

Master Equipment Service and Software Support Agreement

I. INTRODUCTION

THIS AGREEMENT is entered into as of November 1, 2015, between the COUNTY OF TULARE, referred to as COUNTY, and Bell and Howell, LLC referred to as CONTRACTOR, with reference to the following:

II. RECITALS

- A. Whereas COUNTY has insert and pre-sort bulk mail services for all departments.
- B. Whereas COUNTY requires mail insert and pre-sort equipment and maintenance service for bulk mail.

ACCORDINGLY, IT IS AGREED:

III. SPECIFIC TERMS

- 1. **TERM:** This Agreement shall become effective as of November 1, 2015 and shall expire at 11:59 PM on October 31, 2020 unless otherwise terminated as provided in this Agreement.
- 2. **SERVICES TO BE PERFORMED:** See attached **EXHIBIT A**
- 3. **PAYMENT FOR SERVICES:** See attached **EXHIBIT A**.

IV. GENERAL TERMS

4. INDEPENDENT CONTRACTOR STATUS:

(a) This Agreement is entered into by both parties with the express understanding that CONTRACTOR will perform all services required under this Agreement as an independent contractor. Nothing in this Agreement shall be construed to constitute the CONTRACTOR or any of its agents, employees or officers as an agent, employee or officer of COUNTY.

(b) CONTRACTOR agrees to advise everyone it assigns or hires to perform any duty under this agreement that they are not employees of COUNTY. Subject to any performance criteria contained in this Agreement, CONTRACTOR shall be solely responsible for determining the means and methods of performing the specified services and COUNTY shall have no right to control or exercise any supervision over CONTRACTOR as to how the services will be performed. As CONTRACTOR is not COUNTY'S employee, CONTRACTOR is responsible for paying all required state and federal taxes. In particular, COUNTY will not:

1. Withhold FICA (Social Security) from CONTRACTOR'S payments.
2. Make state or federal unemployment insurance contributions on CONTRACTOR'S behalf.
3. Withhold state or federal income tax from payments to CONTRACTOR.
4. Make disability insurance contributions on behalf of CONTRACTOR.
5. Obtain unemployment compensation insurance on behalf of CONTRACTOR.

(c) Notwithstanding this independent contractor relationship, COUNTY shall have the right to monitor and evaluate the performance of CONTRACTOR to assure compliance with this Agreement.

5. **COMPLIANCE WITH LAW:** CONTRACTOR shall provide services in accordance with applicable Federal, State, and local laws, regulations and directives. With respect to CONTRACTOR'S employees, CONTRACTOR shall comply with all laws and regulations pertaining to wages and hours, state and federal income tax, unemployment insurance, Social Security, disability insurance, workers' compensation insurance, and discrimination in employment.

6. **GOVERNING LAW:** This Agreement shall be interpreted and governed under the laws of the State of California without reference to California conflicts of law principles. The parties agree that this contract is made in and shall be performed in Tulare County, California.

7. **RECORDS AND AUDIT:** CONTRACTOR shall maintain complete and accurate records with respect to the services rendered and the costs incurred under this Agreement. In addition, CONTRACTOR shall maintain complete and accurate records with respect to any payments to employees or subcontractors. All such records shall be prepared in accordance with generally accepted accounting procedures, shall be clearly identified, and shall be kept readily accessible. Upon request, CONTRACTOR shall make such records available within Tulare County to the Auditor of Tulare County and to his agents and representatives, for the purpose of auditing and/or copying such records for a period of five (5) years from the date of final payment under this Agreement.

8. **CONFLICT OF INTEREST:**

(a) CONTRACTOR agrees to, at all times during the performance of this Agreement, comply with the law of the State of California regarding conflicts of interests and appearance of conflicts of interests, including, but not limited to Government Code Section 1090 et seq., and the Political Reform Act, Government Code Section 81000 et seq. and regulations promulgated pursuant thereto by the California Fair Political Practices Commission. The statutes, regulations and laws previously referenced include, but are not limited to, prohibitions against any public officer or employee, including CONTRACTOR for this purpose, from making any decision on behalf of COUNTY in which such officer, employee or consultant/contractor has a direct or indirect financial interest. A violation can occur if the public officer, employee or consultant/contractor participates in or influences any COUNTY decision which has the potential to confer any pecuniary benefit on CONTRACTOR or any business firm in which CONTRACTOR has an interest, with certain narrow exceptions.

(b) CONTRACTOR agrees that if any facts come to its attention which raise any questions as to the applicability of conflicts of interests laws, it will immediately inform the COUNTY designated representative and provide all information needed for resolution of this question.

9. **INSURANCE:** Prior to approval of this Agreement by COUNTY, CONTRACTOR shall file with the Clerk of the Board of Supervisors evidence of insurance as set forth in **Exhibit B** attached, which outlines the minimum scope, specifications, and limits of insurance required under this Agreement. Additional insured endorsements required as outlined in **Exhibit B** shall not be used to reduce limits available to COUNTY as an additional insured from CONTRACTOR's full policy limits. Insurance policies shall not be used to limit liability or to limit the indemnification provisions and requirements of this Agreement or act in any way to reduce the policy coverage and limits available from the insurer(s). Failure to maintain or renew coverage, or to provide evidence of renewal, may be considered a material breach of this Agreement.

10. **INDEMNIFICATION:** CONTRACTOR shall hold harmless, defend and indemnify COUNTY, its agents, officers and employees from and against any liability, claims, actions, costs, damages or losses for (i) death or injury to any person and/or damage to property, including COUNTY property, to the extent arising from, the negligent or intentional acts or omissions of CONTRACTOR or its agents, officers and employees under this Agreement, (ii) claims that may be made against COUNTY by any taxing authority asserting that an employer-employee relationship exists by reason of this Agreement, (iii) any claims made against COUNTY alleging civil rights violations by

CONTRACTOR under Government Code sections 12920 et seq. (California Fair Employment and Housing Act), and (iv) any fines or penalties imposed on COUNTY for CONTRACTORS failure to provide form DE-542, when applicable. COUNTY must provide CONTRACTOR with: (i) prompt written notice of any such threatened or actual claim; (ii) full authority to defend and settle any such claim with CONTRACTOR'S own counsel; and (iii) reasonable cooperation. This indemnification obligation shall continue beyond the term of this Agreement as to any acts or omissions occurring under this Agreement or any extension of this Agreement.

