County of Los Angeles
Sheriff's Department Headquarters
4700 Ramona Boulevard
Monterey Park, California 91754-2169

LEROY D. BACA, SHERIFF

April 1, 2008

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
Los Angeles, California 90012

Dear Supervisors:

APPROVE AGREEMENT FOR EQUIPMENT MAINTENANCE, REPAIR, AND SUPPORT SERVICES WITH AUTOMED TECHNOLOGIES, INCORPORATED (ALL DISTRICTS) (3 VOTES)

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Chair of the Board of Supervisors to sign the attached agreement with Automed Technologies, Incorporated (Automed), for a term of five (5) years, and thereafter, a six (6) month option, in any increment. The agreement with Automed will provide maintenance, repair, and support services to the Los Angeles County Sheriff's Department (Department).

2. Authorize the Sheriff, or his designee, to execute applicable documents when the original contracting entity has merged, been purchased, or otherwise changed; and to modify the agreement within the conditions specified in the agreement, including authority for the Sheriff to exercise the above extension provisions, if it is in the best interest of the County, or add additional machines to this maintenance agreement and purchase software updates and enhancements and increase the Maximum Contract Sum solely for these purposes.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended actions is to provide full service preventative maintenance and as-needed repair and support services for the automated drug packaging machines in the Department's Correctional Services Division, Medical Services Bureau.

Implementation of Strategic Plan Goals

The services provided under this agreement support the Los Angeles County Strategic Plan, specifically Goal 1, Service Excellence, being responsive to the needs of our service communities; Goal 2, Workforce Excellence, providing the most efficient service; Goal 3, Organizational Effectiveness, enhancing the effectiveness of drug packaging machines; and Goal 4, Fiscal Responsibility, obtaining services at a cost effective rate.

FISCAL IMPACT/FINANCING

The Maximum Contract Sum for this agreement is $501,600 for the entire term including the extensions. This amount includes $80,000 for the first year of service and allows for an annual increase at the request of Automed as described below. The Maximum Contract Sum also includes contingency amounts for service exclusions. The agreement authorizes the Sheriff, with the concurrence of County Counsel, to increase the Maximum Contract Sum solely for the purpose of purchasing software updates and enhancements that result in substantially improved performance, or coverage for additional machines in the future.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The approval of this agreement is necessary to maintain and service the existing seven machines and to authorize the Sheriff to purchase software updates and enhancements, and if necessary, add other machines as their warranties expire. The existing contract is determined to be a sole source because only Automed service personnel receive the maintenance/training specifically stated in all purchase and license agreements and in all system maintenance agreements as the only authorized representative who can conduct service work on their systems. Under this agreement, the contractor will not be asked to perform services which exceed the scope of work or contract amount.

Automed is in compliance with all Board, Chief Executive Office, and County Counsel requirements, including the Jury Service Program, the Child Support Compliance Program, and the Safely Surrendered Baby Law.

The approval of this agreement will allow the contractor, at its option, to revise the annual and hourly rates by providing the County with written notice thereof, not later than sixty (60) days prior to the end of the then-current contract year. Such revised rates shall be initiated upon the effective date of the commencement of the succeeding contract year.

The annual adjustment may in no event exceed the aggregate increase in the Consumer Price Index, U.S. City Average for Urban Wage Earners and Clerical Workers (CPI-W), Medical Care (not seasonally adjusted), as published by the U.S. Department of Labor, for the 12 months preceding the determination of such adjustment.

The agreement includes employee and independent contractor confidentiality agreements that are substantially similar to the standard County agreements, and a Business Associate agreement under the Health Insurance Portability and Accountability Act (HIPAA).

The agreement has been reviewed and approved as to form by County Counsel.

CONTRACTING PROCESS

This is a sole source agreement. The drug packaging machines along with the dedicated servers and workstations are unique to Automed. Originally the machines had warranties to cover any service and maintenance but those warranties have since expired. Automed is the only authorized representative who can conduct service work on these systems.

IMPACT ON CURRENT SERVICES

Approval of this agreement will ensure that Medical Services Bureau will be able to repair the machines that currently need maintenance and those requiring regular preventative maintenance. By ensuring the machines remain operational, we will improve efficiency in providing patient specific drug packaging.

CONCLUSION

Upon approval and execution of the agreement by your Board, please return four (4) adopted copies of this action to the Department's Contracts Unit for further processing.

Sincerely,

Lee Baca

LEROY D. BACA
SHERIFF

AGREEMENT NO.

EQUIPMENT MAINTENANCE, REPAIR AND SUPPORT SERVICES AGREEMENT

FOR

LOS ANGELES COUNTY SHERIFF'S DEPARTMENT

BY AND BETWEEN

COUNTY OF LOS ANGELES

AND

AUTOMED TECHNOLOGIES, INC.

765 16

41 of APRIL 1, 2008

LOS ANGELES COUNTY SHERIFF'S DEPARTMENT AGREEMENT

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RECITALS

THIS AGREEMENT is entered into as of the Effective Date by and between the County of Los Angeles ("County") and AutoMed Technologies, Inc., a corporation organized under the laws of Delaware, located at 875 Woodlands Parkway, Vernon Hills, Illinois 60061 ("Contractor"), for the Los Angeles County Sheriff's Department (the "Department").

WHEREAS, the Department desires to obtain equipment maintenance, repair and support services for various pharmaceutical equipment; and

WHEREAS, Contractor represents that it possesses the necessary special skills, knowledge and technical competence and sufficient staffing to provide such equipment maintenance, repair and support services, through employees or subcontractors, at Contractor's discretion; and

WHEREAS, this Agreement (as defined below) is authorized pursuant to California Government Code Section 31000.

NOW THEREFORE, In consideration of the mutual covenants contained herein and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, County and Contractor agree as follows:

765 16

1. AGREEMENT AND INTERPRETATION

1.1 Agreement. This base document along with Exhibits A through E2, any schedules attached hereto or thereto, and any Change Order or amendment from time to time hereto or thereto collectively constitute and throughout and hereinafter are referred to as the "Agreement." This Agreement shall constitute the complete and exclusive statement of understanding between County and Contractor and supersedes any and all prior or contemporaneous agreements, written or oral, and all communications between the parties relating to the subject matter of this Agreement.

1.2 Interpretation. In the event of any conflict or inconsistency in the definition or interpretation of any word, responsibility, schedule, or the contents or description of any Task, Subtask, Deliverable, goods, service, or other Work, or otherwise, such conflict or inconsistency shall be resolved by giving precedence first to this base document, and then to the Exhibits and any attachments thereto, according to the following priority:

1.2.1. Exhibit A – Additional Terms and Conditions

1.2.2. Exhibit B – Statement of Work

1.2.2.1 Exhibit B – Attachment 1 – Price Sheet

1.2.2.2 Exhibit B – Attachment 2 - FDS 330 List Of Replacement Parts

1.2.3 Exhibit C – HIPAA Business Associate Agreement

1.2.4 Exhibit D – Contractor's EEO Certification

1.2.5 EXHIBIT E1 -Contractor's Employee Confidentiality Agreement

1.2.6 EXHIBIT E2 -Contractor's Non Employee Confidentiality Agreement

1.3 Additional Terms and Conditions. Without limiting the generality of Subparagraph 1.1 (Agreement), attached hereto as Exhibit A (Additional Terms and Conditions), and incorporated by reference herein, are additional terms and conditions to this Agreement. Contractor acknowledges and agrees that it shall be bound by the additional terms and conditions enumerated in such Exhibit as if such terms and conditions were enumerated in the body of this base document.

1.4 Construction. The words "herein", "hereof", and "hereunder" and words of similar import used in this Agreement refer to this Agreement, including all annexes, attachments, Exhibits, and Schedules as the context may require. Wherever from the context it appears appropriate, each term stated in either the singular or plural shall include the singular and the plural. Whenever examples are used in this Agreement with the words "including", "for example", "e.g.", "such as", "etc.", or any derivation of such words, such examples are intended to be illustrative and not limiting. Captions and Paragraph headings used in the Agreement are for convenience only and are not a part of the Agreement and shall not be used in construing the Agreement.

2. DEFINITIONS

The following terms and phrases in quotation marks and with initial letters capitalized shall have the following specific meaning when used in this Agreement.

2.1 "Agreement" has the meaning set forth in Paragraph 1.1 (Agreement).

2.2 "Board" means the Los Angeles County Board of Supervisors.

2.3 "Business Day" means Monday through Friday, excluding County observed holidays.

2.4 "Change Order" has the meaning set forth in Paragraph 6 (Change Orders and Amendments).

2.5 "Contractor Project Director" has the meaning set forth in Paragraph 4.1 (Contractor Project Director).

2.6 "Contractor Project Manager" has the meaning set forth in Paragraph 4.2 (Contractor Project Manager).

2.7 "County" has the meaning set forth in the Recitals.

2.8 "County Counsel" means the Los Angeles County Office of the County Counsel.

2.9 "County Indemnitees" has the meaning set forth in Paragraph 13.1 (Indemnification) of Exhibit A (Additional Terms and Conditions).

2.10 "County Project Director" has the meaning set forth in Paragraph 3.1 (County Project Director).

2.11 "County Project Manager" has the meaning set forth in Paragraph 3.2 (County Project Manager).

2.12 "Department" has the meaning set forth in the Recitals.

2.13 "Dispute Resolution Procedure" has the meaning set forth in Paragraph 2.0 (Dispute Resolution Procedure) of Exhibit A (Additional Terms and Conditions).

2.14 "Effective Date" means the first date on which this Agreement has been executed by all parties and approved by the Board.

2.15 "Infringement Claims" has the meaning set forth in Paragraph 14.0 (Intellectual Property Indemnification) of Exhibit A (Additional Terms and Conditions).

2.16 "Initial Term" has the meaning set forth in Paragraph 7 (Term).

2.17 "Jury Service Program" has the meaning set forth in Paragraph 33 (Compliance with Jury Service Program) of Exhibit A (Additional Terms and Conditions).

2.18 "Maximum Contract Sum" has the meaning set forth in Paragraph 8 (Prices and Fees).

2.19 "Option Term" has the meaning set forth in Paragraph 7 (Term).

2.20 "Sheriff" means the elected official who is the Sheriff of the County of Los Angeles.

2.21 "Statement of Work" or "SOW" means the Statement of Work, attached as Exhibit B (Statement of Work) to this Agreement, as the same may be amended by any approved Change Order or amendment.

2.22 "Tax" and "Taxes" means governmental fees (including license, filing and registration fees) and all taxes (including franchise, excise, stamp, value added, income, gross receipts, gross revenue, import, export, sales, use, transfer, and property taxes), withholdings, assessments, levies, imposts, duties, charges, or interest thereon imposed.

2.23 "Term" has the meaning set forth in Paragraph 7 (Term).

2.24 "Work" means any and all labor, goods, and other services performed by or on behalf of Contractor including the work required pursuant to this Agreement, the Statement of Work, and all the Exhibits, Change Orders, and amendments hereto.

3. ADMINISTRATION OF AGREEMENT – COUNTY

3.1 County Project Director.

3.1.1 "County Project Director" for this Agreement shall be the following person:

Lieutenant Stephen Smith
Medical Services Bureau
450 Bauchet Street
Los Angeles, California 90012
(213) 893-5452

3.1.2 County will notify Contractor in writing of any change in the name or address of County Project Director.

3.1.3 Except as set forth in Paragraph 6 (Change Orders and Amendments) of this Agreement, County Project Director is not authorized to make any changes in any of the terms and conditions of this Agreement and is not authorized to further obligate County in any respect whatsoever.

3.1.4 County Project Director shall have the right at all times to inspect any and all Work provided by or on behalf of Contractor.

3.2 County Project Manager.

3.2.1 "County Project Manager" for this Agreement shall be the following person:

Jesus M. Garcia
Pharmacy Supervisor
Medical Services Bureau
450 Bauchet Street
Los Angeles, California 90012
(213) 893-5566

Unless otherwise specifically noted, whenever this Agreement calls for a notice, report, or other delivery to be made by Contractor (or any representative thereof) to County Project Manager, such notice, report, or other delivery shall be directed to County Project Manager at the address set forth above or in accordance with such other notice information as County may notify Contractor in writing from time to time pursuant to Subparagraph 3.2.2.

3.2.2 County shall notify Contractor in writing of any change in the name or address of the County Project Manager.

3.2.3 The County Project Manager shall be a resource for addressing the technical standards and requirements of this Agreement, shall interface regularly with Contractor and further shall have the duties from time to time given to such person by County.

3.2.4 County Project Manager is not authorized to make any changes in any of the terms and conditions of this Agreement nor obligate County in any respect whatsoever.

3.2.5 County Project Manager shall advise County Project Director as to Contractor's performance in areas relating to technical requirements and standards, County policy, information requirements, and procedural requirements.

3.3 Consolidation of Duties. County reserves the right to consolidate the duties of County Project Director, which duties are enumerated in Paragraph 3.1 (County Project Director), and the duties of County Project Manager, which duties are enumerated in Paragraph 3.2 (County Project Manager), into one County position, and to assign all such duties to one individual who will act as County's liaison in all matters relating to this Agreement. County will

notify Contractor in writing no later than five (5) days prior to exercising its rights pursuant to this Paragraph 3.3.

3.4 County Personnel. All County personnel assigned to this Agreement shall be under the exclusive supervision of County. Contractor understands and agrees that all such County personnel are assigned only for the convenience of County.

4. ADMINISTRATION OF AGREEMENT – CONTRACTOR

4.1 Contractor Project Director.

4.1.1 "Contractor Project Director" shall be the following person, who shall be a full-time employee of Contractor:

Jeff Dilger (Service Center Director)
AutoMed Technologies
875 Woodlands Parkway
Vernon Hills, IL 60061
(888) 537-3102 ext. 2011

4.1.2 Contractor Project Director shall be responsible for Contractor's performance of all of the Work and ensuring Contractor's compliance with this Agreement.

4.1.3 From the Effective Date through the expiration of the Term, Contractor Project Director shall be available to meet and confer with County Project Director at least monthly in person or by phone, to review project progress and discuss project coordination.

4.2 Contractor Project Manager.

4.2.1 The "Contractor Project Manager" shall be the following person who shall be a full-time employee of Contractor:

Ed Doherty (Service Center Manager)
Automed Technologies
875 Woodlands Parkway
Vernon Hills, IL 60061
(888) 537-2102 ext. 2011

4.2.2 Contractor Project Manager shall be responsible for Contractor's day-to-day activities as related to this Agreement from the

Effective Date through the expiration of the Term. Contractor Project Manager shall be available to meet and confer as necessary, but no less frequently than monthly, with County.

4.3 Approval of Contractor's Staff.

4.3.1 County approves the proposed Contractor Project Director and Contractor Project Manager listed in Subparagraphs 4.1.1 and 4.2.1. If Contractor desires to replace either the Contractor Project Director or the Contractor Project Manager, Contractor shall provide County with prior written notice of each such proposed replacement prior to such person performing any Work hereunder.

4.3.2 All staff employed by and on behalf of Contractor shall be adults who are legally eligible to work under the laws of the United States of America and the State of California. All members of Contractor's staff who have direct contact with County (either by telephone, electronic or written correspondence, or in person) shall be fully fluent in both spoken and written English.

5. WORK; APPROVAL AND ACCEPTANCE

General

Contractor acknowledges that, subject to this Paragraph 5 (Work; Approval and Acceptance), all Work performed under this Agreement, including pursuant to an executed Change Order or amendment, is payable monthly in accordance with the terms and conditions of this Agreement, including this Paragraph 5 (Work; Approval and Acceptance), Paragraph 8 (Prices and Fees), and Paragraph 10 (Invoices and Payments).

6. CHANGE ORDERS AND AMENDMENTS

No representative of either County or Contractor, including those named in this Agreement, is authorized to make any changes in any of the terms, obligations, or conditions of this Agreement, except through the procedures set forth in this Paragraph 6 (Change Orders and Amendments).

6.1 General

County reserves the right, upon sixty (60) days prior written notice, to change any portion of the Work required under this Agreement, or amend such other terms and conditions, as may become necessary. Any such revision shall be accomplished in the following manner:

6.1.1 For any change which the parties mutually agree does not materially affect the scope of Work, period of performance, amount of payments, or any other term or condition included under this Agreement, a Change Order shall be executed by both County Project Director, with the concurrence of County Counsel, and Contractor Project Director. To the extent that extensions of time for Contractor performance do not impact either the scope of Work or cost of this Agreement, County Project Director, in County Project Director's discretion, may grant Contractor extensions of time in writing for the Work listed in the Statement of Work or otherwise in this Agreement provided that such extensions shall not extend the Term of this Agreement. Not withstanding the foregoing, the Sheriff has the authorization to execute amendments for additional services provided under the Statement of Work, sub-paragraph 6.2 or paragraph 8.

6.1.2 For any change that the parties mutually agree materially affects the scope of Work, period of performance, amount or rate of payments, or any other term or condition in the body of this Agreement or Exhibit A (Additional Terms and Conditions), then a negotiated amendment to this Agreement, mutually acceptable to both parties, shall be executed by the Board and Contractor.

6.1.3 Notwithstanding Subparagraph 6.1.2, the Sheriff with the concurrence of the County Counsel, and the Contractor Project Director or other authorized Contractor personnel, may execute an amendment solely for the purchase of modifications, upgrades or enhancements under Subparagraph 6.7 (Software Updates and Enhancements), or additional Systems for which the service warranty expires (under Paragraph 8 (Additional System Services) of Exhibit B (Statement of Work). Such amendment may include an increase to the Maximum Contract Sum under Subparagraph 8.2 for these purposes, but shall not affect the Term, Scope of Work or any other term or condition not directly related to the purchases under Subparagraph 6.7 or Paragraph 8 of Exhibit B.

6.2 Audit of Change Order Work.

County is entitled to audit, in accordance with Paragraph 42.0 (Records and Audits) of Exhibit A (Additional Terms and Conditions), Contractor's compliance with Paragraph 6 (Change Orders and Amendments) in respect of Work performed pursuant to a Change Order.

7. TERM

The term of this Agreement shall commence upon the Effective Date and shall continue for a period of five (5) years, unless terminated earlier in whole or in part, as provided in this Agreement (the "Initial Term"). The parties shall have the option, upon mutual written agreement reached no later than thirty (30) days prior to the end of the then-current period of the Term, to extend the term of this Agreement for up to six (6) additional one (1) month periods (each an "Option Term"). As used herein, the "Term" shall mean the Initial Term and, if extended, each Option Term, as the case may be. Contractor shall notify the County Project Manager and County Project Director when the Initial Term is within three (3) months from the expiration of the Initial Term, as provided for in this Paragraph 7 (Term).

8. PRICES AND FEES

8.1 General

The prices and fees for this Agreement shall be the amount payable by County to Contractor for performing all tasks, deliverables, goods, services and any other work required under this Agreement. The Contractor shall not be entitled to payment or reimbursement for any tasks, deliverables, goods, services and any other work, nor for any incidental or administrative expenses whatsoever incurred in or incidental to performance hereunder, except as specified in this Agreement.

8.2 Maximum Contract Sum

The "Maximum Contract Sum" under this Agreement shall be the total monetary amount that would be payable by County to Contractor for providing required Work under this Agreement for the Term. The Maximum Contract Sum for this Agreement, including applicable Taxes, authorized by County hereunder shall in no event, expressly or by implication, exceed $501,600.00 and shall be allocated as set forth in Exhibit C (Price and Schedule of Payments). The Maximum Contract Sum does not include services provided under Subparagraph 6.7 or Paragraph 8.0 of Exhibit B (Statement of Work), which costs shall be added by amendment. Services provided under Paragraph 5.0 and parts provided under Subparagraphs 6.2.1 and 6.2.2 of Exhibit B (Statement of Work) shall be purchased separately by purchase order.

9. COUNTY'S OBLIGATION FOR FUTURE FISCAL YEARS

9.1 Notwithstanding any other provision of this Agreement, either expressly or by implication, County shall not be obligated for Contractor's performance hereunder or by any provision of this Agreement during any of County's

future fiscal years unless and until the Board appropriates funds for this Agreement in County's budget for each such future fiscal year. In the event that funds are not appropriated for this Agreement, then this Agreement shall terminate as of June 30 of the last fiscal year for which funds were appropriated and such termination shall be deemed a termination for convenience pursuant to Paragraph 6.0 (Termination for Convenience) of Exhibit A (Additional Terms and Conditions). County shall notify Contractor in writing of any such non-appropriation of funds at the earliest possible date.

