

ADDENDUM 3
TO
WORKERS' COMPENSATION
CONSULTING SERVICES AGREEMENT

This Addendum is entered into by and between City of Milpitas, hereinafter referred to as "CLIENT," and YORK RISK SERVICES GROUP, INC. (as assignee of YORK INSURANCE SERVICES GROUP, INC. - CALIFORNIA), hereinafter referred to as "York."

RECITALS

1. WHEREAS, CLIENT desires to continue to retain York pursuant to the terms and provisions of the Agreement effective August 16, 2005 to provide claims administration services on claims arising out of CLIENT's self-insured program which have been assigned by CLIENT to York, and that it is legally authorized to retain York on the terms and conditions set forth herein;
2. WHEREAS, CLIENT and York have agreed to attach an addendum to the August 16, 2005 Consulting Services Agreement (the "Agreement") for claims administration services on the terms and conditions set forth herein;
3. NOW, THEREFORE, for and in consideration of the promises set forth hereinabove, and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, York and CLIENT agree as follows:

TERMS AND CONDITIONS

1. Term of Agreement

This addendum is effective July 1, 2011. The term of Agreement shall end on June 30, 2014.

2. Consideration

- a. York's service fee for the period of: i) July 1, 2011 through June 30, 2012 shall be \$132,744.00; ii) July 1, 2012 through June 30, 2013 shall be \$128,762.00; and iii) July 1, 2013 through June 30, 2014 shall be \$129,900.00.
 - b. The service fee is payable quarterly in advance by Client upon receipt of York's invoice.
 - c. It is recognized that the Claims Administration service fee as negotiated each year represents the expense of administering and adjusting Workers' Compensation claims that occur prior to or during the current contract period. The Claims Administration fee covers the expense involved in processing claims to their ultimate conclusion as long as YORK continues to provide Claims Administration services pursuant to the terms of this Service Agreement or any renewal or further Service Agreement.
3. York represents that it is the parent company of York Insurance Services Group, Inc.- California and that York Insurance Services Group, Inc.- California has assigned its rights and obligations under the Agreement to York. York further represents that it unconditionally assumes all

Addendum 3 to Workers' Compensation Consulting Services Agreement
Page 2 of 2

obligations of its subsidiary company under the Agreement and that York Insurance Services Group, Inc.- California agrees to remain liable for all obligations of York under the Agreement.

Accepted By:

CITY OF MILPITAS

By: _____
Authorized Signature

Name (type or print)

Title

Address

Date

Accepted By:

YORK RISK SERVICES GROUP, INC.

By: _____
Authorized Signature

Jody A. Gray
Name (type or print)

Senior Vice President
Title

750 The City Drive, Suite 350
Orange, California 92868
Address

Date

Accepted By:

YORK INSURANCE SERVICES GROUP, INC.-
CALIFORNIA

By: _____
Authorized Signature

Jody A. Gray
Name (type or print)

Senior Vice President
Title

750 The City Drive, Suite 350
Orange, California 92868
Address

Date