11. TERMINATION:

(a) Without Cause: County will have the right to terminate this Agreement without cause by giving ninety (90) days prior written notice of intention to terminate pursuant to this provision, specifying the date of termination. County will pay to the CONTRACTOR the compensation earned for work performed and not previously paid for to the date of termination. County will not pay lost anticipated profits or other economic loss. The payment of such compensation is subject to the restrictions on payment of compensation otherwise provided in this Agreement, and is conditioned upon receipt from CONTRACTOR of any and all plans, specifications and estimates, and other documents prepared by CONTRACTOR in accordance with this Agreement. No sanctions will be imposed.

(b) With Cause: This Agreement may be terminated by either party should the other party:

- (1) be adjudged a bankrupt, or
- (2) become insolvent or have a receiver appointed, or
- (3) make a general assignment for the benefit of creditors, or
- (4) suffer any judgment which remains unsatisfied for 30 days, and which would substantively impair the ability of the judgment debtor to perform under this Agreement, or
- (5) materially breach this Agreement which remains uncured for 30 days after the breaching party is first notified of such breach in writing by the non-breaching party.

In addition, COUNTY may terminate this Agreement based on:

- (6) material misrepresentation, either by CONTRACTOR or anyone acting on CONTRACTOR's behalf, as to any matter related in any way to COUNTY's retention of CONTRACTOR, or
- (7) other misconduct or circumstances which, in the sole discretion of the COUNTY, either impair the ability of CONTRACTOR to competently provide the services under

this Agreement, or expose the COUNTY to an unreasonable risk of liability.

County will pay to the CONTRACTOR the compensation earned for work performed and not previously paid for to the date of termination. The payment of such compensation is subject to the restrictions on payment of compensation otherwise provided in this Agreement, and is conditioned upon receipt from CONTRACTOR of any and all plans, specifications and estimates, and other documents prepared by CONTRACTOR by the date of termination in accordance with this Agreement. County will not pay lost anticipated profits or other economic loss, nor will the County pay compensation or make reimbursement to cure a breach arising out of or resulting from such termination. If this Agreement is terminated and the expense of finishing the CONTRACTOR's scope of work exceeds the unpaid balance of the agreement, the CONTRACTOR must pay the difference to the County. Sanctions taken will be possible rejection of future proposals based on specific causes of non performance.

(c) Effects of Termination: Expiration or termination of this Agreement shall not terminate any obligations to indemnify, to maintain and make available any records pertaining to the Agreement, to cooperate with any audit, to be subject to offset, or to make any reports of pre-termination contract activities. Where CONTRACTOR's services have been terminated by the County, said termination will not affect any rights of the County to recover damages against the CONTRACTOR.

(d) Suspension of Performance: Independent of any right to terminate this Agreement, the authorized representative of COUNTY for which CONTRACTOR's services are to be performed, may immediately suspend performance by CONTRACTOR, in whole or in part, in response to health, safety or financial emergency, or a failure or refusal by CONTRACTOR to comply with the provisions of this Agreement, until such time as the cause for suspension is resolved, or a notice of termination becomes effective.

12. **LOSS OF FUNDING:** It is understood and agreed that if the funding is either discontinued or reduced for this project for the COUNTY, that the COUNTY shall have the right to terminate this Agreement. In such event, the affected party shall provide the other party with at least thirty (30) days prior written notice of such termination.

13. **FORM DE-542:** If CONTRACTOR is an individual, CONTRACTOR acknowledges that this Agreement is subject to filing obligations pursuant to Unemployment Insurance Code Section 1088.8. Accordingly, COUNTY has an obligation to file a report with the Employment Development Department, which report will include the CONTRACTOR's full name, social security number, address, the date

this contract was executed, the total amount of the contract, the contract's expiration date or whether it is ongoing. CONTRACTOR agrees to cooperate with COUNTY to make such information available and to complete Form DE- 542. Failure to provide the required information may, at COUNTY's option, prevent approval of this Agreement, or be grounds for termination by COUNTY.

14. NOTICES:

(a) Except as may be otherwise required by law, any notice to be given shall be written and shall be either personally delivered, sent by facsimile transmission or sent by first class mail, postage prepaid and addressed as follows:

COUNTY:

Board of Supervisors
County of Tulare
Administration Building
2800 W. Burrell
Visalia, CA 93291

CONTRACTOR:

Bell and Howell, LLC
3791 South Alston Avenue
Durham, NC 27713-1803
Attn: Legal Dept.

Copy to:

General Services – Print & Mail Services
County of Tulare
5953 S. Mooney Blvd.
Visalia, CA 93277

(b) Notice personally delivered is effective when delivered. Notice sent by facsimile transmission is deemed to be received upon successful transmission. Notice sent by first class mail shall be deemed received on the fifth day after the date of mailing. Either party may change the above address by giving written notice pursuant to this paragraph.

15. ASSIGNMENT/SUBCONTRACTING: Unless otherwise provided in this Agreement, COUNTY is relying on the personal skill, expertise, training and experience of CONTRACTOR and CONTRACTOR'S employees and no part of this Agreement may be assigned or subcontracted by CONTRACTOR without the prior written consent of COUNTY.

16. **DISPUTE RESOLUTION:** If a dispute arises out of or relating to this Agreement, or the breach thereof, and if said dispute cannot be settled through negotiation, the parties agree first to try in good faith to settle the dispute by non-binding mediation before resorting to litigation or some other dispute resolution procedure, unless the parties mutually agree otherwise. The mediator shall be mutually selected by the parties, but in case of disagreement, the mediator shall be selected by lot from among two nominations provided by each party. All costs and fees required by the mediator shall be split equally by the parties; otherwise each party shall bear its own costs of mediation. If mediation fails to resolve the dispute within 30 days, either party may pursue litigation to resolve the dispute.