9.2 Contractor may, at its option, revise the annual and hourly rates by providing County with written notice thereof not later than sixty (60) days prior to the end of the then-current contract year. Such revised rates shall become effective upon the effective date of the commencement of the succeeding contract year. The annual adjustment may in no event exceed the aggregate increase in the Consumer Price Index, US City Average for Urban Wage Earners and Clerical Workers (CPI-W), Medical Care (not seasonally adjusted), as published by the U.S. Department of Labor, for the 12 months preceding the determination of such adjustment.

10. INVOICES AND PAYMENTS

10.1 Approval of Invoices

All invoices submitted by Contractor for payment must have the written approval of County Project Director, as evidenced by County Project Director's countersignature, prior to any payment thereof. In no event shall County be liable or responsible for any payment prior to such written approval unless such approval is wrongfully withheld or not forthcoming in a timely fashion.

Original Invoice to:

Los Angeles County Sheriff's Department
Medical Services Bureau
450 Bauchet Street, TTCF – E873
Los Angeles, California 90012
Attn: Kimberly Saucedo

Copy to:

Los Angeles County Sheriff's Department
Accounts Payable Unit – Alice Lee
4700 Ramona Boulevard, Room 326
Monterey Park, CA 91754

Detail. Each invoice submitted by Contractor shall include:

County Contract Number and amount billed for annual service plan

For services billed at hourly rates, each date and number of hours worked and applicable hourly rate.

No Out-of-Pocket Expenses.

Contractor acknowledges that out-of-pocket expenses, including travel, meal, and lodging expenses, are not reimbursable by County except as otherwise provided for herein. Accordingly, Contractor's invoices shall not include non-reimbursable out-of-pocket expenses.

Contractor Responsibility

Contractor is responsible for the accuracy of invoices submitted to County. Further, it is the responsibility of Contractor to reconcile or otherwise correct inaccuracies or inconsistencies in the invoices submitted by Contractor.

County's Right to Withhold

In addition to any rights of County provided in this Agreement, or at law or in equity, County may, upon prior written notice to Contractor, withhold payment for only that specific Work which Contractor has failed to provide in accordance with the terms hereunder; provided, however, that County can only withhold payment after i) it has first provided Contractor with a written notice of default specifying in detail the exact nature of the default, and ii) it has given Contractor a thirty (30) day period within which to cure such default, or such reasonable additional time as may be necessary to cure provided Contractor uses diligence in its efforts to cure.

11. LIQUIDATED DAMAGES

11.1 County and Contractor acknowledge that the services provided under this Agreement relate to maintenance and repair of machines used to dispense prescription drugs to inmates located in County jail facilities. As such, proper functioning of the machines is critical to the County's ability to provide accurate and timely medical care in compliance with local, state and federal law. Contractor's services are proprietary and may not be available from other commercial providers. As such, the parties agree that it will be impracticable or extremely difficult to fix the extent of actual damages resulting from the failure of the Contractor to correct a deficiency caused solely by the intentional misconduct or gross negligence of

Contractor which renders any of the drug dispensing machines totally inoperable within the specified time frame. The parties hereby agree that under the current circumstances a reasonable estimate of such damages is One Hundred dollars ($100) per day for each full day that any of the drug dispensing machines is rendered totally inoperable due solely to the intentional misconduct or gross negligence of Contractor and that the Contractor shall be liable to the County for liquidated damages in the said amount. Said amount shall be deducted from the County's payment to the Contractor.

11.2 The action noted in Subparagraph 11.1 shall not be construed as a penalty, but as an adjustment of payment to Contractor to recover the County cost due to the failure of Contractor to complete or comply with the provisions of this Agreement.

11.3 This Subparagraph shall not, in any manner, restrict or limit the County's right to damages for any breach of this Agreement provided by law or as specified elsewhere in the Agreement or Subparagraph 11.1, and shall not, in any manner, restrict or limit the County's right to terminate the Agreement as agreed to herein; provided, however, that any damages incurred by the County for breach shall be offset by any liquidated damages paid to the County by Contractor under Subparagraph 11.1.

12. NOTICES

All notices or demands required or permitted to be given or made under this Agreement, unless otherwise specified, shall be in writing and shall be addressed to the parties at the following addresses and delivered: (a) by hand with signed receipt; (b) by first-class registered or certified mail, postage prepaid; (c) by facsimile or electronic mail transmission followed within twenty-four (24) hours by a confirmation copy mailed by first-class registered or certified mail, postage prepaid; or (d) by overnight commercial carrier, with signed receipt. Notice is deemed given at the time of signed receipt in the case of hand delivery, three (3) days after deposit in the United States mail as set forth above, on the date of facsimile or electronic mail transmission if followed by timely confirmation mailing, or on the date of signature receipt by the receiving part of any overnight commercial carrier delivery. Addresses may be changed by either party giving ten (10) days prior notice in accordance with the procedures set forth above, to the other party.

Agreement shall be owned by Contractor and shall be exclusively the property of Contractor. All updates, enhancements, modifications or other changes made to any of the software in connection with the performance of Contractor's obligations hereunder, shall be deemed to be part of the software and shall be subject to the terms and conditions of this Agreement. To the extent that ownership of any such intellectual property does not automatically vest in Contractor by virtue of this Agreement or otherwise, County hereby irrevocably transfers and assigns to Contractor all rights, title and interest in and to such intellectual property and protectable elements, contributions, enhancement, collective works thereof and derivative works thereto. Furthermore, County agrees to take such steps as Contractor may reasonably request to vest such intellectual property in Contractor.

AGREEMENT
BETWEEN COUNTY OF LOS ANGELES
AND
AUTOMED TECHNOLOGIES, INC.

IN WITNESS WHEREOF, the Los Angeles County Board of Supervisors has caused this Agreement to be subscribed by its Chairperson and the seal of such Board to be hereto affixed and attested by the Executive Officer thereof, and Contractor has caused this Agreement to be subscribed in its behalf by its authorized officer, effective as of the date approved by such Board.

COUNTY OF LOS ANGELES

By _____
Chair, Board of Supervisors

ATTEST:
SACHI A. HAMAI
Executive Officer
Board of Supervisors

By: _____
Deputy

[AutoMed Technologies Inc.]
Contractor
Signed: _____
Printed: Pete Gilbert
Title: GVP

APPROVED AS TO FORM:
RAYMOND G. FORTNER, JR.
County Counsel

By _____
Gary Gross
Principal Deputy County Counsel

AGREEMENT
BETWEEN COUNTY OF LOS ANGELES
AND
AUTOMED TECHNOLOGIES, INC.

IN WITNESS WHEREOF, the Los Angeles County Board of Supervisors has caused this Agreement to be subscribed by its Chairperson and the seal of such Board to be hereto affixed and attested by the Executive Officer thereof, and Contractor has caused this Agreement to be subscribed in its behalf by its authorized officer, effective as of the date approved by such Board.

COUNTY OF LOS ANGELES

By _____
Chair, Board of Supervisors

I hereby certify that pursuant to Section 25103 of the Government Code, delivery of this document has been made.

ATTEST:
SACHI A. HAMAI
Executive Officer
Board of Supervisors

By: _____
Deputy

SACHI A. HAMAI
Executive Officer
Clerk of the Board of Supervisors

By _____
Deputy

[AutoMed Technologies Inc.]
Contractor

Signed: _____
Printed: Pete Gilbert
Title: SVP

APPROVED AS TO FORM:
RAYMOND G. FORTNER, JR.
County Counsel

By _____
Gary Gross
Principal Deputy County Counsel

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

41 APR 01 2008

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

76516

41 of APRIL 1, 2008

EXHIBIT A

ADDITIONAL TERMS AND CONDITIONS

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EXHIBIT A

ADDITIONAL TERMS AND CONDITIONS

The following additional terms and conditions are applicable to, and form a part of, the Agreement. Capitalized terms not otherwise defined in this Exhibit A (Additional Terms and Conditions (as used in this Exhibit A (Additional Terms and Conditions), this "Exhibit") have the meanings given to such terms in the base document of the Agreement.

1.0 SUBCONTRACTING

1.1 General

County has relied, in entering into the Agreement, on the reputation of and on obtaining the personal performance of Contractor itself. Consequently, no performance of the Agreement, or any portion thereof, shall be subcontracted by Contractor except in accordance with the procedures set forth in this Paragraph 1.0 (Subcontracting). Any attempt by Contractor to subcontract any performance, obligation, or responsibility under the Agreement, except in accordance with the procedures set forth in this Paragraph 1.0 (Subcontracting), shall be null and void and shall constitute a material breach of the Agreement, upon which County may immediately terminate the Agreement.

1.2 Procedure for Subcontracting

If Contractor desires to subcontract any portion of its performance, obligations, or responsibilities under the Agreement to any subcontractor, Contractor shall adhere to the following procedures.

1.2.1 Contractor shall notify the County Project Director of its desire to subcontract a portion of the Work, which notice shall include the reason for the proposed subcontract, and a description of the Work to be performed under the proposed subcontract.

1.2.2 The identity of such subcontractor and why such subcontractor was selected.

1.2.3 A certificate of insurance from the proposed subcontractor which establishes that the subcontractor maintains all the programs of insurance required by the Agreement.

1.2.4 If the proposed Work is to be performed by a subcontractor, then in addition to the foregoing, Contractor shall provide:

i. A draft copy of the proposed subcontract. The material provisions of any approved subcontract between Contractor and a third party may be changed or amended, as applicable, only with the prior

written approval of the County Project Director, which approval shall not be unreasonably withheld; and

ii. Any other information and/or certifications reasonably requested by County.

The County Project Director will review Contractor's request to subcontract and determine, in his discretion, whether or not to consent to such request on an individual basis. Without limiting in any way County's prior approval rights, Contractor shall deliver to the County Project Director a fully executed copy of each subcontract entered into by Contractor pursuant to this Subparagraph 1.2.4, on or immediately after the effective date of the subcontract but in no event later than the date any Work is performed under the subcontract.

1.2.5 Contractor shall obtain an executed Confidential Disclosure Agreement for Independent Contractors in a form substantially similar to that appearing in Exhibit E1 for each of subcontractor's employees performing Work under the subcontract.

1.3 Contractor Responsibilities.

1.3.1 Notwithstanding any County consent to any subcontracting, Contractor shall remain responsible for any and all performance required of it under the Agreement, including the obligation properly to supervise, coordinate, and perform, all Work required hereunder, and no subcontract shall bind or purport to bind County. Further, County approval of any subcontract shall not be construed to limit in any way Contractor's performance, obligations, or responsibilities, to County.

1.3.2 In the event that County consents to any subcontracting, such consent shall be subject to County's right to reject any and all subcontractor personnel providing services under such subcontract.

1.3.3 In the event that County consents to any subcontracting, Contractor shall cause the subcontractor, on behalf of itself, its successors and administrators, to assume and be bound by and shall be deemed to have assumed and agreed to be bound by each and all of the provisions of the Agreement and any amendment hereto as it relates to or affects the Work performed by subcontractor hereunder.

1.3.4 Contractor shall be solely liable and responsible for any and all payments and other compensation to all subcontractors and their officers, employees, and agents. County shall have no liability or responsibility whatsoever for any payment or other compensation for any subcontractors or their officers, employees, and agents.

2.0 DISPUTE RESOLUTION PROCEDURE

2.1 General

Contractor and County agree to act immediately to resolve mutually any disputes that may arise with respect to the Agreement. All such disputes shall be subject to the provisions of this Paragraph 2.0 (Dispute Resolution Procedure) (such provisions are collectively referred to as the "Dispute Resolution Procedures"). Time is of the essence in the resolution of disputes.

2.2 Continued Work

Contractor and County agree that, the existence and details of a dispute notwithstanding, both parties shall continue without delay their performance hereunder, except for any performance, other than payment by County for approved Work, that the parties mutually determine should be delayed as a result of such dispute.

2.2.1 If Contractor fails to continue without delay its performance hereunder that County, in its reasonable discretion, determines should not be delayed as a result of such dispute, then any additional costs which may be incurred by Contractor or County as a result of Contractor's failure to continue to so perform shall be borne by Contractor, and Contractor shall make no claim whatsoever against County for such costs; provided, however, that all such additional costs must be commercially reasonable, necessary, documented in writing, and subject to the approval of Contractor which will not be unreasonably withheld. Contractor shall promptly reimburse County for such County costs.

2.2.2 If County fails to continue without delay to perform its responsibilities under the Agreement which Contractor, in its reasonable discretion, determines should not be delayed as a result of such dispute, then any additional costs incurred by Contractor or County as a result of County's failure to continue to so perform shall be borne by County, and County shall make no claim whatsoever against Contractor for such costs; provided, however, that all such additional costs must be commercially reasonable, necessary, documented in writing, and subject to the approval of County which will not be unreasonably withheld. County shall promptly reimburse Contractor for all such additional Contractor costs.

2.3 Dispute Resolution Procedures

In the event of any dispute between the parties with respect to the Agreement, Contractor and County shall submit the matter as follows:

2.3.1 Contractor and County shall first submit the matter to their respective Project Managers for the purpose of endeavoring to resolve such dispute.

2.3.2 If the Project Managers are unable to resolve the dispute within a reasonable time, not to exceed five (5) Business Days from the date of submission of the dispute, then the matter immediately shall be submitted to the parties' respective Project Directors for further consideration and discussion to attempt to resolve the dispute.

2.3.3 If the Project Directors are unable to resolve the dispute within a reasonable time not to exceed five (5) Business Days from the date of submission of the dispute, then the matter shall be immediately submitted to Contractor's president or chief operating officer and the Sheriff of the County of Los Angeles. These persons shall have five (5) Business Days to attempt to resolve the dispute.

2.3.4 In the event that at these levels, there is not a resolution of the dispute acceptable to both parties, then each party may assert its other rights and remedies provided under the Agreement and its rights and remedies as provided by law.

2.4 Documentation of Dispute Resolution Procedures

All disputes utilizing the Dispute Resolution Procedure shall be documented in writing by each party and shall state the specifics of each alleged dispute and all actions taken. The parties shall act in good faith to resolve all disputes. At all three (3) levels described in Subparagraph 2.3 (Dispute Resolution Procedure), the efforts to resolve a dispute shall be undertaken by conference between the parties' respective representatives, either orally, by face-to-face meeting or by telephone, or in writing by exchange of correspondence.

2.5 Not Applicable to A Party's Right to Terminate

Notwithstanding any other provision of the Agreement, each party's right to terminate the Agreement pursuant to Paragraph 4.0 (Termination for Insolvency), Paragraph 5.0 (Termination for Default), and the County's right to terminate the Agreement pursuant to Paragraph 6.0 (Termination for Convenience), or Paragraph 7.0 (Termination for Improper Consideration), in each case, of this Exhibit, or any other termination provision hereunder, shall not be subject to the Dispute Resolution Procedure. The preceding sentence is intended only as a clarification of each parties' rights, and shall not be deemed to impair any claims that a party may have against the other party or a party's right to assert such claims after any such termination or such injunctive relief has been obtained.

3.0 CONFIDENTIALITY

3.1 General

Both parties shall maintain the confidentiality of all records and information, events or circumstances which occur during the course of Contractor's performance under the Agreement, in accordance with all applicable Federal, State, and local laws, regulations, ordinances, guidelines, and directives relating to confidentiality. Contractor shall inform all of its directors, officers, shareholders, employees, and agents providing services hereunder of the confidentiality provisions of the Agreement and County shall do likewise with respect to its employees and agents. Contractor shall obtain an executed Confidential Disclosure Agreement for Employees in a form substantially similar to that appearing in Exhibit E1 for each of its employees performing Work under the subcontract. Notwithstanding anything herein to the contrary, each party acknowledges and agrees that it is responsible for any breach of the obligations of confidentiality set forth herein by any person or entity to whom it discloses such confidential information.

3.2 Disclosure of Information.

3.2.1 With respect to any confidential information obtained by a party pursuant to the Agreement, that party shall: (a) not use any such records or information for any purpose whatsoever other than carrying out the express terms of the Agreement or as otherwise permitted herein; (b) promptly transmit to the other party all requests for disclosure of any such records or information; (c) not disclose, except as otherwise specifically permitted by the Agreement, any such records or information to any person or organization other than other party without the other party's prior written authorization that the records are, or information is, releasable; and (d) at the expiration or termination of the Agreement, return all such records and information to the other party or maintain such records and information according to mutually agreed upon written procedures for this purpose.

3.2.2 Without limiting the generality of Subparagraph 3.2.1 of this Exhibit, in the event a party receives any court or administrative agency order, service of process, or request by any person or entity (other than that party's professionals which include, but is not limited to, its attorneys, accountants, consultants and other advisory personnel) for disclosure of any such details, that party shall immediately notify the other party. Thereafter, the party receiving the order, process or request shall comply with such order, process, or request only to the extent required by applicable law. The party receiving the order, process or request to disclose shall reasonably cooperate with the other party, at the later's sole expense, in an effort to obtain relief from such obligations to disclose.

3.3 Confidential Information

Any and all confidential or proprietary information which is developed or was originally acquired by a party outside the scope of this Agreement, which that party desires to use hereunder, and which that party considers to be proprietary or confidential, must be specifically identified by that party to the County Project Director or the Contractor Project Director, as the case may be, as proprietary or confidential, and shall be plainly and prominently marked by that party as "proprietary" or "confidential." A party shall undertake commercially reasonably efforts to maintain the confidentiality of materials marked by the other party as "proprietary" or "confidential." Notwithstanding any other provision of this Agreement, a party shall not be obligated in any way under this Agreement for:

3.3.1 Any of the other party's proprietary and/or confidential materials not plainly and prominently marked with restrictive legends;

3.3.2 Any disclosure of any materials which County or Contractor is required to make under the California Public Records Act or otherwise by law; and

3.4 Use of County Name

In recognizing Contractor's need to identify its services and related clients to sustain itself, County shall not inhibit Contractor from publishing its role under the Agreement within the following conditions:

3.4.1 Contractor shall develop all publicity material in a professional manner.

3.4.2 During the Term, Contractor shall not publish or disseminate any commercial advertisements, press releases, feature articles, or other materials using the name of County without the prior written consent of the County Project Director, which shall not be unreasonably withheld or delayed.

3.4.3 Contractor may, without the prior written consent of County, indicate in its proposals and sales materials that it has been awarded the Agreement with County, provided that the requirements of this Subparagraph 3.4 (Use of County Name) (other than the requirements set forth in Subparagraph 3.4.2) shall apply.

3.4.4 Notwithstanding anything herein to the contrary, County reserves the right to object to any unreasonable and unpermitted use of County's name in which case Contractor shall cure promptly and prospectively any such unreasonable and unpermitted use of County's name that has been objected to by County.

3.5 Injunctive Relief

Each party acknowledges that a breach by the other party of this Paragraph 3.0 (Confidentiality) may result in irreparable injury to the non-breaching party that may not be adequately compensated by monetary damages and that, in addition to the non-breaching party's other rights under the Agreement and at law and in equity, the non-breaching party shall have the right to injunctive relief to enforce the provisions of this Paragraph 3.0 (Confidentiality).

4.0 TERMINATION FOR INSOLVENCY

4.1 A party may terminate the Agreement immediately at any time following the occurrence of any of the following:

4.1.1 The other party has ceased to pay or has admitted in writing its inability to pay its debts for at least sixty (60) days in the ordinary course of business or cannot pay its debts as they become due, whether or not a petition has been filed under the United States Bankruptcy Code and whether or not the other party is insolvent within the meaning of the United States Bankruptcy Code, provided that the other party shall not be deemed insolvent if it has ceased in the normal course of business to pay debts that it disputes in good faith;

4.1.2 The other party's filing of a voluntary or involuntary petition (which involuntary petition is not dismissed within sixty (60) days) under the United States Bankruptcy Code;

4.1.3 The appointment of a receiver or trustee for the other party; or

4.1.4 The execution by the other party of a general assignment for the benefit of creditors other than in the course of arranging financial lines of credit.

