the "products-completed operations hazard", but only if this Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".

b. With respect to the insurance afforded to these additional insureds, this insurance does not apply to "bodily injury", "property damage" or "personal an advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:

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

### 10. Additional Insured – Co-Owner Of Insured Premises

WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or Organization(s) shown in the Declarations as an Additional Insured – Co-Owner Of Insured Premises, but only with respect to their liability as co-owner of the premises shown in the Declarations.

The limits of insurance that apply to additional insureds are described in Section D. – Limits Of Insurance.

How this insurance applies when other insurance is available to an additional insured is described in the Other Insurance Condition in Section E. – Liability And Medical Expenses General Conditions.

## G. LIABILITY AND MEDICAL EXPENSES DEFINITIONS

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

- a. (1) Radio;
- (2) Television;
- (3) Billboard;
- (4) Magazine;
- (5) Newspaper;

b. The Internet, but only that part of a web site that is about goods, products or services for the purposes of inducing the sale of goods, products or services; or

c. Any other publication that is given widespread public distribution.

However, "advertisement" does not include:

a. The design, printed material, information or images contained in, on or upon the packaging or labeling of any goods or products; or

b. An interactive conversation between or among persons through a computer network.

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

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

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

5. "Bodily injury" means physical:

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

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

6. "Coverage territory" means:

## BUSINESS LIABILITY COVERAGE FORM

- a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
  - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in a. above;
  - c. All other parts of the world if the injury or damage arises out of:
    - (1) Goods or products made or sold by you in the territory described in a. above;
    - (2) The activities of a person whose home is in the territory described in a. above, but is away for a short time on your business; or
    - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication
- provided the insured's responsibility to pay damages is determined in the United States of America (including its territories and possessions), Puerto Rico or Canada, in a "suit" on the merits according to the substantive law in such territory, or in a settlement we agree to.
7. "Electronic data" means information, facts or programs:
    - a. Stored as or on;
    - b. Created or used on; or
    - c. Transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.
  8. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
  9. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
  10. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
  11. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
    - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
    - b. You have failed to fulfill the terms of a contract or agreement;if such property can be restored to use by:
    - a. The repair, replacement, adjustment or removal of "your product" or "your work"; or
    - b. Your fulfilling the terms of the contract or agreement.
  12. "Insured contract" means:
    - a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire, lightning or explosion to premises while rented to you or temporarily occupied by you with permission of the owner is subject to the Damage To Premises Rented To You limit described in Section D. – Liability and Medical Expenses Limits of Insurance.
    - b. A sidetrack agreement;
    - c. Any easement or license agreement, including an easement or license agreement in connection with construction or demolition operations on or within 50 feet of a railroad;
    - d. Any obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
    - e. An elevator maintenance agreement; or
    - f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization, provided the "bodily injury" or "property damage" is caused, in whole or in part, by you or by those acting on your behalf. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

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

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



## BUSINESS LIABILITY COVERAGE FORM

- (1) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
    - (a) Preparing, approving or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications; or
    - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
  - (2) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (1) above and supervisory, inspection, architectural or engineering activities.
13. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
14. "Loading or unloading" means the handling of property:
- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
  - b. While it is in or on an aircraft, watercraft or "auto"; or
  - c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;
- but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".
15. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:
- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
  - b. Vehicles maintained for use solely on or next to premises you own or rent;
  - c. Vehicles that travel on crawler treads;
  - d. Vehicles, whether self-propelled or not, on which are permanently mounted:
- (1) Power cranes, shovels, loaders, diggers or drills; or
  - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e. Vehicles not described in a., b., c., or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
- (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
  - (2) Cherry pickers and similar devices used to raise or lower workers;
- f. Vehicles not described in a., b., c., or d. above maintained primarily for purposes other than the transportation of persons or cargo.
- However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":
- (1) Equipment, of at least 1,000 pounds gross vehicle weight, designed primarily for:
    - (a) Snow removal;
    - (b) Road maintenance, but not construction or resurfacing; or
    - (c) Street cleaning;
  - (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
  - (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.
16. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
17. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:
- a. False arrest, detention or imprisonment;
  - b. Malicious prosecution;

## BUSINESS LIABILITY COVERAGE FORM

- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that the person occupies, committed by or on behalf of its owner, landlord or lessor;
  - d. Oral, written or electronic publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
  - e. Oral, written or electronic publication of material that violates a person's right of privacy;
  - f. Copying, in your "advertisement", a person's or organization's "advertising idea" or style of "advertisement";
  - g. Infringement of copyright, slogan, or title of any literary or artistic work, in your "advertisement"; or
  - h. Discrimination or humiliation that results in injury to the feelings or reputation of a natural person.
18. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
19. "Products-completed operations hazard";
- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
    - (1) Products that are still in your physical possession; or
    - (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed to be completed at the earliest of the following times:
      - (a) When all of the work called for in your contract has been completed.
      - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
      - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.
- Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.
- The "bodily injury" or "property damage" must occur away from premises you own or rent, unless your business includes the selling, handling or distribution of "your product" for consumption on premises you own or rent.
- b. Does not include "bodily injury" or "property damage" arising out of:
    - (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured; or
    - (2) The existence of tools, uninstalled equipment or abandoned or unused materials.
20. "Property damage" means:
- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
  - b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of "occurrence" that caused it.
- As used in this definition, "electronic data" is not tangible property.
21. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:
- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
  - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.
22. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
23. "Volunteer worker" means a person who:
- a. Is not your "employee";