17. **FURTHER ASSURANCES:** Each party will execute any additional documents and perform any further acts that may be reasonably required to affect the purposes of this Agreement.

18. **HEADINGS:** Section headings are provided for organizational purposes only and do not in any manner affect the scope, meaning or intent of the provisions under the headings.

19. **NO THIRD-PARTY BENEFICIARIES INTENDED:** Unless specifically set forth, the parties to this Agreement do not intend to provide any other party with any benefit or enforceable legal or equitable right or remedy.

20. **WAIVERS:** The failure of either party to insist on strict compliance with any provision of this Agreement shall not be considered a waiver of any right to do so, whether for that breach or any subsequent breach. The acceptance by either party of either performance or payment shall not be considered to be a waiver of any preceding breach of the Agreement by the other party.

21. **EXHIBITS AND RECITALS:** The recitals and the exhibits to this Agreement are fully incorporated into and are integral parts of this Agreement.

22. **CONFLICT WITH LAWS OR REGULATIONS/SEVERABILITY:** This Agreement is subject to all applicable laws and regulations. If any provision of this Agreement is found by any court or other legal authority, or is agreed by the parties to be, in conflict with any code or regulation governing its subject matter, only the conflicting provision shall be considered null and void. If the effect of nullifying any conflicting provision is such that a material benefit of the Agreement to either party is lost, the

Agreement may be terminated at the option of the affected party. In all other cases the remainder of the Agreement shall continue in full force and effect.

23. **ENTIRE AGREEMENT REPRESENTED:** This Agreement represents the entire agreement between CONTRACTOR and COUNTY as to its subject matter and no prior oral or written understanding shall be of any force or effect. No part of this Agreement may be modified without the written consent of both parties.

24. **ASSURANCES OF NON-DISCRIMINATION:** CONTRACTOR shall not discriminate in employment or in the provision of services on the basis of any characteristic or condition upon which discrimination is prohibited by state or federal law or regulation.

(a) It is recognized that both the Contractor and the County have the responsibility to protect County employees and clients from unlawful activities, including discrimination and sexual harassment in the workplace. Accordingly, Contractor agrees to provide appropriate training to its employees regarding discrimination and sexual harassment issues, and to promptly and appropriately investigate any allegations that any of its employees may have engaged in improper discrimination or harassment activities. The County, in its sole discretion, has the right to require Contractor to replace any employee who provides services of any kind to County pursuant to this Agreement with other employees where County is concerned that its employees or clients may have been or may be the subjects of discrimination or harassment by such employees. The right to require replacement of employees as aforesaid shall not preclude County from terminating this Agreement with or without cause as provided for herein.

LIMITATION OF LIABILITY: IN CONNECTION WITH THIS AGREEMENT, NEITHER PARTY SHALL, UNDER ANY CIRCUMSTANCES, HAVE ANY LIABILITY TO THE OTHER FOR ANY INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES (INCLUDING, WITHOUT LIMITATION, LOSS OF REVENUE OR PROFITS, OR LOSS OF BUSINESS OR BUSINESS INTERRUPTION) REGARDLESS OF ANY NEGLIGENCE OR FAULT ON THE PART OF THE PARTY, ITS EMPLOYEES, AGENTS, REPRESENTATIVES OR ASSIGNS, EVEN IF SUCH PARTY HAS BEEN MADE AWARE OF THE POSSIBILITY OF SUCH DAMAGES, AND ANY SUCH CLAIM IS HEREBY WAIVED BY THE PARTIES.

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THE PARTIES, having read and considered the above provisions, indicate their agreement by their authorized signatures below.

COUNTY OF TULARE

Date: _____ BY _____
Chairman, Board of Supervisors

ATTEST: MICHAEL C. SPATA
County Administrative Officer/Clerk of the Board
of Supervisors of the County of Tulare

By _____
Deputy Clerk

CONTRACTOR

Date: _____ By _____
TITLE _____

Date: _____ By _____
TITLE _____

Corporations Code section 313 requires that contracts with a corporation be signed by both (1) the chairman of the Board of Directors, the president or any vice-president (or another officer having general, operational responsibilities), and (2) the secretary, any assistant secretary, the chief financial officer, or any assistant treasurer (or another officer having recordkeeping or financial responsibilities), unless the contract is accompanied by a certified copy of the corporation's Board of Directors' resolution authorizing the execution of the contract.

Approved as to Form
County Counsel

By _____
Deputy

Date _____

Equipment Service and Software Support Schedule No. 40023685

Customer: TULARE COUNTY PRINT & MAIL	Start Date of Services: 11/01/2015
Site (Equipment Site Address):	End Date of Services: 10/31/2020
TULARE COUNTY PRINT & MAIL	Invoice To Address:
5953 S MOONEY BLVD	TULARE COUNTY PRINT & MAIL
VISALIA, CA -93277-9394	5953 S MOONEY BLVD
USA	VISALIA, CA -93277-9394
	USA

THIS EQUIPMENT SERVICE AND SOFTWARE SUPPORT SCHEDULE (the "Schedule") by and between Bell and Howell, LLC ("BH") and Customer is entered into pursuant to the terms and conditions of that certain Master Equipment Service and Software Support Agreement by and between BH and Customer dated November 1, 2015 (the "Agreement"), which is incorporated by reference herein. Unless otherwise defined herein, all defined terms used in this Schedule shall have the same meaning ascribed to them in the Agreement.