4.2 The rights and remedies provided in this Paragraph 4.0 (Termination for Insolvency) shall not be exclusive and are in addition to any other rights and remedies provided at law or in equity, or under the Agreement.

4.3 Each party agrees that if it as a debtor-in-possession, or if a trustee in bankruptcy, rejects the Agreement, the other party may elect to retain its rights under the Agreement, as provided under Section 365(n) of the United States Bankruptcy Code (11 U.S.C. Section 365(n)). Upon written request to the other party or the trustee in bankruptcy, as applicable, the other party or such trustee shall allow the party to exercise all of its rights and benefits under the Agreement. The foregoing shall survive the termination or expiration of the Agreement for any reason whatsoever.

5.0 TERMINATION FOR DEFAULT

5.1 Event of Default

Either party may, upon written notice to the other, terminate the whole or any part of the Agreement if the other party materially fails to perform or provide any Work within the times specified in the Agreement, or the other party materially breaches or fails to perform or materially comply with any of the other provisions of the Agreement, including the applicable notice and cure periods, if any (if no cure period is specified in the Agreement, a party shall have thirty (30) days, or in the event of a financial breach fifteen (15) days, following written notice from the terminating party specifying in detail and substantiating with written documentation such material breach or failure to cure prior to termination under this Paragraph 5.0 (Termination for Default), or, in the case of a non-financial breach only, such longer period as may reasonably be required for the party in breach/default to complete its cure, but in no event shall the period, as extended, exceed ninety (90) days), provided that nothing in this Subparagraph 5.1 shall in any way limit or modify any rights of a party or obligations of a party relating to timely performance as otherwise set forth in the Agreement.

5.2 Deemed Termination for Convenience

If, after County has given written notice of termination under the provisions of this Paragraph 5.0 (Termination for Default), it is determined by County or otherwise that Contractor was not in default under the provisions of this Paragraph 5.0 (Termination for Default), or that the default was excusable or curable under the provisions of this Paragraph 5.0 (Termination for Default), the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to Paragraph 6.0 (Termination for Convenience) of this Exhibit except that no additional notice shall be required to effect such termination.

5.3 Completion of Work

Without limiting any of County's rights and remedies pursuant to the Agreement, upon the occurrence of any event giving rise to County's rights to terminate the Agreement, in whole or in part, pursuant to this Paragraph 5.0 (Termination for Default), County may, in lieu of such termination and upon prior written notice of its election to do so, (a) perform, or cause the performance of, any required correction, remedy and deficiency, replace any non-complying Work, or take any other such action as may be reasonably required to promptly remedy such default, and (b) debit Contractor therefore at County's direct actual cost of outside labor and materials and County's burdened (including salary, employee benefits and reimbursement policies) rates for labor. Such debit shall be made against any amounts owed by County to Contractor under the Agreement. In the event County elects to proceed under this Subparagraph 5.3 (Completion of

Work), any Work created, modified, or repaired by or at the direction of County shall be deemed Work under the Agreement.

6.0 TERMINATION FOR CONVENIENCE

6.1 Termination for Convenience.

The Agreement may be terminated, in whole or in part from time to time, by County in its sole discretion for any reason. Termination of Work hereunder shall be effected by delivery to Contractor of a written notice of termination specifying the extent to which performance of Work is terminated and the date upon which such termination becomes effective. The date upon which such termination becomes effective shall be no less than thirty (30) days after written notice.

6.2 No Prejudice

Nothing in this Paragraph 6.0 (Termination for Convenience) is deemed to prejudice any right of Contractor to make a claim against the County in accordance with this Agreement and applicable law and County procedures for payment for Work through the effective date of termination.

7.0 TERMINATION FOR IMPROPER CONSIDERATION

7.1 County may, upon written notice to Contractor, immediately terminate the right of Contractor to proceed under the Agreement if it is found that consideration, in any form, was offered or given by Contractor, either directly or through an intermediary, to any County officer, employee or agent with the intent of securing the Agreement or securing favorable treatment with respect to the award, amendment or extension of the Agreement or the making of any determinations with respect to Contractor's performance pursuant to the Agreement. In the event of such termination, County shall be entitled to pursue the same remedies against Contractor as it could pursue in the event of default by Contractor.

7.2 Contractor shall immediately report any attempt by a County officer or employee to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to County Auditor-Controller's employee fraud hotline at (800) 544-6861.

7.3 Among other items, such improper consideration may take the form of cash, discounts, service, the provision of travel or entertainment, or tangible gifts.

8.0 TERMINATION FOR GRATUITIES

County may, by notice to Contractor, terminate the right of Contractor to proceed under the Agreement upon one (1) calendar day's written notice, if it is found that gratuities in the form of entertainment, gifts, or otherwise were offered or given by Contractor, or any agent or representative of Contractor, to any officer, employee, or agent of County with a view toward securing a contract or securing favorable treatment with respect to the

awarding or amending, or the making of any determinations with respect to the performing, of such contract. In the event of such termination, County shall be entitled to pursue the same remedies against Contractor as it could pursue in the event of default by Contractor.

9.0 EFFECT OF TERMINATION

9.1 Remedies

In the event that County terminates the Agreement in whole or in part as provided in Paragraph 4.0 (Termination for Insolvency), Paragraph 5.0 (Termination for Default), Paragraph 6.0 (Termination for Convenience), Paragraph 7.0 (Termination for Improper Consideration), or Paragraph 8.0 (Termination for Gratuities), in each case, of this Exhibit, then:

9.1.1 Contractor shall (a) stop performing Work under the Agreement on the date and to the extent specified in such written notice, (b) promptly transfer and deliver to County copies of all completed Work and Work that is in process, in a media reasonably requested by County and reasonably acceptable to Contractor, (c) promptly transfer and deliver all items previously paid for by County, and (d) complete performance of such part of the Work as shall not have been terminated by such notice;

Unless County has terminated the Agreement pursuant to Paragraph 6.0 (Termination for Convenience) of this Exhibit, County shall have the right to procure, upon prior written notice and upon such terms and in such a manner as County may, in its sole but commercially reasonable discretion, determine appropriate, goods, services, and other Work, substantially similar and at least equally competitive in price to those so terminated, and Contractor shall be liable to County for, and shall promptly pay to County by cash payment, any and all excess costs reasonably incurred by County, as determined by County in its sole but commercially reasonable discretion, to procure and furnish such substantially similar goods, services, and other Work. In connection with the County procuring such substantially similar goods, services and/or other Work pursuant to this Subparagraph, County shall provide to the Contractor Project Director, on request by the Contractor Project Director, documentation that reasonably details the source and amount of the costs and expenses the County purports to have procured under this Subsection.

9.1.2 Intentionally omitted;

9.1.3 Contractor shall promptly return to County any and all of County's confidential information that relates to that portion of the Agreement or Work terminated by County;

9.1.4 Contractor shall tender promptly payment to County, and shall continue to tender payment for the duration, of any liquidated damages levied

pursuant to Paragraph 11.0 (Liquidated Damages), of the Agreement, to the extent applicable;

9.1.5 Contractor and County shall continue the performance of the Agreement to the extent not otherwise terminated.

9.2 Transition Services

Contractor agrees that in the event of any termination of the Agreement, as a result of the breach hereof by either party, or for any other reason, including expiration, Contractor shall fully cooperate with County at County's sole expense in the transition by County to a new Contractor, toward the end that there be no interruption of the Department's day to day operations due to the unavailability of the Work during such transition. Contractor agrees that if County terminates the Agreement pursuant to Subparagraph 5.2 (Deemed Termination for Convenience) and Paragraph 6.0 (Termination for Convenience) of this Exhibit A, Contractor shall perform transition services, and shall invoice County for such transition services determined in accordance with the rates specified in Exhibit C (Price Schedule) of the Agreement, in accordance with a transition plan to be agreed upon, in advance, by the County Project Director and the Contractor Project Director. In connection with the provision of any transition services pursuant to this Subparagraph 9.2 (Transition Services), Contractor shall provide to the County Project Director, on request by the County Project Director, documentation that reasonably details the source and amount of the expenses Contractor purports to have incurred in the provision of such transition services.

9.3 Remedies Not Exclusive

The rights and remedies of the parties set forth in this Paragraph 9.0 (Effect of Termination) are not exclusive of any other rights and remedies available to the parties at law or in equity, or under the Agreement.

10.0 WARRANTY AGAINST CONTINGENT FEES

10.1 Contractor warrants that no person or selling agency has been employed or retained to solicit or secure the Agreement upon any agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by Contractor for the purpose of securing business.

10.2 For breach of this warranty, County shall have the right to terminate the Agreement and, in its discretion, deduct from the Agreement price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

11.0 AUTHORIZATION WARRANTY

Contractor and the person executing the Agreement on behalf of Contractor hereby represent and warrant that the person executing the Agreement for Contractor is an authorized agent who has actual authority to bind Contractor to each and every term, condition, and obligation of the Agreement and that all requirements of Contractor have been fulfilled to provide such actual authority.

12.0 FURTHER WARRANTIES

Contractor represents, warrants and further covenants and agrees to the following:

12.1 Contractor bears the full risk of loss due to total or partial destruction of all or any part of any goods acquired from Contractor, as applicable, until reasonable acceptance by the County, except to the extent that such total or partial destruction arises in whole or in part from, or is in any way related to, the intentional or negligent act or omission of County .

12.2 At the time of delivery to and acceptance by County, all goods shall be new, in good working order, in conformity with manufacturer's published specifications and descriptions, and free from defects in workmanship and materials.

12.3 Contractor shall, in the performance of all Work, comply in all material respects with the descriptions and representations (including performance capabilities, accuracy, completeness, characteristics, specifications, configurations, standards, functions, and requirements) as set forth in this Agreement, including the Statement of Work.

12.4 All Work shall be performed in a timely and professional manner by qualified personnel.

12.5 Contractor and each of its personnel performing Work hereunder have all permits, licenses, and certifications necessary to perform Contractor's obligations under the Agreement.

13.0 INDEMNIFICATION AND INSURANCE

13.1 Indemnification

Contractor shall indemnify, defend, and hold harmless County, its districts administered by County, and their elected and appointed officers, and employees (the "County Indemnitees") from and against any and all liability (alleged or actual), including damages, losses, fees, costs, and expenses (including defense costs and legal, accounting and other expert witness, consulting, attorney and other professional fees) arising from, connected with, or related to Contractor's, Contractor's agents', employees', officers', or directors' acts, errors or omissions. Any legal defense pursuant to Contractor's indemnification obligations under this Paragraph 13.0 (Indemnification and Insurance) shall be conducted by

Contractor and performed by counsel selected by Contractor and approved by County in writing, which approval shall not be unreasonably withheld or delayed. Contractor shall not, however, without County's prior written approval, accept any settlement, or enter a plea of guilty or *nolo contender*, to any charge or claim that results in other than a monetary judgment against County Indemnitees, which monetary judgment shall not exceed Contractor's ability to pay and which shall be paid by Contractor. The County shall fully cooperate with Contractor in the defense of any claims and provide timely responses to any requests made by Contractor that pertains to claims.

13.2 General Insurance Requirements

Without limiting Contractor's obligations of indemnification and defense of County Indemnitees, Contractor shall provide and maintain at its own expense during the Term the following programs of insurance covering its operations under the Agreement, as specified in this Subparagraph 13.2 (General Insurance Requirements). Such insurance shall be primary to and not contributing with any other insurance or self-insurance programs maintained by County.

13.2.1 Evidence of Insurance

Certificates or other evidence of coverage satisfactory to the County's Risk Manager, and evidence of such programs satisfactory to County, shall be delivered to

Karen Anderson, Manager
Sheriff's Department Contracts Unit
4700 Ramona Boulevard, Room 214
Monterey Park, CA 91754-2169

on or before the execution of the Agreement by the Board. Such certificates or other evidence shall at a minimum:

(i) Specifically identify the Agreement;

(ii) Clearly evidence all coverages required in the Agreement;

(iii) Contain express conditions that County is to be given notice at least thirty (30) days prior to any termination of any program of insurance, and, with respect to any modification of any program of insurance, at least thirty (30) days in advance or immediately following Contractor's first receipt of notice of modification in the event Contractor receives less than thirty (30) days advance notice of such modification;

(iv) Include copies of the additional insured endorsement to the commercial general liability policy, naming all County Indemnitees

as additional insureds for all activities arising from the Agreement; and

(v) Identify any deductibles or self-insured retentions for County's approval. County may require Contractor to provide a bond guaranteeing payment of all such retained losses and related costs, including expenses or fees, or both, related to investigations, claims administrations, and legal defense. Such bond shall be executed by a corporate surety licensed to transact business in the state of California.

13.2.2 Insurer Financial Ratings

Insurance is to be provided by an insurance company acceptable to County with an A.M. Best rating of not less than A:VII, unless otherwise approved by County's Risk Manager.

13.2.3 Insurance Programs

At a minimum, Contractor shall maintain during the Term programs of insurance which consists of:

(i) General liability insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following:

General Aggregate:	$2,000,000
Products/Completed Operations Aggregate:	$1,000,000
Personal and Advertising Injury:	$1,000,000
Each Occurrence:	$1,000,000

(ii) Professional liability insurance covering any liability arising from any error, omission, commission, negligent, or wrongful act of Contractor, its officers, agents, or employees, in the performance of Work hereunder, with limits of not less than the following:

Each Accident:	$1,000,000
Disease – Policy Limit:	$1,000,000
Disease – Each Employee:	$1,000,000

Such coverage shall be maintained for a period of not less than two (2) years, or the policy shall be endorsed to provide an extended reporting period of not less than two (2) years, following the expiration or termination of the Agreement.

(iii) Comprehensive auto liability insurance (written on an ISO policy form CA 00 01 or its equivalent) endorsed for owned, non-owned,

and hired vehicles, or coverage for "any auto" with a limit of not less than one million dollars ($1,000,000) per accident.

(iv) Workers' compensation insurance in an amount and form required by the California Labor Code (or the labor code of any other applicable state), covering all persons for which Contractor is responsible and all risks to such persons under the Agreement. Such insurance shall include employer's liability coverage covering accident and disease. In respect of accident, the limit shall be no less than one million dollars ($1,000,000) per accident, and, in respect of disease, the policy limit shall be no less than one million dollars ($1,000,000) and one million dollars ($1,000,000 for each employee.

13.2.4 Notification of Incidents, Claims or Suits

Contractor shall report to County:

(i) Any accident or incident relating to services performed under the Agreement which involves injury or property damage which may result in the filing of a claim or lawsuit against Contractor or County. Such report shall be made in writing as soon as practical.

(ii) Any third party claim or lawsuit filed against Contractor arising from or related to services performed by Contractor under the Agreement. Such report shall be made in writing as soon as practical after the earlier of service of process of such claim or lawsuit, or Contractor's Risk Management Department otherwise has knowledge of such claim or lawsuit.

(iii) Any injury to a Contractor staff member which occurs on County property. This report shall be submitted on a County "Non-employee Injury Report" to the County Project Director. Such report shall be made in writing as soon as practical.

(v) Any loss, disappearance, destruction, misuse, or theft of any kind whatsoever of County property, monies or securities entrusted to Contractor under the terms of the Agreement. Such report shall be made as soon as practical.

13.3 Failure to Procure and Maintain Insurance

Failure on the part of Contractor to procure and maintain all the required insurance shall constitute a material breach of the Agreement upon which County may terminate the Agreement following expiration of the applicable cure period pursuant to Paragraph 5.0 (Termination for Default) of this Exhibit and seek all remedies pursuant to Paragraph 9.0 (Effect of Termination) of this Exhibit, or

alternatively, may purchase such required insurance coverage and debit Contractor pursuant to Subparagraph 5.3 (Completion of Work) of this Exhibit..

14.0 INTELLECTUAL PROPERTY INDEMNIFICATION

Contractor shall indemnify, defend, and hold harmless County Indemnitees pursuant to Subparagraph 13.1 (Indemnification) of this Exhibit, from and against any and all liability (alleged or actual), including damages, losses, costs, fees and other expenses (including reasonable defense costs and reasonable legal, accounting and other expert, consulting, attorney, or other professional fees), for or by reason of any actual or alleged infringement of any patent, copyright, trademark, or other proprietary rights of any third party, or any actual or alleged trade secret disclosure or misappropriation, arising from or related to the operation of the Work under the Agreement (collectively referred to as "Infringement Claims"), except to the extent such Infringement Claims result or arise, in whole or in part, from any intentional or negligent act or omission of the County. .

15.0 BUDGET REDUCTIONS

In the event that the Board adopts, in any fiscal year, a County budget which provides for reductions in the salaries and benefits paid to the majority of County employees and imposes similar reductions with respect to County contracts, the County reserves the right to reduce its payment obligation correspondingly for that fiscal year and any subsequent fiscal year services provided by Contractor under this Agreement. The County's written notice to the Contractor regarding said reduction in payment obligation shall be provided within thirty (30) calendar days of the Board's approval of such actions. County and Contractor shall negotiate an appropriate amendment to the rates in good faith and the then-current rates shall remain in effect until such time as the amendment is fully executed.

16.0 FORCE MAJEURE

Except with respect to defaults of any subcontractors, Contractor shall not be liable for breach of this Agreement or any such excess costs, if its failure to perform the Agreement arises out of fires, floods, epidemics, quarantine restrictions, other natural occurrences, strikes, lockouts (other than a lockout by Contractor or any of Contractor's subcontractors), freight embargoes, or other similar acts to those described above, but in every such case the failure to perform must be totally beyond the control and without any fault or negligence of Contractor. If the failure to perform is caused by the default of a subcontractor, and if such default arises out of causes beyond the control of both Contractor and subcontractor, and without any fault or negligence of either of them, Contractor shall not be liable for breach of this Agreement or any such excess costs for failure to perform, unless the goods or services to be furnished by the subcontractor were reasonably obtainable at comparable cost from other sources in sufficient time to permit Contractor to meet the required performance schedule. Contractor agrees to use commercially reasonable efforts to obtain such goods or services from other sources, and to mitigate the damages and reduce the delay caused by any of the above

mentioned *force majeure* events. As used in this Paragraph 16.0 (Force Majeure), the term "subcontractor" and "subcontractors" mean subcontractors at any tier.

17.0 CONTRACTOR RESPONSIBILITY AND DEBARMENT

17.1 Responsible Contractor

A responsible Contractor is a Contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the contract. It is the County's policy to conduct business only with responsible Contractors.

17.1.2 Chapter 2.202 of the County Code

The Contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if the County acquires information concerning the performance of the Contractor on this or other contracts which indicates that the Contractor is not responsible, the County may, in addition to other remedies provided in the Contract, debar the Contractor from bidding or proposing on, or being awarded, and/or performing work on County contracts for a specified period of time, which generally will not exceed five years but may exceed five years or be permanent if warranted by the circumstances, and terminate any or all existing Contracts the Contractor may have with the County.

17.1.3 Non-responsible Contractor

The County may debar a Contractor if the Board of Supervisors finds, in its discretion, that the Contractor has done any of the following: (1) violated a term of a contract with the County or a nonprofit corporation created by the County, (2) committed an act or omission which negatively reflects on the Contractor's quality, fitness or capacity to perform a contract with the County, any other public entity, or a nonprofit corporation created by the County, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against the County or any other public entity.

17.1.4 Contractor Hearing Board

1. If there is evidence that the Contractor may be subject to debarment, the Department will notify the Contractor in writing of the evidence which is the basis for the proposed debarment and will advise the Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.

2. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Contractor and/or the Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed

decision, which shall contain a recommendation regarding whether the Contractor should be debarred, and, if so, the appropriate length of time of the debarment. The Contractor and the Department shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.

3. After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision, and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

4. If a Contractor has been debarred for a period longer than five (5) years, that Contractor may after the debarment has been in effect for at least five (5) years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. The County may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that the Contractor has adequately demonstrated one or more of the following: (1) elimination of the grounds for which the debarment was imposed; (2) a bona fide change in ownership or management; (3) material evidence discovered after debarment was imposed; or (4) any other reason that is in the best interests of the County.

5. The Contractor Hearing Board will consider a request for review of a debarment determination only where (1) the Contractor has been debarred for a period longer than five (5) years; (2) the debarment has been in effect for at least five (5) years; and (3) the request is in writing, states one or more of the grounds for reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment hearing.

