

## **AGREEMENT**

### **I. INTRODUCTION**

**THIS AGREEMENT** is entered into as of October 17, 2017, between the COUNTY OF TULARE, referred to as COUNTY, and VeriClaim Inc., a Delaware Corporation, referred to as CONTRACTOR, with reference to the following:

### **II. RECITALS**

- A. COUNTY is in need of loss adjusting and claim management services;
- B. CONTRACTOR has the experience, skills and resources necessary to provide such services; and
- C. CONTRACTOR is willing to enter into this Agreement with COUNTY upon the terms and conditions set forth herein.

**ACCORDINGLY, IT IS AGREED:**

### **III. SPECIFIC TERMS**

- 1. **TERM:** This Agreement shall become effective as of October 17, 2017 and shall expire at 11:59 PM on June 30, 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 B**.

### **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 no less than thirty days prior written notice, at times and locations as mutually agreed, and once audit scope has been agreed, CONTRACTOR shall make such records available within Tulare County to the Auditor

of Tulare County and to his agents and representatives after they have been provided a non-disclosure agreement reasonably acceptable to CONTRACTOR, 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. Such non-disclosure agreement shall not restrict any disclosure requirements imposed on the County by law including, but not limited to, the Public Records Act.

**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 C** attached, which outlines the minimum scope, specifications, and limits of insurance required under this Agreement. Additional insured endorsements required as outlined in Exhibit C 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 of any kind, including death or injury to any person and/or damage to property, including COUNTY property, arising from, or in connection with, the negligent or grossly negligent performance by CONTRACTOR or its agents, officers and employees under this Agreement. This indemnification specifically includes any claims that may be made against COUNTY by any taxing authority asserting that an employer-employee relationship exists by reason of this Agreement, and 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 any fines or penalties imposed on COUNTY for CONTRACTORS failure to provide form DE-542, when applicable. To the extent lawfully permitted, COUNTY shall hold harmless, defend and indemnify CONTRACTOR, its agents, officers and employees from and against any liability, claims, actions, costs, damages or losses of any kind, including death or injury to any person and/or damage to property, including CONTRACTOR property, arising from, or in connection with, the negligent or grossly negligent performance by COUNTY or its agents, officers and employees under this Agreement. 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.

Where any claim results from the joint negligence or gross negligence of COUNTY and CONTRACTOR, the amount of such claim for which COUNTY or CONTRACTOR is liable as indemnitor under this section shall equal (i) the proportionate part that the amount of such claim attributable to such indemnitor's negligence, gross negligence, or willful misconduct bears to (ii) the proportionate part that the amount of the total claim is attributable to the joint negligence, gross negligence, or willful misconduct at issue.

#### 11. **TERMINATION:**

(a) Without Cause: County will have the right to terminate this Agreement without cause by giving thirty (30) 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.

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. 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:**

**Susan L. Cox, Risk Manager  
Tulare County Counsel, Risk Management  
2900 W. Burrel Ave.  
Visalia, CA 93291**

**Phone No.: 559-623-0290**

**Fax No.: 559-713-3719**

**CONTRACTOR:**

**Chief Legal Officer  
VeriClaim, Inc.  
1100 Ridgeway Loop Road**

**Memphis, TN 38120**

**Phone No.:901-415-3256**

**Fax No.:901-415 7409**

(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 effect the purposes of this Agreement.

18. **CONSTRUCTION:** This Agreement reflects the contributions of all undersigned parties and accordingly the provisions of Civil Code section 1654 shall not apply to address and interpret any alleged uncertainty or ambiguity.

19. **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.

20. **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.

21. **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.

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

23. **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.

24. **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.

25. **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.

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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

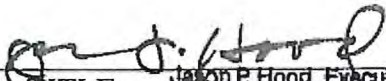
ATTEST: MICHAEL C. SPATA  
County Administrative Officer/Clerk of the Board  
of Supervisors of the County of Tulare

By \_\_\_\_\_  
Deputy Clerk

**VERICLAIM, INC.**

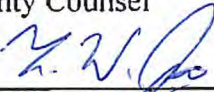
Date: 04062018 By   
TITLE VIC President

Date: 4.9.2018

By   
TITLE Jason P. Hood, Executive Vice President  
Chief Legal Officer and Secretary

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 (20171707)

Date 4/11/18

## **EXHIBIT A**

### **Scope of Services**

CONTRACTOR will provide the services described below as requested by COUNTY, in accordance with Fee Schedule in Exhibit B:

1. **Adjuster Services:** Includes general claim adjustment assessment and securing written and/or recorded statements. File opening and set up, ordinary office expenses, drive time, and digital photographs included in the hourly rate.
2. **Forensic Accounting and Business Income Services:** Includes the measurement of time element, inventory, property damage claims and other claim accounting. Also includes performing financial motive analyses, fraud investigations and other investigative accounting calculations. Budgets available upon request.
3. **Subrogation Recovery Services:** Services of recovery team focused on recovery effort including negotiating and managing litigation of recovery claims.
4. **Contents Services:** Includes determining the contents loss by capturing a comprehensive and accurate inventory of business or personal contents.
5. **Cause & Origin Investigations:** Service provided through subcontractor Unified Investigations & Sciences to detect loss causes for determining coverage, fraud and subrogation possibilities.
6. **Engineers (Structural, Electrical, and Mechanical):** Service provided through subcontractor Unified Investigations & Sciences for detailed loss analysis by a qualified and certified engineer.