1. **Term.** This Schedule shall be effective upon the Start Date of Services as set forth above and shall continue for a period of five (5) years unless otherwise stated above (the "Term").
2. **Service Coverage.** See Service Coverage List in section 2.1 (attached). Equipment and Software Services are described in Exhibit 1, attached hereto and by this reference made a part hereof.
3. **Service Fees.** Customer shall pay to BH a Service Fee of \$21,529.51 for year 1, \$39,495.36 for year 2, \$39,890.31 for year 3, \$40,688.11 for year 4, and \$41,908.75 for year 5, as set forth in Section 2.1 (attached). Service Fee is exclusive of applicable taxes, which will be invoiced with Service Fee. Where permitted by applicable law, payments made by credit card will be subject to an additional two percent (2%) surcharge by BH, the amount of which does not exceed BH's applicable costs for accepting such credit card payments.

Payment Options: (Each installment is due in advance of the period in which the services will be provided)

☒ Annual Installments = see above

Please check if applicable to Customer with respect to this Schedule:

☐ Customer requires a Purchase Order be issued before an invoice may be paid. Accordingly, Customer agrees to issue such a Purchase Order upon signing this Schedule and return such Purchase Order with this Schedule to BH.

4. **Service Limitations.** BH shall not be responsible under this Exhibit for the replacement or repair of any Equipment or Software damaged as a result of: (i) Customer's failure to use the Equipment in a normal, ordinary and routine manner as intended, including, Customer's use or installation of any part or product not meeting BH specifications and Consumable Parts; (ii) accident, neglect, misuse, site not meeting environmental specifications or non-performance by Customer of operator care and adjustment; (iii) power source deviations or failures; or (iv) service, repair or replacement of the Equipment or parts or any modification thereof, including any software update performed by anyone other than an authorized BH representative. BH shall have no obligation to service any software other than the most current version of such Software. Customer agrees to obtain such most current version at Customer's sole expense. Further, Services provided under this Exhibit shall not include any overhaul of the Equipment, move and/or de-installation of the Equipment or Software or part thereof. If Customer requests, BH may, at Customer's expense, provide support services to perform any of the above listed limitations. If BH has already performed such services and BH determines that the need for such services was the result of one of the limitations set forth above, then BH may charge Customer its then current fees and expenses for those services.
5. **Right of First Refusal.** If Customer intends to enter into an agreement with another party to obtain any services the same as or similar to any of the Services, Customer shall provide BH with written notice of the terms of such agreement prior to terminating this Schedule hereunder or the Agreement. If BH agrees to meet the same or similar terms within thirty (30) days following receipt of the written notice thereof, then Customer shall enter into an agreement on such same or similar terms with BH upon expiration of this Schedule or the Agreement, as applicable.
6. **Nonsolicitation/Hire.** During the Term of the Agreement and this Schedule, and for a period of one year after the latest of termination or expiration of the Agreement and this Schedule, Customer will not directly or indirectly, on behalf of itself, or on behalf of any person, firm, partnership, corporation, association or entity, (i) hire or solicit or induce any employee, consultant or representative of BH, including, without limitation, any Resident Technician or any Priority Resident Technician who is such during the Term of the Agreement or this Schedule (each a "Protected Party") to discontinue its relationship with BH or to establish a relationship with Customer or any other party. Violation of this provision shall constitute an event of default and BH shall have the right to any or all of the following: (i) equitable relief (including without limitation injunctive relief) without having to prove damages or post a security bond; (ii) terminate this Agreement; and (iii) pursue all other damages and remedies available under applicable law.
7. **Compliance With Anti-Bribery Provisions.** BH and its subsidiaries are operating in accordance with and have a compliance program in place which reflects a strict no-bribery policy in keeping with the United States Foreign Corrupt Practices Act and other applicable laws, including those of other countries. By signing this Schedule, Customer confirms and certifies that it understands and will follow the requirements of these laws. BH shall have the right to terminate this Schedule immediately if it has reason to believe that there has been an actual or potential violation of any laws related to anti-bribery, and to fully follow all reporting or other guidelines in the law.

8. This Schedule may be modified or amended only by a subsequent written instrument mutually agreed to and signed by authorized representatives of the parties hereto expressly superseding the provisions hereof. Any modification or amendment, including, but not limited to, changes to Sections 2, may affect the Service Fees hereunder.
9. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which together shall be deemed for all purposes to constitute one and the same instrument.

Section 2.1.A - Equipment Maintenance Services Coverage List

(Year 1: 11/01/15-10/31/16)

EQUIPMENT & MODEL	SERVICE I.D. NO.	SERIAL NO.	SERVICE TYPE	PM INSPS.	RM CALLS	PARTS	AGE	CONTRACTED PERIOD OF MAINTENANCE (CPM)	RESPONSE TIME	TOTAL SERVICE FEE
BH 2000 VIP Insertor	94797A	55- 30001008	Priority Service Plus	Semi- Annual	ALL	YES	10.29	8:30A - 5:00P M - F	4 HOUR	\$12,742.10
Criterion II X Bin Sorter with RDR & IJ (7/1/16-10/31/16)	95131A	0671253	Priority Service Plus	Quarterly	ALL	YES	8.11	8:30A - 5:00P M - F	4 HOUR	\$8,787.41

TOTAL EQUIPMENT SERVICE FEES \$21,529.51
(Exclusive of Taxes)

TOTAL AGREEMENT EQUIPMENT AND SOFTWARE SERVICE FEES: \$21,529.51 (Year 1)

(Year 2: 11/01/16-10/31/17)

EQUIPMENT & MODEL	SERVICE I.D. NO.	SERIAL NO.	SERVICE TYPE	PM INSPS.	RM CALLS	PARTS	AGE	CONTRACTED PERIOD OF MAINTENANCE (CPM)	RESPONSE TIME	TOTAL SERVICE FEE
BH 2000 VIP Insertor	94797A	55- 30001008	Priority Service Plus	Semi- Annual	ALL	YES	11.29	8:30A - 5:00P M - F	4 HOUR	\$12,869.52
Criterion II X Bin Sorter with RDR & IJ	95131A	0671253	Priority Service Plus	Quarterly	ALL	YES	9.11	8:30A - 5:00P M - F	4 HOUR	\$26,625.84