6. The Contractor Hearing Board's proposed decision shall contain a recommendation on the request to reduce the period of debarment or terminate the debarment. The Contractor Hearing Board shall present its proposed decision and recommendation to the Board of Supervisors. The Board of Supervisors shall have the right to

modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

17.1.5 **Subcontractors of Contractor**

These terms shall also apply to Subcontractors of County Contractors.

18.0 COMPLIANCE WITH APPLICABLE LAW

Both parties' activities hereunder shall comply with all applicable Federal, State, and local laws, rules, regulations, ordinances, guidelines, and directives, and all provisions required thereby to be included in the Agreement are hereby incorporated herein by reference. Unless provided otherwise under the Agreement, a party shall have up to thirty (30) days to correct any noncompliance with County rules, regulations, ordinances, guidelines, and directives following written notice from the other party including written copies of such applicable rules, regulations, ordinances, guidelines and directives.

19.0 FAIR LABOR STANDARDS

Contractor shall materially comply with all applicable provisions of the Federal Fair Labor Standards Act, and shall indemnify, defend, and hold harmless County, its officers, employees and agents from any and all liability, including damages, losses, wages, overtime pay, liquidated damages, penalties, court costs, fees and other expenses (including reasonable attorneys' fees) arising under any wage and hour law, including the Federal Fair Labor Standards Act for Work performed by Contractor's employees.

20.0 NONDISCRIMINATION, AFFIRMATIVE ACTION, AND ASSURANCES

Contractor certifies and agrees that all persons employed by it, its affiliates, subsidiaries, or holding companies are and will be treated equally as required by applicable laws and regulations without regard to or because of race, color, religion, ancestry, national origin, sex, age, or physical or mental handicap, in compliance with all applicable Federal and State anti-discrimination laws and regulations.

20.1 Contractor shall certify to, and comply with, the provisions of Contractor's EEO certification.

20.2 Contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to race, color, religion, ancestry, national origin, sex, age, or physical or mental handicap, in compliance with all applicable Federal and State anti-discrimination laws and regulations. Such action shall include: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

20.3 Contractor certifies and agrees that it will deal with its bidders, or vendors as required by applicable laws and regulations without regard to or because of race, color, religion, ancestry, national origin, sex, age, or physical or mental handicap.

20.4 Contractor certifies and agrees that it, its affiliates, subsidiaries or holding companies, shall comply with all applicable Federal and State laws and regulations, including:

20.4.1 Title VI, Civil Rights Act of 1964;

20.4.2 Section 504, Rehabilitation Act of 1973;

20.4.3 Age Discrimination Act of 1975;

20.4.4 Title IX, Education Amendments of 1973, as applicable; and

20.4.5 Title 43, part 17, Code of Federal Regulations, subparts a & b;

And that no person shall, on the grounds of race, color, religion, ancestry, national origin, sex, age, or physical or mental handicap, be unlawfully excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under the Agreement, or under any project, program, or activity supported by the Agreement.

20.5 No more than once in any consecutive twelve (12) month period, Contractor shall, at its sole expense, with reasonable prior written notice of not less than thirty (30) days and during regular business hours, allow County representatives access to Contractor's employment records during regular business hours to verify compliance with the provisions of this Paragraph 20.0 (Nondiscrimination, Affirmative Action, and Assurances) when so requested by County; provided that County's access to such employment records of Contractor shall be limited to access that does not constitute an unlawful invasion of the privacy rights of any such employee. If County finds that any of the provisions of this Paragraph 20.0 (Nondiscrimination, Affirmative Action, and Assurances) have been violated, such violation shall, at the election of County, constitute a default of the Agreement upon which County may immediately terminate the Agreement; provided, however, that Contractor shall have thirty (30) days from the date of receipt of written notice of default within which to cure said default... While County reserves the right to determine independently, but reasonably, that the anti-discrimination provisions of the Agreement have been violated, in addition, a determination by the California Fair Employment Practices Commission or the Federal Equal Employment Opportunity Commission that Contractor has violated State or Federal anti-discrimination laws or regulations such determination shall constitute a finding by County that Contractor has violated the anti-discrimination provisions of the Agreement. All determinations of violations made pursuant to this Subparagraph 20.5 shall be appealable by Contractor in accordance with applicable laws and regulations, and separately pursuant to the Dispute Resolution Procedures.

20.6 The parties agree that if Contractor violates the anti-discrimination provisions of the Agreement, County shall, at its option, be entitled to the sum of five hundred dollars ($500) for each such violation pursuant to California Civil Code Section 1671 as liquidated damages in lieu of terminating the Agreement.

21.0 NONDISCRIMINATION IN SERVICES

Contractor shall not discriminate in the provision of services hereunder because of race, color, religion, national origin, ancestry, sex, age, or physical or mental handicap, in accordance with all applicable requirements of Federal and State law. For the purpose of this Paragraph 21.0 (Nondiscrimination in Services), discrimination in the provision of services may include the following: (a) denying any person any service or benefit or the availability of the facility, (b) providing any service or benefit to any person which is not equivalent or is not provided in an equivalent manner or at an equivalent time to that provided to others, (c) subjecting any person to segregation or separate treatment in any manner related to the receipt of any service, (d) restricting any person in any way in the enjoyment of any advantage or privilege enjoyed by others receiving any service or benefit, and (e) treating any person differently from others in determining admission, enrollment quota, eligibility, membership, or any other requirements or conditions which persons must meet in order to be provided any service or benefit.

22.0 EMPLOYMENT ELIGIBILITY VERIFICATION

22.1 Contractor warrants that it fully complies with all Federal and State statutes and regulations regarding the employment of aliens and others and that all its employees performing Work under the Agreement meet the citizenship or alien status requirements set forth in Federal and State statutes and regulations. Contractor shall obtain, from all employees performing Work hereunder, all verification and other documentation of employment eligibility status required by Federal statutes and regulations as they currently exist and as they may be hereafter amended.

22.2 Contractor shall retain all such documentation for the period prescribed by law. Contractor shall indemnify, defend, and hold harmless County Indemnitees pursuant to Subparagraph 13.1 (Indemnification) of this Exhibit from and against any and all liability (alleged or actual), including damages, losses, fees, costs, and expenses (including defense costs and legal, accounting and other expert witness, consulting or professional fees) arising out of or in connection with any employer sanctions and any other liability which may be assessed against Contractor or County in connection with any alleged violation of any Federal or State statutes or regulations pertaining to the eligibility for employment of any persons performing Work hereunder.

23.0 HIRING OF EMPLOYEES

Contractor and County agree that, during the Term and for a period of one (1) year thereafter, except with the prior written consent of the other party, neither party shall in

any way intentionally induce or solicit any Project Director, Project Manager or other employee, of one party to become an employee or agent of the other party. Notwithstanding the foregoing, County shall be entitled to make offers of employment to employees of Contractor necessary or desirable to perform Work described in the Agreement, in the event that: (a) County has the right to terminate the Agreement pursuant to Paragraph 4.0 (Termination for Insolvency) of this Exhibit, or (b) Contractor either announces the withdrawal of support of, or otherwise no longer provides services County deems essential to, the ongoing support of the Work as applicable.

24.0 CONFLICT OF INTEREST

24.1 No County employee whose position with County enables such employee to influence the award of the Agreement or any competing agreement, and no spouse or economic dependent of such employee, shall be employed in any capacity by Contractor or have any other direct or indirect financial interest in the Agreement. No officer or employee of Contractor, who may financially benefit from the performance of Work hereunder, shall in any way participate in County's approval, or ongoing evaluation, of such Work, or in any way attempt to unlawfully influence County's approval or ongoing evaluation of such Work.

24.2 Contractor shall comply with all conflict of interest laws, ordinances and regulations now in effect or hereafter to be enacted during the Term. Contractor warrants that it is not now aware of any facts that do or could create a conflict of interest. If Contractor hereafter becomes aware of any facts that might reasonably be expected to create a conflict of interest, it shall immediately make full written disclosure of such facts to County. Full written disclosure shall include identification of all persons implicated and a complete description of all relevant circumstances.

25.0 RESOLICITATION OF BIDS, PROPOSALS, OR INFORMATION

25.1 Contractor acknowledges that, prior to the expiration or earlier termination of the Agreement, County, in its discretion, may exercise its right to invite bids, request information, or request proposals for the continued provision of the goods and services delivered or contemplated under the Agreement. County shall make the determination to re-solicit bids, request information, or request proposals in accordance with applicable County policies.

25.2 Contractor acknowledges that County, in its discretion, may enter into a contract for the future provision of goods and services, based upon the bids, information, or proposals received, with a provider or providers other than Contractor. Further, Contractor acknowledges that it obtains no greater right to be selected through any future invitation for bids, request for information, or request for proposals by virtue of its present status as Contractor.

26.0 RESTRICTIONS ON LOBBYING

Contractor and each County lobbyist or County lobbying firm as defined in Los Angeles County Code Section 2.160.010, retained by Contractor, shall fully comply with the County lobbyist ordinance, Los Angeles County Code Chapter 2.160. Failure on the part of Contractor or any County lobbyist or County lobbying firm retained by Contractor to fully comply with County lobbyist ordinance shall constitute a default of the Agreement upon which County may immediately terminate or suspend the Agreement; provided, however, that Contractor shall have thirty (30) days from the date of receipt of written notice of default within which to cure said default.. .

27.0 CONSIDERATION OF GAIN PROGRAM PARTICIPANTS FOR EMPLOYMENT

Should Contractor require additional or replacement personnel after the Effective Date, Contractor shall give reasonable consideration for any such employment openings to participants in County's Department of Public Social Services' greater avenues for independence (in this Paragraph, "GAIN") or general relief opportunity for work (in this Paragraph, "GROW") programs who meet Contractor's minimum qualifications for the open position. For this purpose, consideration shall mean that Contractor will interview qualified candidates. County will refer GAIN participants by job category to Contractor. In the event that both laid-off County employees and GAIN/GROW participants are available for hiring, County employees shall be given first opportunity.

28.0 STAFF PERFORMANCE WHILE UNDER THE INFLUENCE

Subject to all applicable laws and regulations, Contractor shall use reasonable efforts to ensure that no employee will perform services hereunder while under the influence of any alcoholic beverage, medication, narcotic, or other substance, which might reasonably, or have been observed to, impair such person's physical or mental performance.

29.0 CONTRACTOR PERFORMANCE DURING CIVIL UNREST

Contractor recognizes that County provides services essential to the residents of the communities it serves, and that these services are of particular importance at the time of a riot, insurrection, civil unrest, natural disaster or similar event. Notwithstanding any other provision of this Exhibit or the Agreement, full performance by Contractor during any riot, insurrection, civil unrest, natural disaster or similar event is not excused if such performance remains physically possible and commercially reasonable without related danger to Contractor's employees or suppliers. During any such event in which the health or safety of any of Contractor's staff members would be endangered by performing their services on-site, such staff members may perform any or all of their services remotely if possible. Failure to comply with this requirement shall be considered a default of this Agreement by Contractor, for which County may immediately terminate this Agreement; provided, however, that Contractor shall have thirty (30) days from the date of receipt of written notice of default within which to cure said default.

30.0 CONTRACTOR'S ACKNOWLEDGMENT OF COUNTY'S COMMITMENT TO CHILD SUPPORT ENFORCEMENT

Contractor acknowledges that County places a high priority on the enforcement of child support laws and the apprehension of child support evaders. Contractor understands that it is County's policy to encourage all County Contractors to voluntarily post County's "L A's Most Wanted: Delinquent Parents" poster in a prominent position at Contractor's place of business. County's Child Support Services Department (CSSD) will supply Contractor with the poster to be used.

31.0 CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM

31.1 Contractor acknowledges that County has established a goal of ensuring that all individuals who benefit financially from County through County contracts are in compliance with their court-ordered child, family, and spousal support obligations in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.

31.2 As required by County's Child Support Compliance Program (Los Angeles County Code chapter 2.200) and without limiting Contractor's duty under the Agreement to comply with all applicable provisions of law, Contractor warrants that it is now in compliance and shall during the Term maintain compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 U.S.C. Section 653a) and California Unemployment Insurance Code Section 1088.55, and shall implement all lawfully served wage and earnings withholding orders or County's CSSD notices of wage and earnings assignment for child or spousal support, pursuant to California Code of Civil Procedure Section 706.031 and California Family Code Section 5246(b).

31.3 Failure of Contractor to maintain compliance with the requirements set forth in this Paragraph 31.0 (Contractor's Warranty of Adherence to County's Child Support Compliance Program) shall constitute a default by Contractor under the Agreement. Without limiting the rights and remedies available to County under any other provision of the Agreement or at law or in equity, failure to cure such default within ninety (90) days of notice by the CSSD shall be grounds upon which County may terminate this Agreement pursuant to Paragraph 5.0 (Termination for Default) of this Exhibit and pursue debarment of Contractor, pursuant to County Code Chapter 2.202.

32.0 RECYCLED-CONTENT PAPER

Consistent with the Board's policy to reduce the amount of solid waste deposited at County landfills, Contractor agrees to use recycled-content paper to the maximum extent possible in Contractor's provision of Work pursuant to the Agreement.

33.0 COMPLIANCE WITH JURY SERVICE PROGRAM

33.1 Jury Service Program

This Agreement is subject to the provisions of County's ordinance entitled Contractor Employee Jury Service ("Jury Service Program") as codified in Sections 2.203.010 through 2.203.090 of the Los Angeles County Code.

33.2 Written Employee Jury Service Policy.

33.2.1 Unless Contractor has demonstrated to County's satisfaction either that Contractor is not a "Contractor" as defined under the Jury Service Program (Section 2.203.020 of the Los Angeles County Code) or that Contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of the Los Angeles County Code), Contractor shall have and adhere to a written policy that provides that its employees shall receive from Contractor, on an annual basis, no less than five (5) days of regular pay for actual jury service. The policy may provide that employees deposit any fees received for such jury service with Contractor or that Contractor deduct from the employees' regular pay the fees received for jury service.

33.2.2 For purposes of this Paragraph 33.0 (Compliance with Jury Service Program), "Contractor" means a person, partnership, corporation or other entity which has a contract with County or a subcontract with a County contractor and has received or will receive an aggregate sum of $50,000 or more in any 12-month period under one or more County contracts or subcontracts. "Employee" means any California resident who is a full time employee of Contractor. "Full time" means 40 hours or more worked per week, or a lesser number of hours if: (a) the lesser number is a recognized industry standard as determined by County, or (b) Contractor has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of 90 days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program. If Contractor uses any subcontractor to perform services for County under the Agreement, the subcontractor shall also be subject to the provisions of this Paragraph 33.0 (Compliance with Jury Service Program). The provisions of this Paragraph 33.0 (Compliance with Jury Service Program) shall be inserted into any such subcontract agreement and a copy of the Jury Service Program shall be attached to the agreement.

33.2.3 If Contractor is not required to comply with the Jury Service Program when the Agreement commences, Contractor shall have a continuing obligation to review the applicability of its "exception status" from the Jury Service Program, and Contractor shall immediately notify County if Contractor at any time either comes within the Jury Service Program's

definition of "Contractor" or if Contractor no longer qualifies for an exception to the Jury Service Program. In either event, Contractor shall immediately implement a written policy consistent with the Jury Service Program. County may also require, at any time during the Term and at its sole discretion, that Contractor demonstrate to County's satisfaction that Contractor either continues to remain outside of the Jury Service Program's definition of "Contractor" or that Contractor continues to qualify for an exception to the Jury Service Program.

33.2.4 Contractor's violation of this Paragraph 33.0 (Compliance with Jury Service Program) of this Exhibit may constitute a default of the Agreement. In the event of such default, County may, in its sole discretion, terminate the Agreement or bar Contractor from the award of future County contracts for a period of time consistent with the seriousness of the breach.

34.0 BACKGROUND AND SECURITY INVESTIGATIONS

Background and security investigations of Contractor's staff may be required at the discretion of the County as a condition of beginning and continuing work under the Agreement. The cost of background checks is the responsibility of the County. Contractor will not be responsible for delays in, or failures to meet, response times due to the County's performance of background and/or security investigations of Contractor's staff.

35.0 ACCESS TO COUNTY FACILITIES

Contractor, its employees, and agents will be granted access to County facilities, subject to Contractor's prior notification to the County Project Director, for the purpose of executing Contractor's obligations hereunder. Contractor shall have no tenancy, or any other property or other rights in County facilities. While present at County facilities, Contractor's personnel shall be accompanied by County personnel at all times, unless this requirement is waived in writing prior to such event by the County Project Director.

36.0 COUNTY FACILITY OFFICE SPACE

In order for Contractor to perform services hereunder and only for the performance of such services, County may elect, subject to County's standard administrative and security requirements, to provide Contractor with office space and equipment, as determined at the discretion of the County Project Director, at County facilities, on a non-exclusive use basis. County shall also provide Contractor with reasonable telephone service and network connections in such office space for use only for purposes of the Agreement. County disclaims any and all responsibility for the loss, theft or damage of any property or material left at such County office space by Contractor.

37.0 DAMAGE TO COUNTY FACILITIES, BUILDINGS, OR GROUNDS

37.1 Contractor shall repair, or cause to be repaired, at its own cost, any and all damage to County facilities, buildings or grounds caused solely by Contractor or employees or agents of Contractor. Such repairs shall be made promptly after Contractor has become aware of such damage, but in no event later than thirty (30) days after the occurrence; provided, however, if more than thirty (30) days are required to complete the repairs, then Contractor will be allowed such additional time as is reasonably necessary to complete the repairs, provided that Contractor begins its efforts to cure within the 30-day period and is diligent in pursuing the repairs to completion.

37.2 If Contractor fails to make timely repairs, County may make any necessary repairs. All reasonable and documented costs incurred by County, for such repairs shall be repaid by Contractor by cash payment within sixty (60) days of demand.

38.0 PHYSICAL ALTERATIONS

Contractor shall not in any way physically alter or improve any County facility without the prior written approval of the County Project Director, and County's Director of Internal Services Department, in their discretion.

39.0 FEDERAL EARNED INCOME TAX CREDIT

Contractor shall notify its employees that they may be eligible for the Federal Earned Income Credit under the Federal income tax laws. Such notice shall be provided in accordance with the requirements set forth in Internal Revenue Service Notice 1015. This notice is available at www.irs.gov/pub/irs-pdf/n1015.pdf .

40.0 ASSIGNMENT BY CONTRACTOR

40.1 Contractor shall not assign its rights or delegate its duties under the Agreement, or both, whether in whole or in part, without the prior written consent of County, which shall not be unreasonably withheld, and any attempted assignment or delegation without such consent shall be null and void. For purposes of this Subparagraph 40.1, County consent shall require a written amendment to the Agreement, which is formally approved and executed by the parties, and which may be executed by the Sheriff on behalf of the County with the written concurrence of the County Counsel.

40.2 Shareholders, partners, members, or other equity holders of Contractor may transfer, sell, exchange, assign, or divest themselves of any interest they may have therein. However, in the event any such sale, transfer, exchange, assignment, or divestment is effected in such a way as to give majority control of Contractor to any person, corporation, partnership, or legal entity other than the majority controlling interest therein at the time of execution of the Agreement,

such disposition is an assignment requiring the prior written consent of County in accordance with Subparagraph 40.1 of this Exhibit.

41.0 INDEPENDENT CONTRACTOR STATUS

41.1 The Agreement is by and between County and Contractor and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between County and Contractor. The employees and agents of one party shall not be, or be construed to be, the employees or agents of the other party for any purpose whatsoever. Contractor shall function as, and in all respects is, an independent Contractor.

41.2 A party shall have no liability or responsibility for the payment of any salaries, wages, unemployment benefits, disability benefits, Federal, State, or local taxes, or other compensation, benefits, or taxes for any personnel provided by or on behalf of the other party.

41.3 Contractor understands and agrees that all persons performing Work pursuant to the Agreement are, for purposes of workers' compensation liability, the sole employees of Contractor and not employees of County. County shall have no obligation to furnish, or liability for, workers' compensation benefits to any person as a result of any injuries arising from or connected with any Work performed by or on behalf of Contractor pursuant to the Agreement.