## BUSINESS LIABILITY COVERAGE FORM

- b. Donates his or her work;
  - c. Acts at the direction of and within the scope of duties determined by you; and
  - d. Is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.
24. "Your product":
- a. Means:
    - (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
      - (a) You;
      - (b) Others trading under your name; or
      - (c) A person or organization whose business or assets you have acquired; and
    - (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
  - b. Includes:
    - (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
    - (2) The providing of or failure to provide warnings or instructions.
25. "Your work":
- a. Means:
    - (1) Work or operations performed by you or on your behalf; and
    - (2) Materials, parts or equipment furnished in connection with such work or operations.
  - b. Includes:
    - (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
    - (2) The providing of or failure to provide warnings or instructions.

YEAR

20 1 2

**Withholding Exemption Certificate**

CALIFORNIA FORM

**590**

(This form can only be used to certify exemption from nonresident withholding under California R&amp;TC Section 18662. This form cannot be used for exemption from wage withholding.)

File this form with your withholding agent.  
(Please type or print)

Withholding agent's name

Vendor/Payee's name

Vendor/Payee's  Social security number  
 SOS. no.  California corp. no.  FEINNote:  
Failure to furnish your  
identification number will  
make this certificate void.

Versaworks, Inc.

0 5 - 0 6 3 4 6 2 0

Vendor/Payee's address (number and street)

APT. no.

Private Mailbox no.

Vendor/Payee's daytime telephone no.

2560 Mission College Blvd. Ste 140

( 408 ) 780-0230

City

State

ZIP Code

Santa Clara

CA

95054

I certify that for the reasons checked below, the entity or individual named on this form is exempt from the California income tax withholding requirement on payment(s) made to the entity or individual. Read the following carefully and check the box that applies to the vendor/payee:

 **Individuals — Certification of Residency:**

I am a resident of California and I reside at the address shown above. If I become a nonresident at any time, I will promptly inform the withholding agent. See instructions for Form 590, General Information D, for the definition of a resident.

 **Corporations:**

The above-named corporation has a permanent place of business in California at the address shown above or is qualified through the California Secretary of State to do business in California. The corporation will withhold on payments of California source income to nonresidents when required. If this corporation ceases to have a permanent place of business in California or ceases to be qualified to do business in California, I will promptly inform the withholding agent. See instructions for Form 590, General Information E, for the definition of permanent place of business.

 **Partnerships:**

The above-named partnership has a permanent place of business in California at the address shown above or is registered with the California Secretary of State, and is subject to the laws of California. The partnership will file a California tax return and will withhold on foreign and domestic nonresident partners when required. If the partnership ceases to do any of the above, I will promptly inform the withholding agent. Note: For withholding purposes, a Limited Liability Partnership is treated like any other partnership.

 **Limited Liability Companies (LLC):**

The above-named LLC has a permanent place of business in California at the address shown above or is registered with the California Secretary of State, and is subject to the laws of California. The LLC will file a California tax return and will withhold on foreign and domestic nonresident members when required. If the LLC ceases to do any of the above, I will promptly inform the withholding agent.

 **Tax-Exempt Entities:**

The above-named entity is exempt from tax under California or federal law. The tax-exempt entity will withhold on payments of California source income to nonresidents when required. If this entity ceases to be exempt from tax, I will promptly inform the withholding agent.

 **Insurance Companies, IRAs, or Qualified Pension/Profit Sharing Plans:**

The above-named entity is an insurance company, IRA, or a federally qualified pension or profit-sharing plan.

 **California Irrevocable Trusts:**

At least one trustee of the above-named irrevocable trust is a California resident. The trust will file a California fiduciary tax return and will withhold on foreign and domestic nonresident beneficiaries when required. If the trustee becomes a nonresident at any time, I will promptly inform the withholding agent.

 **Estates — Certification of Residency of Deceased Person:**

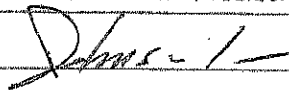
I am the executor of the above-named person's estate. The decedent was a California resident at the time of death. The estate will file a California fiduciary tax return and will withhold on foreign and domestic nonresident beneficiaries when required.