TOTAL EQUIPMENT SERVICE FEES \$39,495.36
(Exclusive of Taxes)

TOTAL AGREEMENT EQUIPMENT AND SOFTWARE SERVICE FEES: \$39,495.36 (Year 2)

Section 2.1.A - Equipment Maintenance Services Coverage List

(Year 3: 11/01/17-10/31/18)

EQUIPMENT & MODEL	SERVICE I.D. NO.	SERIAL NO.	SERVICE TYPE	PM INSPS.	RM CALLS	PARTS	AGE	CONTRACTED PERIOD OF MAINTENANCE (CPM)	RESPONSE TIME	TOTAL SERVICE FEE
BH 2000 VIP Insertor	94797A	55- 30001008	Priority Service Plus	Semi- Annual	ALL	YES	12.29	8:30A - 5:00P M - F	4 HOUR	\$12,998.21
Criterion II X Bin Sorter with RDR & IJ (7/1/16-10/31/16)	95131A	0671253	Priority Service Plus	Quarterly	ALL	YES	10.11	8:30A - 5:00P M - F	4 HOUR	\$26,892.10

TOTAL EQUIPMENT SERVICE FEES **\$39,890.31**
(Exclusive of Taxes)

TOTAL AGREEMENT EQUIPMENT AND SOFTWARE SERVICE FEES: \$39,890.31 (Year 3)

(Year 4: 11/01/18-10/31/19)

EQUIPMENT & MODEL	SERVICE I.D. NO.	SERIAL NO.	SERVICE TYPE	PM INSPS.	RM CALLS	PARTS	AGE	CONTRACTED PERIOD OF MAINTENANCE (CPM)	RESPONSE TIME	TOTAL SERVICE FEE
BH 2000 VIP Insertor	94797A	55- 30001008	Priority Service Plus	Semi- Annual	ALL	YES	13.29	8:30A - 5:00P M - F	4 HOUR	\$13,258.17
Criterion II X Bin Sorter with RDR & IJ (7/1/16-10/31/16)	95131A	0671253	Priority Service Plus	Quarterly	ALL	YES	11.11	8:30A - 5:00P M - F	4 HOUR	\$27,429.94

TOTAL EQUIPMENT SERVICE FEES **\$40,688.11**
(Exclusive of Taxes)

TOTAL AGREEMENT EQUIPMENT AND SOFTWARE SERVICE FEES: \$40,688.11 (Year 4)

Section 2.1.A - Equipment Maintenance Services Coverage List

(Year 5: 11/01/19-10/31/20)

EQUIPMENT & MODEL	SERVICE I.D. NO.	SERIAL NO.	SERVICE TYPE	PM INSPS.	RM CALLS	PARTS	AGE	CONTRACTED PERIOD OF MAINTENANCE (CPM)	RESPONSE TIME	TOTAL SERVICE FEE
BH 2000 VIP Insertor	94797A	55- 30001008	Priority Service Plus	Semi- Annual	ALL	YES	14.29	8:30A - 5:00P M - F	4 HOUR	\$13,655.91
Criterion II X Bin Sorter with RDR & U (7/1/16-10/31/16)	95131A	0671253	Priority Service Plus	Quarterly	ALL	YES	12.11	8:30A - 5:00P M - F	4 HOUR	\$28,252.84

TOTAL EQUIPMENT SERVICE FEES \$41, 908.75
(Exclusive of Taxes)

TOTAL AGREEMENT EQUIPMENT AND SOFTWARE SERVICE FEES: \$41,908.75 (Year 5)



EXHIBIT 1

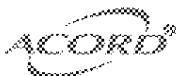
Customer Services

Description of Service Options

The following terms shall have the meaning ascribed to them below:

1. "Equipment Services" shall include:

☒ **"Priority Service Plus"** - During the Contracted Period of Maintenance (CPM) excluding holidays, if requested by Customer, BH shall dispatch a technician to perform, pursuant to the Schedule, Preventive Maintenance inspections and Remedial Maintenance calls. During any Remedial Maintenance call or Preventive Maintenance call, the technician shall replace, without additional charge to Customer, as reasonably necessary, Non-Consumable Parts. Operator error, routine set-up, and repeated operator training are not included in the number of inspections or calls listed on the Schedule. BH shall bill Customer, (at BH's then current rates for labor plus BH's list price for any Equipment parts) for any Services required as a result of operator error, routine set-up and repeated operator training.



CERTIFICATE OF LIABILITY INSURANCE

EXHIBIT B

DATE (MM/DD/YYYY)
11/03/2015

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 Marsh USA Inc. 100 North Tryon Street, Suite 3600 Charlotte, NC 28202		CONTACT NAME: PHONE: (A/C, No. Ext): E-MAIL: ADDRESS:		FAX: (A/C, No.)	
950107-STD-15-16		INSURER(S) AFFORDING COVERAGE			
INSURED Bell and Howell, LLC 3731 South Alston Avenue Durham, NC 27713		INSURER A: Liberty Mutual Insurance Company		21043	
		INSURER B: Employers Insurance Company of Wausau		21408	
		INSURER C: N/A		N/A	
		INSURER D: LM Insurance Corporation		33680	
		INSURER E: N/A		N/A	
		INSURER F:			