42.0 RECORDS AND AUDITS

42.1 Contractor shall maintain accurate and complete financial records of its activities and operations relating to the Agreement, including any termination hereof, in accordance with generally accepted accounting principles. Contractor shall also maintain accurate and complete employment and other records relating to its performance of the Agreement. Contractor agrees that County, or its authorized representatives, shall, no more than once in any consecutive twelve (12) month period, with reasonable prior written notice of not less than thirty (30) days and during regular business hours, have access to and the right to examine, audit, excerpt, copy or transcribe any pertinent transaction, activity, or records of Contractor relating to the Agreement all at County's sole expense; provided that County's access to such employment records of Contractor shall be limited to access that does not constitute an unlawful invasion of the privacy rights of any such employee. Should the examination and audit be performed by a non-County entity or should a non-County entity be requested by County to review information received pursuant to an audit or examination under this Paragraph 42.0 (Records and Audits), Contractor may require the non-County examiner or auditor, as the case may be, to execute a nondisclosure contract prior to any disclosure. The nondisclosure Contract shall limit the non-County entity's use of information received or reviewed in connection with the examination and audit to work performed specifically for the benefit of County. All such material, including

all financial records, time cards and other employment records, shall be kept and maintained by Contractor and shall be made available to County during the Term and for a period of one (1) year thereafter unless County's written permission is given to dispose of any such material prior to such time. .

42.2 If an audit is conducted of Contractor specifically regarding the Agreement by any Federal or State auditor, then Contractor shall file a copy of such audit report with County's Auditor Controller and the County Project Director within thirty (30) days of Contractor's receipt thereof provided Contractor is provided with a copy of such report by the Federal or State auditor, unless otherwise provided by applicable federal or state law or under the Agreement.

42.3 If, at any time during or after the Term, representatives of County conduct an audit of Contractor, as and to the extent permitted hereunder, regarding the Work performed under the Agreement, the results of such audit, including any final determination in respect of an underpayment or overpayment, if any by County under the Agreement, shall be provided in writing to Contractor. Contractor shall have thirty (30) days to review the findings contained in such audit and notify County of any objection to the same. Such notice must include, in reasonable detail, the basis for Contractor's objection and any supporting documentation and analysis for Contractor's objection. If the parties cannot agree, within fifteen (15) days of receipt of Contractor's objection to the findings contained in County's audit, on the amount of underpayment or overpayment, if any, by County to Contractor hereunder, then either party may submit such matter to the Dispute Resolution Procedure, provided such matter shall be submitted initially, directly to the County Project Director and the Contractor Project Director. If Contractor fails to notify County of any objection it has to the findings of County's audit within the thirty (30) day period set forth above, Contractor waives any right to object to the findings of such audit, including any determination of overpayment by County. If such audit, whether initially following a waiver by Contactor of its right of objection or upon final determination pursuant to the Dispute Resolution Procedure, finds that County's dollar liability for any such Work is less than payments made by County to Contractor, then the difference, together with County's reasonable costs of audit except where the overpayment is due to County's own mistake or negligence, shall be repaid by Contractor to County by cash payment within thirty (30) days after the audit results become final. If such audit finds that County's dollar liability for such Work is more than the payments made by County to Contractor, then the difference shall be paid to Contractor by County, but in no event shall County's payments to Contractor exceed the Maximum Contract Sum.

43.0 LICENSES, PERMITS, REGISTRATIONS, ACCREDITATION, AND CERTIFICATES

Contractor shall obtain and maintain in effect during the Term all licenses, permits, registrations, accreditation, and certificates required by all Federal, State, and local laws, ordinances, rules, and regulations, which are applicable to Contractor's services under the Agreement. Contractor shall further ensure that all of its officers, employees,

and agents who perform services hereunder, shall obtain and maintain in effect during the Term all licenses, permits, registrations, accreditation, and certificates which are applicable to their performance hereunder. If and to the extent requested by County, Contractor shall provide copy of each such license, permit, registration, accreditation, and certificate, in duplicate, to Karen Anderson, Manager, Sheriff's Department Contracts Administration, 4700 Ramona Boulevard, Monterey Park, CA 91754-2169.

44.0 NO THIRD PARTY BENEFICIARIES

Notwithstanding any other provision of the Agreement, Contractor and County do not in any way intend that any person or entity shall acquire any rights as a third party beneficiary of the Agreement, except that this Paragraph 44.0 (No Third Party Beneficiaries) shall not be construed to diminish Contractor's indemnification obligations hereunder.

45.0 MOST FAVORED PUBLIC ENTITY

If Contractor's prices decline, or should Contractor, at any time during the Term, provide the same goods and substantially similar services, taking into account substantially similar comparisons of like terms and conditions (including, without limitation, similar quantity, purchase volume, length of term, payment terms, rebates, service offered at a discount, shared savings opportunities, number and frequency of deliveries, number, size and location of facilities serviced, and other applicable terms and conditions) to the State of California or any county, municipality, public agency, or district within California at prices below those set forth in the Agreement, then such lower prices shall be extended immediately to County.

46.0 COUNTY'S QUALITY ASSURANCE PLAN

County or its agent will evaluate Contractor's performance under the Agreement on not less than an annual basis. Such evaluation will include assessing Contractor's compliance with the terms and performance standards of the Agreement. Contractor deficiencies which County determines are severe or continuing and that may place performance of the Agreement in jeopardy if not corrected will be reported to the Board. The report will include improvement and corrective action measures taken by County and Contractor. If, following due cure and notice periods for any specified material breach, improvement does not occur consistent with the corrective action measures, County may terminate the Agreement or impose other penalties as specified in the Agreement.

47.0 CONSIDERATION OF HIRING COUNTY EMPLOYEES TARGETED FOR LAYOFF/OR RE-EMPLOYMENT LIST

Should Contractor require personnel in addition to those employed by Contractor on the Effective Date to perform the services set forth herein, Contractor shall give consideration for such employment openings to qualified, permanent County employees who are targeted for layoff or qualified, former County employees who are on a re-employment list during the life of this Agreement. For this purpose, consideration shall

mean that Contractor will interview qualified candidates. Prior to consideration being given by Contractor, County will refer such County employees by job category to Contractor. The above obligations do not apply to positions filled by: (a) third parties who have subcontracted with Contractor to perform the services, or (b) Contractor's current employees.

48.0 CONTRACTOR TO NOTIFY COUNTY WHEN IT HAS REACHED 75% OF MAXIMUM CONTRACT SUM (UNDER CONTRACT SUM PROVISION)

Contractor shall maintain a system of record keeping that will allow Contractor to determine when it has incurred seventy-five percent (75%) of the Maximum Contract Sum. Upon occurrence of this event, Contractor shall send written notification to the County Project Director and the County Project Manager.

49.0 NO PAYMENT FOR SERVICES PROVIDED FOLLOWING EXPIRATION OR TERMINATION OF CONTRACT

Contractor shall have no claim against County for payment of any money or reimbursement, of any kind whatsoever, for any service provided by Contractor under the Agreement, after the expiration or other termination of this Agreement. Should Contractor receive any such payment for service rendered after the expiration or termination of this Agreement, it shall immediately notify County and shall immediately repay all such funds to County. Payment by County for services rendered after expiration or termination of this Agreement shall not constitute a waiver of County's right to recover such payment from Contractor. This provision shall survive the expiration or other termination of this Agreement.

50.0 SAFELY SURRENDERED BABY LAW

50.1 Notice to Employees

Contractor shall notify and provide to its employees residing in or working in the State of California, and shall require each subcontractor performing Work under this Agreement to notify and provide to its employees residing in or working in the State of California, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. The fact sheet is available on the Internet at www.babysafela.org for printing purposes.

50.2 Contractor's Acknowledgement of County's Commitment to the Safely Surrendered Baby Law

Contractor acknowledges that County places a high priority on the implementation of the Safely Surrendered Baby Law. Contractor understands that it is County's policy to encourage all County Contractors to voluntarily post County's "Safely Surrendered Baby Law" poster in a prominent position at Contractor's place of business. Contractor will also encourage its subcontractors, if any, to post this poster in a prominent position in the

subcontractor's place of business. County's Department of Children and Family Services will supply Contractor with the poster to be used.

51.0 WAIVER

No waiver by a party of any breach of any provision of the Agreement shall constitute a waiver of any other breach or of such provision. Failure of a party to enforce at any time, or from time to time, any provision of the Agreement shall not be construed as a waiver thereof. The rights and remedies set forth in the Agreement shall not be exclusive and are in addition to any other rights and remedies provided at law or in equity, or under the Agreement.

52.0 GOVERNING LAW, JURISDICTION, AND VENUE

The Agreement shall be governed by, and construed in accordance with, the substantive and procedural laws of the State of California applicable to contracts made and to be performed within that state. Contractor agrees and consents to the exclusive jurisdiction of the courts of the State of California (except with respect to claims that are subject to exclusive Federal subject matter jurisdiction, as to which Contractor agrees and consents to the exclusive jurisdiction of the United States District Court of the Central District of California) for all purposes regarding the Agreement and further agrees and consents that venue of any action brought hereunder shall be exclusively in the Central District of the Superior Court for the County of Los Angeles, California.

53.0 SEVERABILITY

If any provision of the Agreement is adjudged void or invalid for any reason whatsoever, but would be valid if part of the wording thereof were deleted or changed, then such provision shall apply with such modifications as may be necessary to make it valid and effective. In the event that one or more of the provisions of the Agreement is found to be invalid, illegal or unenforceable in any respect, such provision shall be deleted here from and the validity, legality, and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby, unless the Agreement fails of its essential purpose because of such deletion.

54.0 RIGHTS AND REMEDIES

The rights and remedies of either party provided in any given Paragraph, as well as throughout the Agreement, including throughout this Exhibit, are non-exclusive and cumulative with any and all other rights and remedies under this Agreement, at law, or in equity.

55.0 FACSIMILE

Except for the parties initial signatures to the Agreement, which must be provided in "original" form, and not by facsimile, County and Contractor hereby agree to regard facsimile representations of original signatures of authorized officials of each party, when appearing in appropriate places on change notices or in other correspondence,

notices, etc. requiring signatures, and received via communications facilities, as legally sufficient evidence that such original signatures have been affixed thereto, such that the parties need not follow up facsimile transmissions of such documents with subsequent (non-facsimile) transmission of "original" versions of such documents.

* * *

EXHIBIT B

STATEMENT OF WORK (SOW)

EXHIBIT B

STATEMENT OF WORK (SOW)

EQUIPMENT MAINTENANCE, REPAIR AND SUPPORT SERVICES AGREEMENT

1. SERVICES TO BE PROVIDED

Contractor shall provide full service preventive maintenance and as-needed repair and support services for the equipment (hereafter "System or Systems", as appropriate) listed in Attachment 1, hereto incorporated herein by reference, at the rates set forth for each System. All services shall be performed in accordance with the terms and conditions described in this Exhibit B, Contractor's services shall include, but not be limited to, the following:

A. Two (2) annual Preventive Maintenance (PM) services;
B. As-needed equipment repair services;
C. Application support services; and
D. Employee Training.

2. PREVENTIVE MAINTENANCE SERVICE

Contractor shall provide two (2) annual routine PM services for the Systems listed in Attachment 1 of this Exhibit B during "Regular Service Hours" on days and times mutually agreed to by the County's Project Manager and Contractor. The Regular Service Hours are eight (8) hours per day, five (5) days per week, Monday through Friday between 8:00 a.m. and 5:00 p.m. (excluding legal holidays).

The PM services shall include, but not be limited to, inspection, cleaning and lubrication, safety inspection, functional tests and adjustments or calibrations necessary to facilitate proper functioning of the equipment, and replacement of

worn, defective or broken parts with new parts specifically designed for the equipment.

The functional tests shall include, but not be limited to, the following:

a. Upper Half of FDS 330 System
b. Large Plastic Pill Hopper
c. Divide Ring Assembly
d. DTA Tray, DTA Drawer and Lower Cell Assembly
e. Divide Ring Drawer
f. Heat Roller Box
g. Cutter Assembly
h. SS Hopper Assembly
i. Conveyor Assembly

3. AS NEEDED EQUIPMENT REPAIR SERVICES

Contractor shall perform as-needed repair services as specified for each System in Attachment 1 of this Exhibit B. Such services shall include all labor and all parts, except for paper, printer ribbons, bottles, vials, caps, totes, batteries, fuses, lamps, hoses, tubing, filters, disconnect fittings, cutting knives, packing film, and labels. County shall provide Contractor's personnel full and free access to the Systems to perform such services. If upon arrival at the County's System location, Contractor determines that the System cannot be immediately repaired, then Contractor's service representative shall indicate, in writing, an estimated timeframe for repair.

During the Full Service Term, Contractor shall provide as-needed System repair services as follows and shall include, but not be limited to:

3.1 Telephone Support

Contractor shall provide emergency and non-emergency telephone support for the System in less than one hour after notification. These services are considered to be "Remote Services" and are provided on a twenty-four (24) hours per day, seven (7) days per week basis (including holidays).

3.2 On-Site Service

Contractor shall provide emergency and non-emergency on-site service for the System within four (4) hours after notification. On-site services are provided during Regular Service Hours.

If on-site service is provided outside the Regular Service Hours at the County's request and approved by the County's Project Manager, Contractor shall be paid at the "Preferred Rates" listed in Attachment 1 of this Exhibit B.

4. APPLICATION SUPPORT SERVICES

During Regular Service Hours, Contractor shall provide System application support (for trouble shooting and not for training purposes) by telephone in response to inquiries by County's Project Manager and other County personnel that have been trained by the Contractor to properly use the System.

5. EMPLOYEE TRAINING

Contractor shall provide at the County's request, training sessions for County employees in the proper use of equipment. Such training sessions shall be scheduled by mutual agreement.

Training sessions may be conducted at Contractor's location, 875 Woodlands Parkway, Vernon Hills IL 60061 or at the County's site at the discretion of Contractor and prior County approval. Tuition fees and any related travel and living expenses will be the responsibility of the County. Contractor will provide County with the Training Sessions schedules and tuition rates.

6. SPECIFIC CONTRACTOR RESPONSIBILITIES

6.1 Equipment Repairs

Reasonable efforts will be used to correct verifiable and reproducible malfunctions by repairing the applicable System within a reasonable period of time after County reports each such malfunction. The Contractor may provide a correction to a problem by means of a "temporary fix" consisting of programming or a work-around. The Contractor will coordinate the provision of any necessary replacement part(s) listed on Attachment 2 of this Exhibit B (whether new, used, or refurbished) and installation of same. The cost of all such labor and replacement parts shall not be charged to County.

If any on-site repair services are required after Regular Service Hours and County's Project Manager requests such services, the County will be billed at the Contractor's preferred rates listed in Attachment 1 of this Exhibit B.

County will pay the Contractor at the preferred rates listed in Attachment 1 of this Exhibit B for all work expended investigating, correcting a malfunction or repairing the System, including the cost of any necessary replacement part(s) at cost plus ten percent (10%), that the Contractor reasonably determines to have been caused by: (a) any software (other than the licensed Software); (b) any misuse of the System; (c) any modification of the System by anyone other than the Contractor or as

authorized by the Contractor; or (d) any Excluded Event or Excluded Item as described in Subparagraph 6.2 (Service Exclusions) herein below.

6.2 Service Exclusions

6.2.1 County agrees and acknowledges that the Contractor shall not, by virtue of this Agreement, have any obligation to provide any Service necessitated by (i) drugs used in the System; (ii) replacement of canisters/cassettes due to changes in drug or supplement manufacturers, drug specifications or drug usage; (iii) County's negligence, misuse, abuse or failure to maintain, clean or operate the System in accordance with the Operator Manuals; (iv) anything external to the System including, but not limited to, power surges, fluctuation or failure or air conditioning failure; (v) unauthorized repairs, replacements or adjustments to the System; (vi) modification or alteration of the System by anyone other than the Contractor or its designee; (vii) cosmetic damages (such as scrapes or scratches); (viii) damages or defects caused by acts beyond the reasonable control of the Contractor including, but not limited to, acts of government, strikes, fires, explosion, theft, riot, terrorism, acts of God, (ix) back-up or restoration of County's data, information or computer programs, whether or not used in conjunction with the System; (x) County's failure to fulfill any of its obligations or responsibilities under this Agreement; (xi) failure to permit the Contractor to make any repair; (xii) specific requests by County for maintenance outside the scope of this Agreement; (xiii) the System's interface with County's host system; (xiv) the relocation of the System from the site of original installation at the County's Facility to another location by anyone other than the Contractor or its designee; (xv) design or manufacturing defects in any products or services not made and provided by the Company;

and (xvi) any items other than the Equipment or Software (collectively, the "Excluded Events").

6.2.2 In addition, the Services and the Service Fee do not include (i) furnishing any consumable item including, but not limited to, batteries, fuses, lamps, hoses, tubing, filters, disconnect fittings, cutting knives, printer ribbons, packing film or paper, and other similar disposable supplies; (ii) painting, refinishing or refurbishing the System or furnishing materials therefore; (iii) adding, removing or maintaining accessories, attachments or other devices; (iv) servicing any items other than the Equipment or Software; or (v) training of County personnel (collectively, "Excluded Items").

6.3 Emergency Repair Services

Contractor shall provide emergency repair services on a twenty-four (24) hours per day, seven (7) days per week basis, including all legal holidays. Contractor shall respond telephonically within one (1) hour of a request for emergency repair services. Contractor shall give prior notification to the County Project Manager that its service personnel can provide the repair services within four (4) hours of receiving the request for emergency repair services at the County Facility. If repair services commence prior to 5:00 p.m., Monday through Friday, but extend beyond 5:00 p.m., County will incur no additional service charges. If repair services are required after 5:00 p.m., Monday through Friday, or on weekends or holidays, such services shall be billed to County at the Contractor's preferred rates listed in Attachment 1 of this Exhibit B.

6.4 Breakage and/or Loss

Contractor shall replace and/or repair at the time of servicing any System and/or parts thereof which suffer breakage, damage or loss at the time of

servicing or repair, which is caused by the negligence or willful misconduct of Contractor, and to the extent thereof, at no additional cost to County.

6.5 Rework

Contractor shall rework improperly repaired System, correct any damage resulting there from, and supply all necessary parts and materials, at no additional cost to County. Contractor shall also repair any defective parts purchased and installed by Contractor and shall repair any damage to the System resulting from, and to the extent of, Contractor's negligence or willful misconduct, at no additional cost to County.

6.6 Reports

Contractor shall prepare and maintain a written record of all services (Service Report) provided on each System at County Facility. Such service report(s) shall 1) meet all licensing, accrediting and regulatory agency requirements, 2) clearly identify the System serviced by model number, serial number or County number (if available), 3) include an itemization and description of services performed, 4) list any parts installed, 5) include the service date(s), and 6) give the name of the service technician who performed the service. A copy of such service report shall be provided to the County's Project Manager at the time it is performed.

6.7 Software Updates and Enhancements

The Contractor may, from time to time, modify, upgrade or enhance the Software for the purpose of allowing the System to perform new or different function, or to increase the capacity of the Software to process information. Any modification, upgrade or enhancement that the Contractor makes generally available to all end users will be made

available at the same time to County. The Contractor reserves the right to require payment of an additional commercially reasonable fee if substantial additional functions are added to the Software, or the modification, upgrade or enhancement results in substantially improved performance of the Software or the System. If payment will be required for the additional functions, costs shall be added by Amendment.

In order to satisfy any obligation hereunder, the Contractor may, at its option, send County a single copy of any modification, upgrade, enhancement, error correction, bug fix, or release to the Software, together with instructions for County's installation and implementation thereof.

7. DISPOSABLES AND SERVICE

Because of the exacting operations necessary for the System to properly function and the Service coverage provided under this Agreement (i) only those disposable materials authorized by the Contractor (collectively "Authorized Disposables") shall be used in the System, and (ii) only the Contractor's service personnel, the Contractor approved third-party service providers, or employees of County who have received maintenance/training (hereinafter all collectively "Authorized Service Providers") shall service the System. In addition to any other remedy, the Contractor may have under this Agreement or otherwise, all Services provided under this Agreement or otherwise shall automatically terminate upon the occurrence of County's use of disposables other than Authorized Disposables or County's use of service providers other than Authorized Service Providers. Without limiting the generality of the foregoing, the termination of the Contractor's obligations and duties shall be full and complete and shall extend not only to any defects or damages resulting from the County's use of any such non-authorized disposables, or non-authorized service providers, but also to any defects or damages of any kind resulting to any other

elements or operations of the System occurring after the first use of the non-authorized disposables or non-authorized service providers, whichever occurs first.