## EXHIBIT B

### Payment for Services

COUNTY will pay CONTRACTOR for requested services in accordance with the Fee Schedule below. Payments made to CONTRACTOR under this Agreement shall not exceed \$75,000.

Senior Adjuster Services: \$89.00 per hour

Additional Adjuster Charges:

- Mileage to be paid at the current IRS rate per mile.
- Allocated Expenses (legal expenses, field investigations, direct travel costs, expert fees, records, etc.) to be paid on an actual cost basis. Travel, meals and lodging expenses will be reimbursable up to the rates that follow the County of Tulare Travel Expense Policy.

| Ancillary Services                                 | Rate   |            |
|--|--|------------|
| Forensic Accounting and Business Income Services   | Forensic Accounting Analyst:                 | \$110/hour |
|  | Forensic Accountant:                         | \$145/hour |
|  | Manager:                                     | \$165/hour |
|  | Director/Senior Manager:                     | \$190/hour |
|  | Administrative Services:                     | \$80/hour  |
| Subrogation Recovery Services:                     | Pricing varies and is dependent upon program |            |
| Contents Services:                                 | Adjusting:                                   | \$80/hour  |
|  | Capture & Evaluation:                        | \$65/hour  |
| Cause & Origin Services:                           | \$130 - \$160 / hour                         |            |
| Engineers (Structural, Electrical and Mechanical): | \$185 - \$250 / hour                         |            |

Payments: All invoices must be paid within 30 days from the date of invoice.

## EXHIBIT C

### PROFESSIONAL SERVICES CONTRACTS INSURANCE REQUIREMENTS

CONTRACTOR shall provide and maintain insurance for the duration of this Agreement against claims for injuries to persons and damage to property which may arise from, or in connection with, performance under the Agreement by the CONTRACTOR and employees.

#### A. Minimum Scope & Limits of Insurance

1. Insurance Services Office Commercial General Liability or a substitute providing no less than \$1,000,000 per occurrence (occurrence Form CG 00 01, or a substitute providing at least equivalent coverage). If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
2. Insurance Services Office Form Number CA 00 01 or a substitute providing no less than Automobile Liability, (any auto) of \$1,000,000 per occurrence. If an annual aggregate applies it must be no less than \$2,000,000.
3. Workers' Compensation insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.
4. Professional Liability (Errors and Omissions) Insurance appropriate to the Contractor's profession, with limit no less than \$1,000,000 per occurrence or claim, \$2,000,000 aggregate.

#### B. Specific Provisions of the Certificate

1. If the required insurance is written on a claims made form, the retroactive date must be before the date of the contract or the beginning of the contract work and, must be maintained and evidence of insurance must be provided for at least three (3) years after completion of the contract work.
2. CONTRACTOR must submit endorsements or policy language to the General Liability and Auto Liability reflecting the following provisions, or their equivalent, if blanket provisions are included: **BLANKET PROVISIONS OR POLICY LANGUAGE SUBMITTED MUST INCLUDE POLICY NUMBERS ON ALL PAGES.**
  - a. *The COUNTY, its officers, agents, officials, employees and volunteers are to be covered as additional insureds as respects: liability arising out of work or operations performed by or on behalf of the Contractor; or automobiles owned, leased, hired or borrowed by the CONTRACTOR.*
  - b. *For any claims related to this project, the CONTRACTOR's insurance coverage shall be primary insurance as respects the COUNTY, its officers, agents, officials, employees and volunteers. Any insurance or self-insurance maintained by the COUNTY, its officers, agents, officials, employees or volunteers shall be excess of the CONTRACTOR's insurance and shall not contribute with it.*
  - c. *Each insurance policy required by this agreement shall be endorsed to state that coverage shall not be canceled by either party, except after written notice has been provided to the County.*

3. The Workers' Compensation policy shall include a waiver of subrogation in favor of the COUNTY for all work performed by the CONTRACTOR its employees, agents and subcontractors.

*a. Waiver of Subrogation. The workers' compensation policy shall include waiver of subrogation in favor of the COUNTY for all work performed by the contractor and its employees. CONTRACTOR waives all rights against the County and its officers, agents, official, employees and volunteers for recovery of damages to the extent these damages are covered by the workers compensation and employers liability.*

Self-insured retentions must be declared and any deductible or self-insured retention that exceeds \$100,000 shall be submitted to the COUNTY Risk Manager.

C. Acceptability of Insurance

Insurance must be placed with insurers with a current rating given by A.M. Best and Company of no less than A-:VII and a Standard & Poor's Rating (if rated) of at least BBB and from a company approved by the Department of Insurance to conduct business in California. Any waiver of these standards is subject to approval by the County Risk Manager.

F. Verification of Coverage

Prior to approval of this Agreement by the COUNTY, the CONTRACTOR shall file with the submitting department, certificates of insurance evidencing coverage. Endorsements must be signed by persons authorized to bind coverage on behalf of the insurer.

The COUNTY reserves the right to require certified copies of all required insurance policies at any time.