COVERAGES: CERTIFICATE NUMBER: ATL-00581961-11 REVISION NUMBER: 4

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. TYPE	TYPE OF INSURANCE	ADDITIONAL INSURER	POLICY NUMBER	POLICY EFF. (MM/DD/YYYY)	POLICY EXP. (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE (LIMIT APPLIES PER) <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO. <input type="checkbox"/> LOC OTHER:		7ED-211-262530-025	10/30/2015	10/30/2016	EACH OCCURRENCE \$ 2,500,000 DAMAGE TO RENTED PREMISES (Per occurrence) \$ 100,000 MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ 2,500,000 GENERAL AGGREGATE \$ 10,000,000 PRODUCTS - COMP/OP AGG \$ 2,500,000 POLICY AGGREGATE \$ 10,000,000
B	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> Hired AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS		ASC-211-282030-015	10/30/2015	10/30/2016	COMBINED SINGLE LIMIT (Per accident) \$ 2,500,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ COMP / COLL. \$ 1,000
	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> DISC. <input type="checkbox"/> RETENTION \$					<input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE EACH OCCURRENCE \$ AGGREGATE \$ \$
D	<input type="checkbox"/> WORKERS COMPENSATION AND EMPLOYERS' LIABILITY <input type="checkbox"/> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/OWNER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below.	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> N/A	WCS-211-202030-030	10/30/2015	10/30/2016	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH. \$ E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101. Additional Remarks Schedule, may be attached if more space is required)

County of Tulare, CA. Its officers, agents, employees and volunteers, individually and collectively are added as Additional Insureds to the General Liability and Automobile Liability Policies as required by written contract with the Named Insured subject to the terms and conditions of the insurance policies. General Liability and Automobile Liability Policy are on a Primary Basis but only as respects to the operations of the Named Insureds as required by written contract with the Named Insured subject to the terms and conditions of the insurance policies. The Workers Compensation Policy contains a Waiver of Subrogation as required by written contract with the Named Insured subject to the terms and conditions of the insurance policy.

CERTIFICATE HOLDER

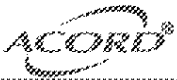
CANCELLATION

County of Tulare, CA Purchasing Department 221 So. Monterey Blvd, Room 3 Visalia, CA 93291-4583	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 of Marsh USA Inc. Elaine K. Akers <i>Elaine K. Akers</i>
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AGENCY CUSTOMER ID: 950107

LOC #: Charlotte



ADDITIONAL REMARKS SCHEDULE

Page 2 of 2

AGENCY Marsh USA Inc.		NAMED INSURED Bell and Howell, LLC 3731 South Alston Avenue Durham, NC 27713	
POLICY NUMBER		EFFECTIVE DATE:	
CARRIER	NAIC CODE		

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM.

FORM NUMBER: 25 FORM TITLE: Certificate of Liability Insurance

With regards to Property coverage, other deductibles may apply as per policy terms and conditions

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT -
CALIFORNIA

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

You must maintain payroll records accurately segregating the remuneration of your employees while engaged in the work described in the Schedule.

The additional premium for this endorsement shall be 2.0% of the California workers' compensation premium otherwise due on such remuneration.

Schedule

Additional premium is a percent of the California Manual Workers Compensation premium. Subject to a minimum premium charge of \$ 250

<u>Person or Organization</u>	<u>Job Description</u>
Where required by contract or written agreement prior to loss and allowed by law.	Any

Issued by LM Insurance Corporation 27243

For attachment to Policy No. WCS-Z11-262030-035 Effective Date Premium \$

Issued to Contrado BBH Holdings, LLC

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMMERCIAL GENERAL LIABILITY ENHANCEMENT FOR MANUFACTURERS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Index of modified items:

- Item 1. Reasonable Force
- Item 2. Non-Owned Watercraft Extension
- Item 3. Damage To Premises Rented To You - Expanded Coverage
- Item 4. Bodily Injury To Co-Employees
- Item 5. Health Care Professionals As Insureds
- Item 6. Knowledge of Occurrence
- Item 7. Notice of Occurrence
- Item 8. Unintentional Errors And Omissions
- Item 9. Bodily Injury Redefinition
- Item 10. Supplementary Payments - Increased Limits
- Item 11. Damage To Borrowed Equipment
- Item 12. Aircraft With Chartered Crew
- Item 13. Property In Your Care, Custody Or Control
- Item 14. Mobile Equipment Redefined
- Item 15. Newly Formed Or Acquired Entities
- Item 16. Blanket Additional Insured Where Required By Written Contract
 - Lessors of Leased Equipment
 - Managers or Lessors of Premises
 - Mortgagees, Assignees or Receivers
 - Grantor of Franchise
 - Vendors
 - Any Person or Organization
- Item 17. Blanket Additional Insured - Grantors Of Permits
- Item 18. Waiver Of Right Of Recovery By Written Contract Or Agreement
- Item 19. Other Insurance Amendment

Item 1. Reasonable Force

Exclusion a. of Section I - Coverage A - Bodily Injury And Property Damage Liability is replaced by the following:

a. Expected Or Intended Injury

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

Item 2. Non-Owned Watercraft Extension

Paragraph (2) of Exclusion g. of Section I - Coverage A - Bodily Injury And Property Damage Liability is replaced by the following:

(2) A watercraft you do not own that is:

- (a) Less than 55 feet long; and
- (b) Not being used to carry persons or property for a charge;

Item 3. Damage To Premises Rented To You - Expanded Coverage

- A. The final paragraph of 2. Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability is replaced by the following:

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

- B. Paragraph 6. of Section III -- Limits Of Insurance is replaced by the following:

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

The Damage To Premises Rented To You Limit is the greater of:

- a. \$300,000; or
- b. The Damage To Premises Rented To You Limit shown on the Declarations.

- C. Paragraph 9.a. of the definition of "insured contract" in Section V -- Definitions is replaced by the following:

- 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, explosion or subsequent damages resulting from such fire, lightning or explosion including water damage to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract".

- D. The paragraph immediately following Paragraph (6) of exclusion j. of Section I -- Coverage A -- Bodily Injury And Property Damage Liability is replaced by the following:

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

Item 4. Bodily Injury To Co-Employees

- A. Paragraph 2. of Section II - Who is An Insured is amended to include:

Each of the following is also an insured:

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)) are insureds while in the course of their employment or while performing duties related to the conduct of your business with respect to "bodily injury":

- (1) To you;
- (2) To your partners or members (if you are a partnership or joint venture);

(3) To your members (if you are a limited liability company); or

(4) To a co-"employee" or "volunteer worker" while that co-"employee" or "volunteer worker" is either in the course of his or her employment by you or while performing duties related to the conduct of your business (including participation in any recreational activities sponsored by you).

