

SPECIAL CONDITIONS

The following special conditions are incorporated into the Agreement.

1. Client designates Ed Woo, Chief Information Officer, as its authorized representative. Any changes and modifications to the Agreement must be authorized in advance in writing by Ed Woo or his designee.
2. Any modifications to the Agreement that cause the payment limit set forth in Section 4 of Annex Z to be exceeded must be approved in advance by formal action of the Contra Costa Client Board of Supervisors.
3. Insurance and Indemnification.

3.1 Indemnity.

3.1.1 Subject to the remainder of this Section 3.1 and Sections 7.2 and 7.4 of Annex A to this Agreement ("ADP General Conditions"), ADP shall defend, indemnify and save harmless Client, its officers, agents and employees from ADP's share of any and all claims, costs, and liability for any (i) bodily injury or death of or to any person or (ii) damages to the real or tangible personal property of any person, including attorneys' fees, arising out of the willful misconduct or negligent acts, of ADP, its officers or employees in the performance of this Agreement. As agreed to by the parties in Section 7.4 of Annex A to this Agreement, ADP shall not have any liability for consequential or special damages, or for any claims, causes of action or damages based on loss of use, revenue, profits or business opportunities (collectively, "Consequential Damages") arising from or in any way relating to ADP's performance under this Agreement. ADP's obligations under this section exist regardless of concurrent negligence or willful misconduct on the part of the Client or any other person. This

indemnification clause shall survive the termination or expiration of this Agreement

3.1.2 The foregoing obligations of ADP are subject to Client promptly informing ADP in writing of any claims or suits being made or brought against Client that arise under the terms of this Agreement. Client will allow ADP or its suppliers to control the defense against such claims and suits, and Client will cooperate, at ADP's expense, in the defense against any such claim or suit. Client shall take reasonable steps to mitigate any potential damages that may result from a claim. In no event may ADP make any admission of guilt or liability of Client without Client's prior written consent.

3.1.3 This indemnification obligation shall survive the termination of this Agreement.

4.2 Insurance.

4.2.1 During the entire term of this Contract and any extension or modification thereof, ADP shall comply with the following insurance requirements:

4.2.1.1 Workers' Compensation with statutory limits required by each state exercising jurisdiction over the ADP associates engaged in performing services under this agreement.

4.2.1.2 Employer's Liability coverage with a minimum limit of \$500,000 for bodily injury by accident or disease.

4.2.1.3 Commercial General Liability coverage (including products and completed operations, blanket or broad form contractual, personal injury liability and broad form property damage) with minimum limits of one million dollars (\$1,000,000) per occurrence for bodily injury/property damage and one million

- dollars (\$1,000,000) for personal injury and products/completed operations.
- 4.2.1.4 Business Automobile Liability coverage (covering the use of all owned, non owned and hired vehicles) with minimum limits (combined single limit) of one million dollars (\$1,000,000) for bodily injury and property damage.
 - 4.2.1.5 Excess or Umbrella Liability coverage with a minimum limit of two million dollars (\$2,000,000) coverage in excess of the coverage as set forth in items b, c, and d above.
 - 4.2.1.6 Employee Dishonesty (Fidelity) and Computer Crime coverage (for losses arising out of or in connection with any fraudulent or dishonest acts committed by employees of ADP, acting alone or in collusion with others) with a minimum limit of ten million dollars (\$10,000,000).
 - 4.2.1.7 Errors and omissions coverage with a limit of ten million dollars (\$10,000,000).

ADP's policies shall be primary and any insurance maintained by Client is excess and noncontributory. ADP shall name Client as an additional insured to the policies listed above and shall cause its insurers or insurance brokers to issue endorsements and insurance certificates evidencing that the coverages required under this Agreement are maintained and in force. In addition, ADP shall give thirty days notice to Client prior to cancellation or non-renewal of any of the policies providing such coverage; provided, however that ADP shall not be obligated to provide such notice if, concurrently with such cancellation or non-renewal, ADP provides self-insurance coverage as described below or obtains coverage from another insurer meeting the requirements described above.

Notwithstanding the foregoing, ADP reserves the right to self-insure coverage, in whole or in part, in the amounts and categories designated above, in lieu of ADP's obligations to maintain insurance as set forth above, at any time. ADP shall deliver certificates of insurance to confirm what coverage is in place.

4.3 Policy obligations. This section does not replace or otherwise amend, in any respect, the limitations on ADP's liability as set forth elsewhere in this Agreement.