8. ADDITIONAL SYSTEM SERVICES

Upon County's request, Contractor will add additional Systems covered under warranty, as such warranty expires. Any adjustments under this Paragraph shall be based on the rates, by type of the System as listed in Attachment 1 of this Exhibit B. In the event the System being added is not listed in Attachment 1 of this Exhibit B, the maintenance and repair rates for that System shall be the rates paid by County under the warranty or extended warranty or a rate agreed to by both County and Contractor and costs added by Amendment.

9. SERVICE WARRANTY; REMEDIES; LIMITATIONS OF LIABILITY.

A. Contractor warrants, solely for the benefit of County, that Contractor will perform the Services in a professional and workmanlike manner. Contractor's sole responsibility under this warranty shall be, at Contractor's option, to either repair or replace the System or portion thereof that fails to comply with this warranty. The foregoing limited warranty, as it relates to equipment maintenance, repair and support services, is exclusive and in lieu of all other warranties, express or implied, including but not limited to any implied warranty of merchantability, fitness for a particular purpose, or intellectual property infringement. Without limiting the generality of the foregoing, such warranty shall not be enlarged, diminished or otherwise affected by the rendering of technical or other advice or service by contractor in connection with the system or any implied warranty arising out of course of dealing, by statute or by performance, custom or usage of trade.

B. Contractor shall under no circumstances be liable for special punitive,

exemplary, consequential or incidental damages including, but not limited to, labor costs, lost profits, cost of capital, claims of County for service interruptions or failure of supply or from the use of or inability to use the system. These limitations shall apply notwithstanding any failure of essential purpose of any limited remedy.

C. This exclusive limited warranty set forth herein, as it relates to equipment maintenance, repair and support services, may not be assigned or transferred by County without Contractor's prior written consent.

EXHIBIT B – ATTACHMENT 1

EXHIBIT B - ATTACHMENT 1

PRICE SHEET

MANUFACTURER MODEL	SERIAL NO.	ANNUAL FULL SERVICE PLAN	PREFERRED HOURLY RATES
FDS 330 (Full Service includes up to 20 canister recalibrations annually – No canister carry-overs)	06-1005	$12,000	Business Hours $0 Other than Business Hours/Overtime $190.00 Holiday $250.00
FDS 330 (Full Service includes up to 20 canister recalibrations annually – No canister carry-overs)	06-1019	$12,000	Business Hours $0 Other than Business Hours/Overtime $190.00 Holiday $250.00
FDS 330 (Full Service includes up to 20 canister recalibrations annually – No canister carry-overs)	06-1023	$12,000	Business Hours $0 Other than Business Hours/Overtime $190.00 Holiday $250.00
FDS EXP (Full Service includes up to 20 canister recalibrations annually – No canister carry-overs)	34-60100271	$11,000	Business Hours $0 Other than Business Hours/Overtime $190.00 Holiday $250.00
FDS EXP (Full Service includes up to 20 canister recalibrations annually – No canister carry-overs)	34-60100272	$11,000	Business Hours $0 Other than Business Hours/Overtime $190.00 Holiday $250.00
FDS EXP (Full Service includes up to 20 canister recalibrations annually – No canister carry-overs)	34-60100266	$11,000	Business Hours $0 Other than Business Hours/Overtime $190.00 Holiday $250.00
FDS EXP (Full Service includes up to 20 canister recalibrations annually – No canister carry-overs)	34-60100267	$11,000	Business Hours $0 Other than Business Hours/Overtime $190.00 Holiday $250.00
FULL SERVICE TOTAL – Annually - $80,000 **FULL SERVICE TOTAL –** 6 Months - $40,000		**Total Annual - $80,000**	Annual - $80,000 less 5% multi-machine discount = **Grand Total - $76,000** 6 Months - $40,000 less 5% multi-machine discount = **Grand Total - $38,000**

Full Service Plan on the FDS-330 Units –

- All machine replacement parts are included with a Full Service Agreement
- 24/7 Phone support at no extra cost.
- All service visits during business hours at no cost (preferred rate for overtime, weekends and holidays).
- 20 canister recalibrations a year
- 2 Free preventative maintenance visits per year with a Full Service Agreement.

Full Service Plan on the FDS-EXP Units –

- All machine replacement parts are included with a Full Service Agreement
- 24/7 Phone support at no extra cost.
- All service visits during business hours at no cost (preferred rate for overtime, weekends and holidays).
- 20 new canisters per year on the FastPak EXP
- 2 Free preventative maintenance visits per year with a Full Service Agreement.

EXHIBIT B – ATTACHMENT 2

FDS ALL PARTS INVENTORY

Revision 2-1-05

AutoMed Part Number	AutoMed Part Name
20000000	**ASSEMBLIES**
20000003	Printer Unit Assy. .Rebuilt
20000004	Roller Box Assy. Rebuilt 110
20000005	Roller Box Assy. Rebuilt 100
20000006	Heat Roller (rear) dble bearing 11/00
20000007	Heat Roller (front) dble bearing 11/00
20000008	Heat Roller (rear) dble bearing 1999
20000009	Heat Roller (front) dble bearing 1999
20000010	Cutter Unit Assy
20000011	Heat Roller (front) sngle bearing 1998
20000012	Heat Roller (rear) sngle bearing 1998
20000013	Roller Box Assy. New 110
20000014	Roller Box Assy. New 10 NOT ABLE TO ORDER ANY MORE
20000015	Printer Unit Assy. 3 wire Encoder
20000016	Printer Unit Assy. 5 Wire Encoder
20000017	Plexi Door Magnet Assy. New
20000018	Plexi Door Magnet Assy. Old
20000019	Gear Unit-Blue Idler (520)(330)
20000020	Lower Med Block Motor Assy.
20000021	Outer Carousel Mtr. Assy. (520)
20000022	Inner Carousel Mtr. Assy. (520)
20000023	Inner Car. Guide Roller Assy.
20000024	DTA Lower Cell Assy. (520)
20000025	Paper Remain Sensor Assy
20000026	Brush Holder Assy
20000027	DTA Carriage Arm Assy.
20000028	Gear Unit-Blue Idler (250)
20000029	Printer, Journal (DTA)
20000030	Divide Ring Assy. (250)
20000031	Divide Ring Assy. (330)
20000032	DTA Tray 330/250
20000033	DTA Tray 520
20000034	Commutator / Heat Element Assy. (Long)
20000035	Platen / Bar Assy.
20000036	S.S. Hopper Unit
20000037	Bucket Unit
20000038	Casselte Motor Base Assy
20000039	Hopper Unit Large Plastic-520
20000040	Triange Plate Assy.
20000041	Control Cntr. Assy. (car. warn lite)
20000042	S.S. Hopper Brkt. Assy.
20000043	Paper Guide Rllr. Assy. Tprd.
20000044	Paper Guide Rllr. Assy. Untprd..
20000045	Sensor, Paper out Assy.
20000046	Printer Cover Assy.
20000047	DTA Lower Cell Assy. (330/250)
20000048	Paper Roll Core Unit

FDS ALL PARTS INVENTORY

Revision 2-1-05

AutoMed Part Number	AutoMed Part Name
20000049	Outer Aluminum Pill Guide 520
20000050	Joint Sealer Unit
20000051	Side Panel Removable
20000052	S.S Hopper Motor Assy.
20000053	Divide Ring Assemby (520)
20000054	S.S Hopper DoorAssy.
20000055	Service Control Box Unit
20000056	Half line of print fix kit
20000057	DTA Tray Sensor Upgrade Kit * Have in inventory as separate part
20000058	Paper Guide Rllr. Assy. Untprd.. New larger diameter
20000059	Conveyor Assembly
20000060	lite)
20000061	Cutter shaft Assy.
20000062	Top Seal Mtr.Assy. Upgrade Kit
20000063	Lrg Plastic Pill Hopper (330)
20000064	Lrg Plastic Pill Hopper (260)
20000065	Outer Pill Guide (330)
20000066	Inner Pill Guide (330)
20000067	Printer, Journal New Kit
20000068	Commutator / Heat Element Assy. (Short)
20000069	Med Shutter Assy. (520) Old Brown Material
20000070	Med Shutter Assy. (520) New Aluminum
20000071	Switch, Micro (Inner Carousel Limit w/wires)
20000072	Top Seal Motor Assy. Old Style
20000073	Outer Carousel Mtr. Assy. (330)
20000074	Inner Carousel Mtr. Assy. (330)
20000075	Inner Pill Guide FDS 520
21000000	PRINTED CIRCUIT BOARDS
21000001	OBSOLETE
21000002	PCB,NP-6500B I/F Journal Printer
21000003	PCB,YS-TR-MOTHER-A-03
21000004	PCB,YS-TR-MOTHER-B-03
21000005	PCB,YS-TR-CPU-02
21000006	PCB, YS-TR-LED2-A
21000007	PCB, YS-TR-LED2-B
21000008	PCB, YS-TR-LED2-C
21000009	PCB,YS-TR-MTR-03
21000010	PCB, I/O SUB2

FDS ALL PARTS INVENTORY

Revision 2-1-05

AutoMed Part Number	AutoMed Part Name
21000011	PCB, HC-01-A **OBSOLETE**
21000012	PCB, YS-TP-MAIN-02
21000013	PCB, TR-INTERFACE-01 (250) Stackable
21000014	PCB,SUB7-B
21000015	PCB,YS-TR-LED1
21000016	PCB, Keypad/Display (Car.Warning Light) ESD
21000017	PCB, Keypad/Display (no Car. Warning Light)
21000018	PCB, TR-INTERFACE-01
21000019	PCB, Keypad/Display (Car.Warning Light)
21000020	PCB, DTA-SW2
21000021	PCB, Step Motor Driver (top seal) New
21000022	PCB, HC-02-C 16Min.
21000024	PCB,CPCR-PSA3CWY Servo Pak
21000025	PCB, M Paper Remain Sensor
21000026	PCB, Journal Printer Controller
21000027	PCB, Ribbon Sensor Assy
21000029	PCB, M Printer Position Sensor
21000034	PCB, Step Motor Driver (perl) STP-5Y
21000035	PCB, Step Motor Driver (top seal) CSD5814N-P
21000041	PCB, TR-RING-01 **OBSOLETE**
21000042	PCB, TR-RING-02
21000045 OBSOLETE-NOT ABLE TO ORDER	PCB,YS-TR-SUB7-C SUB7-05A SUB7-05B SUB7-05C
21000046	PCB, HC-01-B
21000047	PCB,TR-CPU-03(520) v3.8D
21000048	PCB,TR-SUB7-05D(520) v2.00
21000049	PCB,YS-TP-MAIN-03
21000050	PCB,TR-DCR-01 **OBSOLETE**
21000051	PCB,TR-DCR-01 (1 relay) **OBSOLETE**
21000052	PCB,TR-DCR-04 (2 relays)
21000053	PCB, HC-02-D,HC-03 20 Min.
21000054	PCB,TR-CPU-03(330) v4.05
21000055	PCB,TR-SUB7-05D(330) v2.20
21000056	PCB,TR-SUB7-05D v1.03A'
21000057	PCB,TR-CPU-03 v1.07/v1.01A'
21000058	PCB,TP-MAIN-03 v.1.33/v.1.01A'
29000000	LABELS

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AutoMed Part Number	AutoMed Part Name
29000001	Label, AutoMed Lrg. **OBSOLETE**
29000002	Label, AutoMed Sm. **OBSOLETE**
29000003	Label, Arrows-DTA Tray
29000004	Label, Warning-Fingers...
29000005	Label, Cassette Base #
29000006	Label, PLS Set UP 110
29000007	Label, Carousel Bar Code (520)
29000008	Label, Carousel Bar Code (330)
29000009	Label, Papr/Rib Routing
30001000	**BEARINGS/BUSHINGS**
30001001	Brng,CttrS-goove Shft
30001002	Brng,Cnvyr Blt Pulley
30001003	Brng,Cnvyr Blt Pulley
30001004	Brng,Cnvyr Blt Pulley
30001005	Brng,Cnvyr Blt Pulley
30001006	Brng,Prnt Platen
30001007	Bshng, Guide Roller rlr. box
30001008	Bearing
30001009	Cttr Guide RllrBearing
30001010	Bshng,DTA Screw Rod
30001011	Brng,Top Seal Shaft, Rllr. Box Unit Lower
30001012	Bshng, SSHppr Act. Arm
30001013	Brng,Rllr Box Idler gear
30001014	Brng,Top Seal Shaft, Rllr. Box Unit Upper
30001015	Brng,Rllr Box Rubber Wheel
30001016	Brng,DTA shaft slide (330)
30001017	Brng,SSHppr (2)
30001018	Brng,Rib Takeup gear
30001019	Brng,DTA screw rod
30001020	Brng,Prnt Unit Rollers
30001021	Brng,Ht.Rllr Double stacked
30001022	Brng,Ht.Rllr New Lrg. Single
30001023	Brng,Ht.Rllr Bottom
30001024	Brng,Ht.Rllr New Lrg. Bottom
30001025	Brng,DTA shaft slide (520)
30001026	Brng, Divide Ring Hopper Assy
30002000	**SPRINGS**
30002001	Sprng,Cttr Guide
30002002	Sprng,Prnt Solenoid
30002003	Sprng,Prnt Sol Link
30002004	Sprng, S.S. Hopper Door Nub
30002005	Sprng,Ht Rllr Brush
30002006	Sprng,Prnt Mtr
30002007	Sprng,Bag Drop Solenoid
30002008	Sprng,Needle Wire
30002009	Sprng,Ht Rllr Pressure
30002010	Sprng,Ink Spool Tension (Med)
30002011	Sprng,SSHppr Door Open/Close
30002012	Sprng,Cnvyr nyl. Rollers
30002013	Sprng,DTA Set Plate
30002014	Sprng,DTA tray open lever
30002015	Sprng,Joint Sealer loop
30002016	Sprng,Ink Spool Tension (Lt.)
30002017	Sprng,Ht Rllr Box Hinge
30003000	**GEARS/PULLEYS**

AutoMed Part Number	AutoMed Part Name
30003001	Gear, Ht. Rlr. Timing shft. Straight teeth
30003002	Gear, Perf Mtr. Shaft Straight teeth
30003003	Gear, Firewall Perf Drive
30003004	Gear, (Lft Twist M1.5X15T) Roller Box Unit
30003005	Gear, (Lft Twist M1.5X16T) Roller Box Unit
30003006	Gear, (M2.5X32TX10) Straight teeth
30003007	Gear, Top Seal Mtr. (Lft. Twist)
30003008	Gear, Top Seal Dr. (Rt. Twist) Roller Box Unit
30003009	Gear, (Rt. Twist M1.5X10T) Roller Box Unit
30003010	Gear, (Rt. Twist M1.5X16T) Roller Box Unit
30003011	Gear, Cassette Small
30003012	Gear, Cassette Large
30003013	Gear, Cassette Motor Base
30003014	Gear, Hopper Dr. Open/Close
30003015	Gear, Divide Ring motor Flag Sensor Assy.
30003016	Pulley, Synchroneous, DTA
30003017	Pulley, Synchr. Driv. Motor, DTA
30003018	Gear, (MIX50T)
30003019	Gear, Ht. Rlr. Timing shft. Twisted teeth
30003020	Gear, Perf Mtr. Shaft Twisted teeth
30003021	Gear, Printer Unit Mtr. 32t
30003022	Gear, (M2.5X32TX10) Twisted teeth
30003023	Gear, Divide Ring Assy. large
30003024	Gear, Inner Car. Drive
30003025	Gear, S.S. Hopper Assy. Cam
30003026	Gear, S.S. Hopper Assy. Mtr.
30003027	Gear,LwrMed Blk Mtr
30003028	Gear, Pin
30004000	**MECHANICAL PIECE PARTS**
30004001	Bar,Backbone Cttr Assy
30004002	Bracket,Thermistor
30004003	Cutter Blade
30004004	Brass S-groove Cttr Assy
30004005	Yellow roller and clutch assy.
30004006	Guide Roller Pin Ht Rllr
30004007	Guide, Cutter Blade
30004008	Needle Wire
30004009	Stop Block, Div. Ring Drawer
30004010	Ribbon Core Shaft
30004011	Ribbon Core Shaft End Cap
30004012	Triangular Plate Bar
30004013	Rubber,Ht Rllr base (out)
30004014	Rubber,Ht Rllr base (in)
30004015	Ribbon Shaft Nylon Ring (donut)
30004016	Guide Roller Yellow Rubber front

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AutoMed Part Number	AutoMed Part Name
30004017	MedShttr Set-Plate (520)
30004018	Spring Pin,Prnt Assy
30004019	
30004020	Fan Filter
30004021	Hopper, Divide (330)
30004022	Door Switch Actuator
30004023	Hopper, Divide (250)
30004024	Level Adjuster
30004025	Caster 6.2 (250)
30004026	Caster 6.4 (330 & 520)
30004027	Fan Grille small
30004028	Fan Grille large
30004029	MedShttr Set-Plate (330)
30004030	MedShttr Set-Plate (250)
30004031	Screw, Brush Spring
30004032	Collar, Ink Spool w/set scrws
30004033	Nut, Ink Spool Hold Dwn
30004034	Lever, Open/Close
30004035	Hinge,Door (right) (520,330)
30004036	Hinge,Door (left) (520,330)
30004037	Flat Cutting Surface Blade
30004038	Perforation Blade
30004039	Bracket,OptSafe Sensor
30004040	Hopper, Divide (520)
30004041	Cover, cassette motor base
30004042	Key, Side Panel Lock
30004043	Coupling, Rubber Pin Encoder
30004044	Platen (new style)
30004045	Insert, cassette base sensor
30004046	Dividing Ring Sensor Cam Set
30004047	Printer Head Back Plate
30004048	Key, Front Cass. Access Dr.
30004049	Printer Head Base (new)
30004050	Printer Plate (new)
30004051	Paper Shaft End Cap
30004052	Platen Bar (longer) alum. **OBSOLETE**
30004053	Paper Guide Roller, untapered
30004054	Plexiglass Door w/label (520)
30004055	Plexi-Door Magn. Latch Plate
30004056	Paper Guide Roller, tapered
30004057	Journal Printer Cover
30004058	Conveyor Foam Roller
30004059	Bracket, Print Head Pivot
30004060	Washer, Nylon-ink spool
30004061	Bracket, Platen Adjust
30004062	S.S. Hopr Actuate Arm (straight)
30004063	Bracket, In Car Limit Sw. Lft. 330
30004064	Bracket, In Car Limit Sw.Rt. 330
30004065	Latch, Roller Box
30004066	Bracket, Heat Com. Brush
30004067	Collar, Needle wire

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AutoMed Part Number	AutoMed Part Name
30004068	Bracket, Frnt. Door Int. Sw.
30004069	Plastic Chain (wire track) Lrg
30004070	Bracket, Out. Car. Lim. Switch Left 330
30004071	Bracket, Out. Car. Lim. Switch Rght 330
30004072	Car Sensor Mounting Plate 330
30004073	Stop Blocks, Inner Carousel 330
30004074	Bracket, Sensor Home In. Car. 330
30004075	Actuator, In. Car. Switches
30004076	S.S. Hopper Act. Arm New
30004077	Paper Guide solid bar #5
30004078	Bracket, Out. Car. Lim. Switch Left 520
30004079	Bracket, Out. Car. Lim. Switch Rght 520
30004080	SSHppr Shaft B (short)
30004081	SSHppr Open/Close Bearing Arm
30004082	Plate-Threaded,S.S.Hpr. Brkt.
30004083	Roller, DTA Tray white nylon
30004084	Slide Pin, DTA Tray
30004085	Magnetic Latch Plate, Plexi Dr
30004086	Paper Shaft End Knob
30004087	Nut,Brass Sqr Shft TriPlate
30004088	Coupling,SSHppr Shaft
30004089	S.S. Hopper Shaft A
30004090	White lining Outer Pill Guide 520
30004091	Chrome Screw (Lrg. Plast. Hop.)
30004092	DTA Screw Rod (520)
30004093	DTA Screw Rod Bushing Case (front)
30004094	Cutter Guide Bearing Pin
30004095	Cutter Guide Shaft
30004096	Cutter Guide Shaft Arm
30004097	Conveyor Arm Cable
30004098	Divide Ring, Outer chrome 520
30004099	Div. Ring Drwr. Cntr. Cover 520
30004100	Heat Roller box cover **OBSOLETE**
30004101	Divide Ring, Outer chrome 330
30004102	DTA Screw Rod 250/330
30004103	Plexiglass Door (250)
30004104	Wire Bridge Cover
30004105	Wire Bridge Channel
30004106	Wire Bridge Mount Bracket
30004107	DTA Screw Rod Bushing Case (rear)
30004108	Bracket, Sensor med block out
30004109	Bracket, Sensor med block in
30004110	Shaft, roller box top seal drive
30004111	Brass pressure pin, rlr. box unit
30004112	Pin, yel. rlr. Roller box unit
30004113	Shaft, Idler gear/ rllr. Box (long)
30004114	Plexiglass Door w/label (330)
30004115	Bracket, Hl. Roller box unit (outside)
30004116	Bracket, Hl. Roller box unit (inside)
30004117	Bracket, Div. Ring Motor
30004118	Control Center, metal plate
30004119	DTA carriage arm
30004120	DTA carriage arm nylon block