Paragraph 2.a.(1)(a) of Section II - Who is an Insured does not apply to "bodily injury" for which insurance is provided by this paragraph.

B. The insurance provided by this Item 4. will not apply if the injured person's sole remedy for such injury is provided under a workers' compensation law or any similar law.

C. Other Insurance

The insurance provided by this Item 4. is excess over any other valid and collectible insurance available to the insured, whether primary, excess, contingent or on any other basis.

Item 5. Health Care Professionals As Insureds

A. Paragraph 2.a.(1)(d) of Section II - Who is An Insured is replaced by the following:

(d) Arising out of his or her providing or failing to provide professional health care services. However, any "employee" or "volunteer worker" of the Named Insured who is a "designated health care provider" is an insured with respect to "bodily injury" and "personal and advertising injury" that:

(i) Arises out of the providing of or failure to provide professional health care services; and

(ii) Occurs in the course of and within the scope of such "employee's" or "volunteer workers" employment by the Named Insured.

B. With respect to "employees" and "volunteer workers" providing professional health care services, the following exclusions are added to Paragraph 2. Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability and Paragraph 2. Exclusions of Section I - Coverage B - Personal And Advertising Injury Liability:

This insurance does not apply to:

(1) Liability assumed under an "insured contract" or any other contract or agreement;

(2) Liability arising out of the providing of professional health care services in violation of law;

(3) Liability arising out of the providing of any professional health care services while in any degree under the influence of intoxicants or narcotics;

(4) Liability arising out of any dishonest, fraudulent, malicious or knowingly wrongful act or failure to act; or

(5) Punitive or exemplary damages, fines or penalties.

C.¹ The following definition is added to Section V - Definitions:

"Designated health care provider" means any "employee" or "volunteer worker" of the Named Insured whose duties include providing professional health care services, including but not limited to doctors, nurses, emergency medical technicians or designated first aid personnel.

D. Other Insurance

The insurance provided by this Item 5. is excess over any other valid and collectible insurance available to the insured, whether primary, excess, contingent or on any other basis.

Item 6. Knowledge Of Occurrence

Knowledge of an "occurrence" by your agent, servant or "employee" will not in itself constitute knowledge by you unless your "executive officer" or "employee" or other third party designated by you to notify us of "occurrences" has knowledge of the "occurrence".

Item 7. Notice Of Occurrence

For purposes of Paragraph 2.a. of Section IV - Conditions, you refers to an "executive officer" of the Named Insured or to the "employee" designated by the Insured to give us notice.

Item 8. Unintentional Errors And Omissions

Unintentional failure of the Named Insured to disclose all hazards existing at the inception of this policy shall not be a basis for denial of any coverage afforded by this policy. However, you must report such an error or omission to us as soon as practicable after its discovery.

This provision does not affect our right to collect additional premium or exercise our right of cancellation or non-renewal.

Item 9. Bodily Injury Redefinition

The definition of "bodily injury" in Section V - Definitions is replaced by the following:

"Bodily injury" means:

- a. Bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time; and
- b. Mental anguish, shock or humiliation arising out of injury as defined in Paragraph a. above. Mental anguish means any type of mental or emotional illness or distress.

Item 10. Supplementary Payments - Increased Limits

Paragraphs 1.b. and 1.d. of Section I - Supplementary Payments - Coverages A And B, are replaced by the following:

- b. Up to \$3,000 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
- d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit" including substantiated loss of earnings up to \$500 a day because of time off from work.

Item 11. Damage To Borrowed Equipment

- A. Exclusion j. of Section I - Coverage A - Bodily Injury And Property Damage Liability is amended to add the following:

Paragraphs (3) and (4) do not apply to "property damage" to borrowed equipment either loaned to you or in your care, custody or control.

- B. Subject to Paragraphs 2., 3., and 5. of Section III - Limits Of Insurance, the most we will pay for insurance provided by Paragraph A. is \$35,000.
- C. The insurance provided by this endorsement is excess over any other valid and collectible property insurance (including any deductible portion thereof) available to the insured whether primary, excess, contingent or on any other basis.

Item 12. Aircraft With Chartered Crew

The following is added to Exclusion g. of Section I -- Coverage A Bodily Injury And Property Damage Liability:

This exclusion does not apply to an aircraft that you do not own that is:

- (a) Chartered with a pilot by any insured; and
- (b) Not being used to carry any person or property for a charge.

Item 13. Property In Your Care, Custody Or Control

A. Paragraphs (3) and (4) of exclusion j. of Section I -- Coverage A -- Bodily Injury and Property Damage Liability only apply to:

- 1. "Property damage" to borrowed equipment, or
- 2. "Property damage" to property in your care, custody and control while in transit.

B. This insurance does not apply to any portion of a loss for which the insured has available any other valid and collectible insurance, whether primary, excess, contingent, or on any other basis, unless such other insurance was specifically purchased by the insured to apply in excess of this policy.

C. Limits of Insurance

Subject to Paragraphs 2., 3., and 5. of Section III -- Limits Of Insurance, the most we will pay for insurance provided by Paragraph A., above is:

\$10,000 Each Occurrence Limit

\$25,000 Aggregate Limit

The Each Occurrence Limit for this coverage applies to all damages as a result of any one "occurrence" regardless of the number of persons or organizations who sustain damage because of that "occurrence".

The Aggregate Limit is the most we will pay for the sum of all damages under this Item 13.

Item 14. Mobile Equipment Redefined

The definition of "Mobile Equipment" in Section V -- Definitions is amended to include self-propelled vehicles with permanently attached equipment less than 1000 pounds gross vehicle weight that are primarily designed for:

- (1) Snow removal;
- (2) Road Maintenance, but not construction or resurfacing; or
- (3) Street cleaning.