**CERTIFICATE:** Please complete and sign below.

Under penalties of perjury, I hereby certify that the information provided herein is, to the best of my knowledge, true and correct. If conditions change, I will promptly inform the withholding agent.

Vendor/Payee's name and title (type or print) Johnson Kit Sun - President

Vendor/Payee's signature

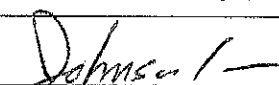


Date

3/29/2012

**COUNTY OF MONTEREY - VENDOR DATA RECORD** (Rev. 3-2012)

Required when doing business with the County of Monterey - No IRS W-9 form needed (Foreign vendors should submit IRS W-8)

<b>1</b>	<b>COUNTY OF MONTEREY</b> <b>Contracts/Purchasing</b> 168 W. Alisal Street 3 <sup>rd</sup> Floor Salinas, CA 93901 Email: <a href="mailto:mcvss@co.monterey.ca.us">mcvss@co.monterey.ca.us</a> Phone: (831) 755-4990 Fax: (831) 755-4969	PURPOSE: Information contained in this form will be used by the County of Monterey to prepare information returns (Form 1099) and for withholding on payments to nonresident vendors. Prompt return of this fully completed form will prevent delays when processing payments.  See Privacy Statement and California Non-Resident Withholding Information on next page.
<b>2</b>	VENDOR'S LEGAL NAME (as shown on your income tax return) Versaworks, Inc. BUSINESS NAME / DBA (if different from line 1) MAILING ADDRESS 2560 Mission College Blvd. Ste 140 ADDITIONAL MAILING ADDRESS CITY, STATE, ZIP CODE Santa Clara, CA 95054	SELECT NAME TO BE MADE PAYABLE TO <input checked="" type="checkbox"/> Legal Name <input type="checkbox"/> Alias/DBA <input type="checkbox"/> Both PHONE NUMBER (408) 780-0230    FAX NUMBER (408) 716-4955 E-MAIL ADDRESS info@versaworks.com REMIT-TO ADDRESS 2560 Mission College Blvd. Ste 140 REMIT-TO CITY, STATE, ZIP CODE Santa Clara, CA 95054
<b>3</b>	FEDERAL EMPLOYER IDENTIFICATION NUMBER (EIN): <input checked="" type="checkbox"/> C CORPORATION <input type="checkbox"/> TRUST/ESTATE <input type="checkbox"/> S CORPORATION <input type="checkbox"/> LIMITED LIABILITY COMPANY (LLC) <input type="checkbox"/> PARTNERSHIP <input type="checkbox"/> C Corporation <input type="checkbox"/> EXEMPT PAYEE (e.g., government, non-profit) <input type="checkbox"/> S Corporation <input type="checkbox"/> OTHER: ▶ <input type="checkbox"/> Partnership SOCIAL SECURITY NUMBER (SSN): <input type="checkbox"/> INDIVIDUAL OR SOLE PROPRIETOR	0 5 - 0 6 3 4 6 2 0 For Tax ID entry instructions, please see next page.  NOTE: Payment will not be processed without an accompanying taxpayer I.D. number.
<b>4</b>	PLEASE CHECK ALL BOXES THAT ARE APPLICABLE TO THE CATEGORY OF PAYMENT: <input type="checkbox"/> SUPPLIES/EQUIPMENT <input type="checkbox"/> ATTORNEY SERVICES <input type="checkbox"/> INTEREST <input type="checkbox"/> SERVICES (MEDICAL) <input type="checkbox"/> LEGAL SETTLEMENT <input type="checkbox"/> GRANTS <input checked="" type="checkbox"/> SERVICES (NON-MEDICAL) <input type="checkbox"/> RENT/LEASE <input type="checkbox"/> OTHER: ▶ Are you a former employee of the County of Monterey? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Are you a Certified Green Business? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (See information regarding green certification on next page)	
<b>5</b>	CALIFORNIA STATE WITHHOLDING STATUS (CA withholding information on next page): <input checked="" type="checkbox"/> California Resident <input checked="" type="checkbox"/> California Form 590 (Withholding Exemption Certificate) attached <input type="checkbox"/> California Non-Resident <input type="checkbox"/> Waiver of State withholding from California Franchise Tax Board attached <input type="checkbox"/> California Form 590 (Withholding Exemption Certificate) attached <input type="checkbox"/> All services for payments issued are performed OUTSIDE of California <input type="checkbox"/> No Services are being rendered, only goods are being provided for payment	CA Form 590 required if your address above in section 2 is a non-CA address  CA NON-RESIDENTS: 7% will be withheld from payment unless one of the lower four boxes on left is checked.
<b>6</b>	I hereby certify under penalty of perjury that the information provided on this document is true and correct. Should my residency status change, I will promptly notify the County of Monterey.	
CERTIFYING SIGNATURE	Authorized Representative's Name (Type or Print) Johnson Kit Sun Signature 	Title President Date 3/29/2012 Phone Number (408) 780-0230