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AutoMed Part Number	AutoMed Part Name
30004121	S.S. Hopper Pear Cam
30004122	DTA shaft cushion washer
30004123	DTA drawer slide shaft (330)
30004124	S.S. Hopper cam shaft
30004125	Ribbon guide roller plastic
30004126	Protector, Thermistor
30004127	S.S. Hopper Insert (No Flange)
30004128	Bracket, Top Seal Step Mtr. Driver New
30004129	Lower right front door (330)
30004130	Brass collar,Ht Rllr yel wheel
30004131	DTA Tray Shutter Open lever arm
30004132	Brass collar, Ht Rllrw/set screw
30004133	Bracket, lower front door's magnets
30004134	Triangular Plate Arm Unit
30004135	Heat Roller Timing Shaft
30004136	Conveyor Latch Bracket (520)
30004137	Ribbon Guide roller shaft
30004138	Idler Pulley, Sychr. Belt
30004139	Ht. Roller Press. Spring Disk
30004140	DTA Drwr. Slide Bearing Block (520)
30004141	DTA Tray Sensor Block
30004142	DTA Drwr. Slide Bearing Block w/ 2 sets of holes (520)
30004143	DTA Drwr. Slide Bearing Block (330)
30004144	DTA Drwr. Slide Bearing Block w/ holes (330)
30004145	DTA Drwr. Sensor Flag
30004146	Platen Bar steel
30004147	Top Washer, idler gear/ rllr. box
30004148	Shaft, idler gear/ rllr. Box (short)
30004149	Gray Protection Plate/ Rllr. box
30004150	Heat Roller, back
30004151	Top Seal Roller
30004152	DTA drawer slide shaft (520) New Style - larger diameter
30004153	Div. Ring Outer Chrome (250)
30004154	Div. Ring Center Cover (330)
30004155	Div. Ring Center Cover (250)
30004156	Front Ht. Rllr. Secure Plate
30004157	Pressure Screw, Ht. Rllr. Box Upper
30004158	Pressure Screw, Ht. Rllr. Box Lower
30004159	SSHppr Insert w/flange
30004160	Safety Sens Lens
30004161	Plastic Base Cover (330)
30004162	DTA Slide Shaft Collar w/set screws (520)
30004163	Metal Base Cover -old style (520)
30004164	Metal Base Cover - new style (520)
30004165	Bracket, Outer Carousel Safety Switch - Left (A) for 520
30004166	Bracket, Outer Carousel Safety Switch - Right (A) for 520
30004167	Bracket, Outer Carousel Limit Sensor - Left for 520

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AutoMed Part Number	AutoMed Part Name
30004168	Bracket, Outer Carousel Limit Sensor - Right for 520
30004169	Bracket, Outer Carousel Home Sensor for 520
30004170	Carousel Motor Base for 520
30004171	Bracket, Outer Carousel Mechanical Stop for 520
30004172	Firewall 250
30004173	Shaft,Div.Ring Center 330
30004174	Conveyor Latch Bracket FDS 330
30004175	DTA Drwr. Slide Brng Blk w/Brng (Inserted) FDS330
30004176	DTA Drwr. Slide Brng Blk w/Brng (Inserted) FDS 520
30004177	Bracket, Micro Switch
30004178	Magnetic plunger
30004179	DTA Drawr rear frame
30004180	DTA Tray rear frame
30004181	DTA Tray Plate
30004182	Sensor Bracket
30004183	Arm Pin
30004184	Bushing
30004185	Brckt, Sensor Home In. Car.
30005000	**ELECTRICAL PIECE PARTS**
30005002	Encoder,5 wire Platn
30005003	Circuit Breaker, (main power)
30005004	Resistor, DTA drwr mtr. 5W 8 Ohm
30005005	Encoder,3 wire Platn
30005006	Heater Element ***DO NOT ORDER**
30005007	Sealer Wire (PS-210)
30005008	Paper Tension Control knob
30005009	Power Supply, RAX24-12R
30005010	Power Supply, RMC50U-1
30005011	Relay, AW52419
30005012	Relay, MY2
30005013	AC Socket
30005014	Fuse, DC Servo Pak Board
30005020	Solenoid, Bag Drop
30005021	Solenoid, Print head
30005022	SSR, G3NE205T-US (DC12V)
30005023	Temperature Controller
30005024	Thermal Printer Head
30005025	Thermistor
30005026	Brush
30005027	FAN 24VDC Upper
30005028	Fuse Holder
30005029	Fan 24VDC Lower
30005030	Commutator, Heat Rlr. 1 set ***DO NOT ORDER**
30005031	Battery, Lithium 3.6v
30005032	Fuse 5A 125V 5x20mm
30005033	Capacitor, 70uf 50WVAC
30005034	Brush Holder
30005035	AC Power Cord
30005036	Socket, Relay AW52419
30005100	**SWITCHES**
30005101	Swtch, Micro (Conveyor)

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AutoMed Part Number	AutoMed Part Name
30005102	Swtch,Rckr Ht Rllrs
30005103	Swtch,Rckr Prntr
30005104	Swtch, r-safe
30005105	Swtch,Micro (Out. Car. Safe)
30005106	Swtch,Push But Cttr (serv box)
30005107	Swtch,Push But Sir (serv box)
30005108	Swtch, Emergency Stop
30005109	Swtch,Block IN/OUT (520)
30005110	Swtch, push button (cutter) (520)
30005111	Swtch, Micro (Div Ring Drwr Intrlk) Swtch, Cassette Access Door
30005112	
30005113	Swtch, micro (inner car limit)
30005114	Swtch, micro (Lwr Right Front Door Interlk)
30005115	Swtch,Block IN/OUT (330)
30005116	Swtch, push button (cutter) (330)
30005200	**SENSORS**
30005201	Snsr, Lower Med-Block Out / In
30005202	Snsr, Ht. Roller Home Snsr, Small Hopper Door
30005203	Snsr, DTA Drawer open; close; DTA flag gear; DTA cart right; left
30005204	Snsr Unit
30005205	Cutter Snsr Unit
30005206	Snsr, Paper Remain
30005207	
30005208	Snsr,OptSafe bottom SH-31RD
30005209	
30005210	Snsr,OptSafe top SH-31RP
30005211	Snsr, Outer Car. Limit In / Out. Carousel Home 2 transistors
30005212	Snsr, Med-Shutter Assy.
30005213	Snsr, Ribbon Assembly
30005214	Snsr,Paper Out
30005215	Snsr, Outer Car. Limit In / Out. Carousel Home 2 transistors
30005216	Snsr, Outer Car. Limit and Home 1 transistor
30005217	Snsr, DTA Tray
30005300	**TRANSFORMERS**
30005301	Transfrmr (24V)
30005302	Transfrmr, (100V)
30005303	Transfrmr, (10V)
30005304	Transfrmr, sealer
30006000	**MOTORS**
30006001	Mtr, Div.Ring, (330) plast. gr. OBSOLETE
30006002	Mtr,DTA Dispense, 24VAC
30006003	Mtr,DTA Drawer, 24VAC
30006004	Mtr, Printer Unit
30006005	Mtr, Carousel Inner / Outer

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AutoMed Part Number	AutoMed Part Name
30006006	Mtr, Cutter
30006007	Mtr, Lower Unit IN/OUT
30006008	Mtr, Paper Tension
30006009	Mtr, Stepper (top seal) PK564AN-TG7.2 Old
30006010	Mtr, S.S.Hopper door
30006011	Mtr, Conveyor
30006012	Mtr, Stepper (perf seal)
30006013	Mtr, Synch rib takeup
30006014	Mtr,Divide Ring,FDS250
30006015	Mtr, Div.Ring, (520) plast. gr. OBSOLETE
30006016	Mtr, Cassette Base
30006017	Mtr, Stepper (top seal) ASM66AK-T7.2 New
30006018	Mtr, Div.Ring, (330) metal gr.
30006019	Mtr, Div.Ring, (520) metal gr.
30007000	GEAR HEADS
30007001	Gear Head, DTA Dispense
30007002	Gear Head, DTA Drawer Motor
30007003	Gear Head (Med Blk. Unit)
30007004	Gear Head, Printer
30007005	Gear Head
30008000	BELTS
30008001	Belt,Synchronous DTA Arm Left (330)
30008002	Belt, Round (5x1422mm)
30008003	Belt, Synchronous DTA Arm Right
30008004	Belt,Round DTA Drawer (520)
30008005	Belt, Round (5x365mm) Conveyor
30008006	Belt,Round DTA Drawer
30008007	Belt, Timing (250L X 50)
30008008	Belt, Round (5x576mm) Conveyor
30008010	Belt,Synchronous DTA Arm Left (520)
30009000	OVERLAYS
30009001	Overlay, Display Panel
30009002	Overlay, Switch
30009003	Overlay, Display Panel (Car. Warning light)
30010000	PANELS
30010001	Front Panel Div. Ring Drawer (330)
30010002	FrntPnl,Rt 330
30010003	FrntPnl,Lft 330
30010004	FrntPnl,Rt520
30010005	Cover, Jrnl Prntr
30010006	Front Panel Div. Ring Drawer (520)
30010007	Cvr,CablRace (520)
30010008	FrntPnl,Left 520
30010009	Upper Back Pnl (520)
30010010	Side Pnl, removable (520)
30010011	Lwr Back Pnl (520)
30010012	DTA Panel for 520
30010013	Metal Door Set for FDS520

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AutoMed Part Number	AutoMed Part Name
30010014	Metal Door Set for FDS330
30011000	WASHERS
30011001	Wshr, DTA slide pin
30011002	Wshr, DTA tray shim
30011003	Wshr, DTA tray shim
30011004	Wshr, DTA tray shim
30011005	Wshr, div. ring assy. shim
30011006	Wshr, div. ring assy. shim
30011007	Wshr, div. ring assy. shim
30011008	Wshr, div. ring assy. shim
30011009	Wshr, DTA tray shim
30012000	WIRE ASSEMBLIES
30012001	WirAsy, Sub7-B to C upgrd
30012002	WirAsy, Sub7 brd. To top seal motor drive brd. Later vers. For smaller mtr.
30012003	WirAsy, CPU to Sub7-C
30012004	WirAsy, Print Head to TP-Main
30012005	WirAsy, Step Motor Driver (top seal) New
30012006	Wire Harness for 330/520
30012007	Wire Harness for 330
30012008	Wire Harness for 520
	TOOLS
15000002	Vacuum cleaner 3M 497AJM
15000003	Brass brush
15000004	
15000018	Phillips Screwdriver 4" JIS#2
15000019	Phillips Screwdriver
30013000	SHIMS
30013001	5mm Curved Shim for 330 FDS
30013002	5mm Curved Shim for520 FDS
30013003	1mm Curved Shim for 330FDS
30013004	1mm Curved Shim for 520FDS
30013005	Straight Shim
5000000	PACKAGING
5000100	Accessory Shipping Crate
5000250	FDS 250 Shipping Crate
5000330	FDS 330 Shipping Crate
5000520	FDS 520 Shipping Crate
	PART KITS
14000002	FDS Field Service Parts Kit FDS 330/520
14000013	FDS Field Service Parts Kit Profile
14000020	Field Service Parts Kit FastFill
14000021	Field Service Parts Kit FastPak
14000022	Field Service PM Kit FastPak

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AutoMed Part Number	AutoMed Part Name
14000023	Field Service Parts Kit FastFill
14000024	Field Service Parts Kit Profile
14000030	Car Cream (wax)
15000000	PRODUCT ACCESSORIES
15000001	FDS Canister Hole Plug
15000020	
15000024	Cable, AC Pwr
15000025	Cable, Serial
15000026	Set of Shipping Brckts (620)
15000027	Set of Shipping Brckts (330)
15000028	Yuyama Tool Box (with contents) 520
15000029	Yuyama Tool Box (with contents) 330
15000030	Aluminum Shipping Blocks

EXHIBIT C – HIPAA AGREEMENT

EXHIBIT C

"**CONTRACTOR'S OBLIGATION AS A BUSINESS ASSOCIATE UNDER THE HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996**: Under this Agreement, Contractor ("Business Associate") provides services ("Services") to County ("Covered Entity") and Business Associate receives, has access to, or creates Protected Health Information in order to provide those Services. Covered Entity is subject to the Administrative Simplification requirements of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), and regulations promulgated thereunder, including the Standards for Privacy of Individually Identifiable Health Information ("the Privacy Regulations") and the Health Insurance Reform: Security Standards ("the Security Regulations") at 45 Code of Federal Regulations Parts 160 and 164 ("together, the "Privacy and Security Regulations").

The Privacy and Security Regulations require Covered Entity to enter into a contract with Business Associate in order to mandate certain protections for the privacy and security of Protected Health Information, and those Regulations prohibit the disclosure to or use of Protected Health Information by Business Associate if such a contract is not in place.

Therefore, the parties agree as follows:

DEFINITIONS

1.1 "Disclose" or "Disclosure" means, with respect to Protected Health Information, the release, transfer, provision of access to, or divulging in any other manner of Protected Health Information outside Business Associate's internal operations or to other than its employees, representatives, subcontractors and agents.

1.2 "Electronic Media" has the same meaning as the term "electronic media" in 45 C.F.R. § 160.103. Electronic Media means (1) Electronic storage media including memory devices in computers (hard drives) and any removable/transportable digital memory medium, such as magnetic tape or disk, optical disk, or digital memory card; or (2) Transmission media used to exchange information already in electronic storage media. Transmission media include, for example, the internet (wide-open), extranet (using internet technology to link a business with information accessible only to collaborating parties), leased lines, dial-up lines, private networks, and the physical movement of removable/transportable electronic storage media. Certain transmissions, including of paper, via facsimile, and of voice, via telephone, are not considered to be transmissions via electronic media, because the information being exchanged did not exist in electronic form before the transmission.

1.3 "Electronic Protected Health Information" has the same meaning as the term "electronic protected health information" in 45 C.F.R. § 160.103.

Electronic Protected Health Information means Protected Health Information that is (i) transmitted by electronic media; (ii) maintained in electronic media.

1.4 "Individual" means the person who is the subject of Protected Health Information and shall include a person who qualifies as a personal representative in accordance with 45 C.F.R. § 164.502(g).

1.5 "Protected Health Information" has the same meaning as the term "protected health information" in 45 C.F.R. § 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity. Protected Health Information includes information, whether oral or recorded in any form or medium, that (i) relates to the past, present, or future physical or mental health or condition of an Individual; the provision of health care to an Individual, or the past, present or future payment for the provision of health care to an Individual; (ii) identifies the Individual (or for which there is a reasonable basis for believing that the information can be used to identify the Individual); and (iii) is received by Business Associate from or on behalf of Covered Entity, or is created by Business Associate, or is made accessible to Business Associate by Covered Entity. "Protected Health Information" includes Electronic Health Information.

1.6 "Required By Law" means a mandate contained in law that compels an entity to make a Use or Disclosure of Protected Health Information and that is enforceable in a court of law. Required by law includes, but is not limited to, court orders and court-ordered warrants; subpoenas or summons issued by a court,

grand jury, a governmental or tribal inspector general, or any administrative body authorized to require the production of information; a civil or an authorized investigative demand; Medicare conditions of participation with respect to health care providers participating in the program; and statutes or regulations that require the production of information, including statutes or regulations that require such information if payment is sought under a government program providing benefits.

1.7 "Security Incident" means the attempted or successful unauthorized access, Use, Disclosure, modification, or destruction of information in, or interference with system operations of, an Information System which contains Electronic Protected Health Information. However, Security Incident does not include attempts to access an Information System when those attempts are not reasonably considered by Business Associate to constitute an actual threat to the Information System.

1.8 "Services" has the same meaning as in the body of this Agreement.

1.9 "Use" or "Uses" means, with respect to Protected Health Information, the sharing, employment, application, utilization, examination or analysis of such Information within Business Associate's inter nal operations.

1.10 Terms used, but not otherwise defined in this Paragraph shall have the same meaning as those terms in the HIPAA Regulations.

OBLIGATIONS OF BUSINESS ASSOCIATE

2.1 Permitted Uses and Disclosures of Protected Health Information. Business Associate:

(a) shall Use and Disclose Protected Health Information as necessary to perform the Services, and as provided in Sections 2.3, 2.4, 2.5, 2.6, 2.7, 2.8, 4.3 and 5.2 of this Agreement;

(b) shall Disclose Protected Health Information to Covered Entity upon request;

(c) may, as necessary for the proper management and administration of its business or to carry out its legal responsibilities:

(i) Use Protected Health Information; and

(ii) Disclose Protected Health Information if the Disclosure is Required by Law.

(d) De-identify, or have a third party de-identify, any and all Protected Health Information provided that the de-identification conforms to the requirements of 45 C.F.R. Section 164.514 (b), and further provided that the Covered Entity maintains the documentation required by 45 C.F.R. Section 164.514 (b) which may be in the form of a written assurance from the Business Associate. Pursuant to 45 C.F.R. Section 164.502 (d) (2), de-identified information does not constitute Protected Health Information and is not subject to the terms of this Exhibit C.

Business Associate shall not Use or Disclose Protected Health Information for any other purpose.

2.2 Adequate Safeguards for Protected Health Information. Business Associate:

(a) shall implement and maintain appropriate safeguards to prevent the Use or Disclosure of Protected Health Information in any manner other than as permitted by this Exhibit C. Business Associate agrees to limit the Use and Disclosure of Protected Health Information to the minimum necessary in accordance with the Privacy Regulation's minimum necessary standard.

(b) effective as of April 20, 2005, specifically as to Electronic Health Information, shall implement and maintain administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of Electronic Protected Health Information.

2.3 Reporting Non-Permitted Use or Disclosure and Security Incidents. Business Associate shall report to Covered Entity each Use or Disclosure that is made by Business Associate, its employees, representatives, agents or subcontractors which is not specifically permitted by this Agreement, and effective as of April 20, 2005, shall report to Covered Entity each Security Incident of which Business Associate becomes aware; provided, however, that trivial attempts to penetrate Business Associate's system that occur on a routine basis, such as scans, "pings" or unsuccessful attempts to penetrate computer networks or

services maintained by Business Associate, will not be reported. The initial report shall be made by telephone call to the Department of Mental Health's Privacy Officer, telephone number 1(213) 738-4864 within forty-eight (48) hours from the time the Business Associate becomes aware of the non-permitted Use or Disclosure or Security Incident, followed by a full written report no later than ten (10) business days from the date the Business Associate becomes aware of the non-permitted Use or Disclosure or Security Incident to the Chief Privacy Officer at:

Chief Privacy Officer, County of Los Angeles
Kenneth Hahn Hall of Administration
500 West Temple ST.
Suite 525
Los Angeles, CA 90012

2.4 Mitigation of Harmful Effect. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a Use or Disclosure of Protected Health Information by Business Associate in violation of the requirements of this Paragraph.

2.5 Availability of Internal Practices, Books and Records to Government Agencies. Business Associate agrees to make its internal practices, books, and records relating to the Use and Disclosure of Protected Health Information available to the Secretary of the federal Department of Health and Human Services for purposes of determining Covered Entity's compliance with the Privacy and Security Regulations, subject to attorney-client and other applicable legal privileges.