Item 15. Newly Formed Or Acquired Entities

Paragraph 3. of Section II -- Who Is An Insured is replaced by the following:

- 3. Any organization, other than a partnership or joint venture, you newly acquire or form and over which you maintain majority ownership or majority interest will qualify as a Named Insured if there is no other similar insurance available to that organization.

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

Item 16. Blanket Additional Insured Where Required By Written Contract

Paragraph 2. of Section II - Who is An Insured is amended to add the following:

a. Additional insured by Written Contract or Written Agreement

The following are insureds under the policy when you have agreed in a written contract or written agreement to provide them coverage as additional insureds under your policy:

- (1) **Lessors of Leased Equipment:** The person(s) or organization(s) from whom you lease 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).
- (2) **Managers or Lessors of Premises:** Any manager or lessor of premises leased to you in which the written lease agreement obligates you to procure additional insured coverage.

The coverage afforded to the additional insured is limited to liability in connection with the ownership, maintenance or use of the premises leased to you and caused, in whole or in part, by some negligent acts or omissions of you, your employees, your agents or your subcontractors. There is no coverage for the additional insured for liability arising out of the sole negligence of the additional insured or those acting on behalf of the additional insured, except as provided below.

If the written agreement obligates you to procure additional insured coverage for the additional insured's sole negligence, then the coverage for the additional insured shall conform to the agreement, but only if the applicable law would allow you to indemnify the additional insured for liability arising out of the additional insured's sole negligence.

This insurance does not apply to:

- (a) Any "occurrence" which takes place after you cease to be a tenant in that premises or to lease that land; or
- (b) Any premises for which coverage is excluded by endorsement.
- (3) **Mortgagees, Assignees or Receivers:** Any person(s) or organization(s) with respect to their liability as mortgagee, assignee or receiver and arising out of the ownership, maintenance or use of your premises. This insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.
- (4) **Grantor of Franchise:** Any person(s) or organization(s) but only with respect to their liability as grantor of a franchise to you

(5) **Vendors:** Any person(s) or organization(s) that distribute or sell "your products" in the regular course of their business, hereafter referred to as vendors, but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business, subject to the following additional exclusions:

(a) The insurance afforded the vendor does not apply to:

- (i) "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 the liability for damages that the vendor would have in the absence of the contract or agreement;
- (ii) Any express warranty unauthorized by you;
- (iii) Any physical or chemical change in the product made intentionally by the vendor;
- (iv) 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;
- (v) 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 distributor or sale of the products;
- (vi) Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;
- (vii) 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
- (viii) "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 Paragraphs (iv) or (vi) above; 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.

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

(6) **Any Person or Organization Other Than a Joint Venture:** Any person or organization (other than a joint venture of which you are a member) for whom you are obligated by a written agreement to procure additional insured coverage, 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 premises owned by you.

This insurance does not apply to:

1. Any construction, renovation, demolition or installation operations performed by or on behalf of you, or those operating on your behalf;

2. Any person or organization whose profession, business or occupation is that of an architect, surveyor or engineer with respect to liability arising out of the preparation or approval of maps, drawings, opinions, reports, surveys, change orders, designs, specification or the performance of any other professional services by such person or organization; or
3. Any person or organization more specifically covered in Paragraphs a.(1) through (5) above.

The insurance afforded to any person or organization as an insured under this Paragraph 2.e.:

- (1) Applies only to coverage and minimum limits of insurance required by the written agreement or written contract, but in no event exceeds either the scope of coverage or the limits of insurance provided by this policy;
- (2) Does not apply to any person or organization for any "bodily injury", "property damage" or "personal and advertising injury" if any other additional insured endorsement attached to this policy applies to that person or organization with regard to the "bodily injury", "property damage" or "personal and advertising injury";
- (3) Applies only if the "bodily injury" or "property damage" occurs, or offense giving rise to "personal and advertising injury" is committed, subsequent to the execution of the written agreement; and
- (4) Applies only if the written agreement is in effect at the time the "bodily injury" or "property damage" occurs, or at the time the offense giving rise to the "personal and advertising injury" is committed.

Item 17. Blanket Additional Insured – Grantors Of Permits

Paragraph 2. of Section II - Who Is An Insured is amended to add the following:

Any state, municipality or political subdivision with respect to any operations performed by you or on your behalf, or in connection with premises you own, rent or control and to which this insurance applies, for which the state, municipality or political subdivision has issued a permit.

However, this insurance does not apply to:

1. "Bodily injury", "property damage" or "personal and advertising injury" arising out of operations performed for the state, municipality or political subdivision;
2. Any "bodily injury" or "property damage" included within the "products-completed operations hazard", except when required by written contract or agreement initiated prior to loss; or
3. "Bodily injury", "property damage" or "personal and advertising injury", unless negligently caused, in whole or in part, by you or those acting on your behalf.

Item 18. Waiver Of Right Of Recovery By Written Contract Or Agreement

The following is added to Paragraph 6. Transfer Of Rights Of Recovery Against Others To Us of Section IV -- Conditions:

We waive any right of recovery because of payments we make under this policy for injury or damage arising out of your ongoing operations or "your work" included in the "products-completed operations hazard" that we may have against any person or organization with whom you have agreed in a written contract or agreement to waive your rights of recovery but only if the "bodily injury" or "property damage" occurs, or offense giving rise to "personal and advertising injury" is committed subsequent to the execution of the written contract or agreement.

Item 19. Other Insurance Amendment

If you are obligated under a written agreement to provide liability insurance on a primary, excess, contingent, or any other basis for any person or organization that qualifies as an additional insured on this policy, this policy will apply solely on the basis required by such written agreement and Paragraph 4. Other Insurance of Section IV – Conditions will not apply. Where the applicable written agreement does not specify on what basis the liability insurance will apply, the provisions of Paragraph 4. Other Insurance of Section IV – Conditions will govern. However, this insurance is excess over any other insurance available to the additional insured for which it is also covered as an additional insured by attachment of an endorsement to another policy providing coverage for the same "occurrence", claim or "suit".