Business Associate shall immediately notify Covered Entity of any requests made by the Secretary and provide Covered Entity with copies of any documents produced in response to such request.

2.6 Access to Protected Health Information. Business Associate shall, to the extent Covered Entity determines that any Protected Health Information constitutes a "designated record set" as defined by 45 C.F.R. § 164.501, make the Protected Health Information specified by Covered Entity available to the Individual(s) identified by Covered Entity as being entitled to access and copy that Protected Health Information. Business Associate shall, during normal business hours at Business Associate's office, provide such access for inspection of that Protected Health Information within ten (10) business days after receipt of a written request from Covered Entity. Business Associate shall provide copies of that Protected Health Information within ten (10) business days after receipt of a written request from Covered Entity.

2.7 Amendment of Protected Health Information. Business Associate shall, to the extent Covered Entity determines that any Protected Health Information constitutes a "designated record set" as defined by 45 C.F.R. § 164.501, make any amendments to Protected Health Information that are requested by Covered Entity. Business Associate shall make such amendment within ten (10) business days after receipt of a written request from Covered Entity in order for Covered Entity to meet the requirements under 45 C.F.R. § 164.526.

2.8 Accounting of Disclosures. Business Associate agrees to maintain documentation of the information required to provide an accounting of Disclosures of Protected Health Information in accordance with 45 C.F.R. § 164.528, and to make this information available to Covered Entity within ten (10) business days of Covered Entity's written request, in order to allow Covered Entity to respond to an Individual's request for accounting of disclosures. However, Business Associate is not required to provide an accounting of Disclosures that are necessary to perform its Services if such Disclosures are for either payment or health care operations purposes, or both. Additionally, such accounting is limited to disclosures that were made in the six (6) years prior to the request (not including disclosures that were made prior to the compliance date of the Privacy Rule, April 14, 2003) and shall be provided for as long as Business Associate maintains the Protected Health Information.

Any accounting provided by Business Associate under this Section 2.8 shall include: (a) the date of the Disclosure; (b) the name, and address if known, of the entity or person who received the Protected Health Information; (c) a brief description of the Protected Health Information disclosed; and (d) a brief statement of the purpose of the Disclosure. For each Disclosure that could require an accounting under this Section 2.8, Business Associate shall document the information specified in (a) through (d), above, and shall securely maintain the information for six (6) years from the date of the Disclosure. Business Associate

shall provide to Covered Entity, within ten (10) business days after receipt of a written request from Covered Entity, information collected in accordance with this Section 2.8 to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 C.F.R. § 164.528.

OBLIGATION OF COVERED ENTITY

3.1 Obligation of Covered Entity. Covered Entity shall notify Business Associate in writing of any current or future restrictions or limitations on the use of Protected Health Information that would affect Business Associate's performance of the Services, and Business Associate shall, within a commercially reasonable period thereafter, restrict or limit its own uses and disclosures accordingly.

TERM AND TERMINATION

4.1 Term. The term of this Paragraph shall be the same as the term of this Agreement. Business Associate's obligations under Sections 2.1 (as modified by Section 4.2), 2.3, 2.4, 2.5, 2.6, 2.7, 2.8, 4.3 and 5.2 shall survive the termination or expiration of this Agreement.

4.2 Termination for Cause. In addition to and notwithstanding the termination provisions set forth in this Agreement, upon Covered Entity's knowledge of a material breach by Business Associate, Covered Entity shall either:

(a) Provide Business Associate with written notice of, and a detailed description of, the material breach, as well as an opportunity for Business

Associate to cure the breach or end the violation within a reasonable period of time, and terminate this Agreement if Business Associate does not cure the breach or end the violation within the reasonable time specified by Covered Entity;

(b) Immediately terminate this Agreement after providing written notice to Business Associate if Business Associate has breached a material term of this Paragraph and cure is not possible; or

(c) If neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary of the federal Department of Health and Human Services.

4.3 Disposition of Protected Health Information Upon Termination or Expiration.

(a) Except as provided in paragraph (b) of this section, within thirty (30) days upon termination for any reason or expiration of this Agreement, Business Associate shall return or destroy all Protected Health Information received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall apply to Protected Health Information that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the Protected Health Information.

(b) In the event that Business Associate determines that returning or destroying the Protected Health Information is infeasible, Business Associate shall provide to Covered Entity notification of the conditions that make it infeasible. If

return or destruction is infeasible, Business Associate shall use commercially reasonable efforts to extend the protections of this Agreement to such Protected Health Information and limit further Uses and Disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such Protected Health Information.

MISCELLANEOUS

5.1 No Third Party Beneficiaries. Nothing in this Exhibit C shall confer upon any person other than the parties and their respective successors or assigns, any rights, remedies, obligations, or liabilities whatsoever.

5.2 Use of Subcontractors and Agents. Business Associate shall require each of its agents and subcontractors that receive Protected Health Information from Business Associate, or create Protected Health Information for Business Associate, on behalf of Covered Entity, to execute a written agreement obligating the agent or subcontractor to comply with substantially similar restrictions on the use and disclosure of Protected Health Information that apply to Business Associate pursuant to the terms of this Exhibit C.

5.3 Relationship to Services Agreement Provisions. In the event that a provision of this Exhibit C is contrary to another provision of this Agreement, the provision of this Exhibit C shall control. Otherwise, this Exhibit C shall be construed under, and in accordance with, the terms of this Agreement.

5.4 Regulatory References. A reference in this Exhibit C to a section in the Privacy or Security Regulations means the section as in effect or as amended.

5.5 Interpretation. Any ambiguity in this Exhibit C shall be resolved in favor of a meaning that permits Covered Entity to comply with the Privacy and Security Regulations.

5.6 Amendment. The parties agree to take such action as is necessary to amend this Exhibit C from time to time as is necessary for Covered Entity to comply with the requirements of the Privacy and Security Regulations.

EXHIBIT D

CONTRACTOR'S EEO CERTIFICATION

CONTRACTOR'S EEO CERTIFICATION

AutoMed Technologies, Inc.
Contractor Name

1400 Busch Parkway Buffalo Grove, IL 60089
Address

36-3932047
Internal Revenue Service Employer Identification Number

GENERAL CERTIFICATION

In accordance with Section 4.32.010 of the Code of the County of Los Angeles, the contractor, supplier, or vendor certifies and agrees that all persons employed by such firm, its affiliates, subsidiaries, or holding companies are and will be treated equally by the firm without regard to or because of race, religion, ancestry, national origin, or sex and in compliance with all anti-discrimination laws of the United States of America and the State of California.

CONTRACTOR'S SPECIFIC CERTIFICATIONS

1.	The Contractor has a written policy statement prohibiting discrimination in all phases of employment.	Yes ☑ No ☐
2.	The Contractor periodically conducts a self analysis or utilization analysis of its work force.	Yes ☑ No ☐
3.	The Contractor has a system for determining if its employment practices are discriminatory against protected groups.	Yes ☑ No ☐
4.	Where problem areas are identified in employment practices, the Contractor has a system for taking reasonable corrective action, to include establishment of goals or timetables.	Yes ☑ No ☐

PETE GILBERT, GVP
Authorized Official's Printed Name and Title

Authorized Official's Signature

2/5/08
Date

EXHIBIT E1

CONFIDENTIAL DISCLOSURE AGREEMENT FOR EMPLOYEES

EXHIBIT E1
CONTRACTOR'S EMPLOYEE CONFIDENTIALITY AGREEMENT

This Confidential Disclosure Agreement (this "Agreement") is made as of the ____ day of _____, 200__, between **AUTOMED TECHNOLOGIES, INC.**, a Delaware corporation with principal offices at 875 Woodlands Parkway, Vernon Hills, IL 60061 ("AutoMed") and its employee, _____("Employee"). For purposes of this Agreement, AutoMed shall be deemed to include, and the terms and conditions set forth in this Agreement shall extend to, any affiliate of AutoMed. For purposes of this Agreement, "affiliate" means any company or person that is directly or indirectly controlled by or under common control with AutoMed.

Background

In the course of his/her employment, AutoMed and its independent contractors and customers (collectively the "Disclosing Party") may disclose to Employee (the "Recipient"), or Employee may come to learn of, certain of the Disclosing Party's confidential and/or proprietary information subject to the agreement of the Recipient to abide by the terms and conditions set forth herein with respect to such information.

AutoMed and Employee, intending to be legally bound, hereby agree as follows:

1. **Definition of Confidential Information.** For the purposes of this Agreement, "Confidential Information" shall mean any information that is disclosed, furnished or made available by the Disclosing Party to the Recipient, whether in writing or other tangible form, orally or otherwise, after the date of this Agreement. Confidential Information shall include, without limitation, (a) information disclosed, furnished or made available by the Disclosing Party to the Recipient about technology, processes, systems, strategic plans, business plans, operating data, customers, prospects, pricing, operations, products and other financial statements and data and (b) all analyses, compilations, studies or other documents (regardless of the form in which any such analyses, compilations, studies or other documents are maintained) prepared by the Recipient to the extent they contain or otherwise reflect any information disclosed, furnished or made available by any means by the Disclosing Party to the Recipient.

2. **Exclusions from Confidential Information.** Notwithstanding anything to the contrary set forth in Section 1 above, Confidential Information shall not include information:

(a) that, at the time of disclosure to the Recipient, is generally available to the public;

(b) that, after disclosure to the Recipient, becomes generally available to the public, other than as a result of a breach of this Agreement by the Recipient or any other party;

(c) that the Recipient can establish was already in its possession at the time the information was received from the Disclosing Party, provided that the source of the information was not bound to an obligation of confidentiality to the Disclosing Party or any other party with respect to such information;

(d) that the Recipient receives from a third party, provided that the source of the information was not bound to an obligation of confidentiality to the Disclosing Party or any other party with respect to such information; and

(e) that the Recipient can establish was developed independently by the Recipient without use, directly or indirectly, of any Confidential Information.

3. **Limitations on Disclosure and Use**. The Confidential Information will be kept strictly confidential and will not be disclosed by the Recipient except as specifically permitted by this Agreement or specifically authorized in advance in writing by the Disclosing Party. Without the prior written consent of the Disclosing Party, Recipient shall not publish, disseminate or disclose to any third party any Confidential Information, in whole or in part, received from the Disclosing Party. The Recipient will not take any other action that causes any Confidential Information to lose its confidential and proprietary nature or fail to take any reasonable action necessary to prevent any Confidential Information from losing its confidential and proprietary nature. The Recipient will not use, and will not allow the use of, the Confidential Information for any purpose other than for the purpose of carrying out the terms of his/her employment by AutoMed. Recipient shall not use, duplicate, reproduce or copy any Confidential Information for any purpose other than in connection with said employment. The Recipient will limit access to Confidential Information to those employees, officers, directors or other authorized representatives of AutoMed who (a) need to know such Confidential Information and (b) are contractually obligated to maintain the Confidential Information under terms and conditions at least as stringent as those provided for herein. The Recipient will inform such employees, officers or directors or authorized representatives of the confidential and proprietary nature of Confidential Information and will take all reasonable and necessary steps to ensure that the terms and conditions of this Agreement are not violated by such persons, including but not limited to those steps that the Recipient would take to protect information of its own that it regards as proprietary or confidential. The Recipient will be responsible and liable for any breach of the terms and conditions of this Agreement by any such persons.

4. **Ownership**. All Confidential Information and derivations thereof shall remain the sole and exclusive property of the Disclosing Party and no license or other right to such Confidential Information is granted or implied hereby. If the Recipient has prepared analyses, compilations, studies or other documents containing Confidential Information, then such analyses, compilations, studies or other documents shall be treated as the Confidential Information of the Disclosing Party hereunder. Apart from any testing or analysis as to which the Disclosing Party has specifically provided its prior written consent, Recipient will not test, analyze or reverse engineer any product, item or component thereof disclosed or supplied to him or it by the Disclosing Party hereunder. This Agreement does not grant Recipient any right or license under any patent, trademark, software or other intellectual property of the Disclosing Party.

5. **No Representations or Warranties**. The Disclosing Party makes no representations or warranties, express or implied, as to the accuracy or completeness of the Confidential Information. The Recipient acknowledges that the Disclosing Party makes no representations or warranties, express or implied, as to the accuracy or completeness of the Confidential Information and the Recipient agrees that the Disclosing Party will have no liability to the Recipient for any errors therein or omissions therefrom. Notwithstanding any term contained herein to the contrary, the Disclosing Party reserves the right to refuse to disclose any information that the Disclosing Party determines, in its sole discretion, would be inappropriate to disclose to Recipient.

6. **Return or Destruction of Confidential Information**. Upon request by the Disclosing Party, the Recipient shall promptly deliver to the Disclosing Party or destroy all Confidential Information and all embodiments thereof then in its custody, control or possession and shall deliver within ten (10) business days after such request a written statement to the Disclosing Party certifying to such action. Unless specifically authorized in advance in writing by the Disclosing Party, the Recipient will not retain any copies, extracts or other reproductions in whole or in part of any Confidential Information.

7. **Equitable Relief**. The Recipient hereby acknowledges that money damages would not be a sufficient remedy for the Disclosing Party in the event of any breach of this Agreement and that the Disclosing Party is entitled to specific performance and injunctive or other equitable relief as a remedy for any such breach, and the Recipient further agrees to waive any requirement for the posting of any bond in connection with any such remedy. Any such remedy will not be deemed to be the exclusive remedy for breach of this Agreement but shall be in addition to all other remedies available at law or equity to the Disclosing Party.

8. **Disclosures Required by Law**. If the Recipient is required by law to disclose any Confidential Information, the Recipient will provide the Disclosing Party with prompt notice of such requirement and, if so requested, will provide reasonable cooperation, at the Disclosing Party's expense and within the boundaries of the law, to the Disclosing Party in resisting the disclosure. Subject to its obligations stated in this Paragraph 8, the Recipient will be entitled to comply with any binding judicial or other process to the extent required by law, but will in doing so make reasonable efforts to limit the scope and secure confidential treatment of any materials it is compelled to disclose.

9. **Term of this Agreement**. Recipient's obligations under this Agreement shall survive for three (3) years from the effective date of the termination of Recipient's employment with AutoMed.

10. **Subsequent Agreement**. Should the parties decide to pursue a venture, transaction or relationship, it is anticipated that the parties will negotiate and enter into a definitive agreement for the purpose of setting forth their respective obligations under such venture, transaction or relationship. Such definitive agreement, to the extent that it contains comparable provisions which protect the confidentiality of the Confidential Information, shall supersede and replace the terms and conditions of this Agreement as of the date of such definitive agreement. Any conflict between any such documents shall be interpreted in favor of preserving the confidential nature of the Confidential Information.

11. **Governing Law; Consent to Jurisdiction**. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware applicable to agreements made and to be performed within such jurisdiction.

12. **Notices**. Any notice required or permitted hereunder shall be in writing and shall be deemed effectively given upon actual receipt.

13. **Entire Agreement**. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes any and all prior agreements and

understandings of the parties, whether written or oral, with respect thereto. This Agreement will be binding upon and will inure to the benefit of the parties hereto and their respective successors and permitted assigns. Other than as set forth above, this Agreement may not be assigned by a party hereto without the consent of the other party, which consent will not be unreasonably withheld. In case any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions will not be in any way affected or impaired. This Agreement may not be amended or modified except by a written document signed by both of the parties hereto.

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

AUTOMED TECHNOLOGIES, INC.

By: _____

Name: _____

Title: _____

_____

By: _____

Name: _____

Title: _____

EXHIBIT E2

CONFIDENTIAL DISCLOSURE AGREEMENT FOR INDEPENDENT CONTRACTORS

EXHIBIT E2
CONTRACTOR'S NON-EMPLOYEE CONFIDENTIALITY AGREEMENT

This Confidential Disclosure Agreement (this "Agreement") is made as of the ____ day of _____, 200__, between **AUTOMED TECHNOLOGIES, INC.**, a Delaware corporation with principal offices at 875 Woodlands Parkway, Vernon Hills, IL 60061 ("AutoMed") and _____, a _____ corporation with principal offices at _____ ("Contractor"). For purposes of this Agreement, AutoMed and Contractor shall be deemed to include, and the terms and conditions set forth in this Agreement shall be binding upon, any affiliate of AutoMed or Contractor, as the case may be. For purposes of this Agreement, "affiliate" means any company or person that is directly or indirectly controlled by or under common control with AutoMed or Contractor, as the case may be.

Background

AutoMed and Contractor are interested in considering and evaluating the retention of Contractor's services by AutoMed, a potential venture, a transaction or some other relationship (the "Transaction"). In order to facilitate such consideration and evaluation, and in the course of conducting the Transaction, AutoMed and its other independent contractors and customers (collectively the "Disclosing Party") may disclose to Contractor (the "Recipient"), or Contractor may come to learn of, certain of the Disclosing Party's confidential and/or proprietary information subject to the agreement of the Recipient to abide by the terms and conditions set forth herein with respect to such information.

AutoMed and Contractor, intending to be legally bound, hereby agree as follows:

1. **Definition of Confidential Information.** For the purposes of this Agreement, "Confidential Information" shall mean any information that is disclosed, furnished or made available by the Disclosing Party to the Recipient, whether in writing or other tangible form, orally or otherwise, after the date of this Agreement. Confidential Information shall include, without limitation, (a) information disclosed, furnished or made available by the Disclosing Party to the Recipient about technology, processes, systems, strategic plans, business plans, operating data, customers, prospects, pricing, operations, products and other financial statements and data and (b) all analyses, compilations, studies or other documents (regardless of the form in which any such analyses, compilations, studies or other documents are maintained) prepared by the Recipient to the extent they contain or otherwise reflect any information disclosed, furnished or made available by any means by the Disclosing Party to the Recipient.

2. **Exclusions from Confidential Information.** Notwithstanding anything to the contrary set forth in Section 1 above, Confidential Information shall not include information:

(a) that, at the time of disclosure to the Recipient, is generally available to the public;

(b) that, after disclosure to the Recipient, becomes generally available to the public, other than as a result of a breach of this Agreement by the Recipient or any other party;

(c) that the Recipient can establish was already in its possession at the time the information was received from the Disclosing Party, provided that the source of the information was not bound to an obligation of confidentiality to the Disclosing Party or any other party with respect to such information;

(d) that the Recipient receives from a third party, provided that the source of the information was not bound to an obligation of confidentiality to the Disclosing Party or any other party with respect to such information; and

(e) that the Recipient can establish was developed independently by the Recipient without use, directly or indirectly, of any Confidential Information.

3. **Limitations on Disclosure and Use.** The Confidential Information will be kept strictly confidential and will not be disclosed by the Recipient except as specifically permitted by this Agreement or specifically authorized in advance in writing by the Disclosing Party. Without the prior written consent of the Disclosing Party, Recipient shall not publish, disseminate or disclose to any third party any Confidential Information, in whole or in part, received from the Disclosing Party. The Recipient will not take any other action that causes any Confidential Information to lose its confidential and proprietary nature or fail to take any reasonable action necessary to prevent any Confidential Information from losing its confidential and proprietary nature. The Recipient will not use, and will not allow the use of, the Confidential Information for any purpose other than for the purpose of considering and evaluating the Transaction or for carrying out the terms of the Transaction. Recipient shall not use, duplicate, reproduce or copy any Confidential Information for any purpose other than in connection with the Transaction. The Recipient will limit access to Confidential Information to those employees, officers, directors or other authorized representatives of the Recipient who (a) need to know such Confidential Information for the purpose of participating in the consideration and evaluation of the Transaction and (b) are contractually obligated to the Recipient to maintain the Confidential Information under terms and conditions at least as stringent as those provided for herein. The Recipient will inform such employees, officers or directors or authorized representatives of the confidential and proprietary nature of Confidential Information and will take all reasonable and necessary steps to ensure that the terms and conditions of this Agreement are not violated by such persons, including but not limited to those steps that the Recipient would take to protect information of its own that it regards as proprietary or confidential. The Recipient will be responsible and liable for any breach of the terms and conditions of this Agreement by any such persons.

4. **Ownership.** All Confidential Information and derivations thereof shall remain the sole and exclusive property of the Disclosing Party and no license or other right to such Confidential Information is granted or implied hereby. If the Recipient has prepared analyses, compilations, studies or other documents containing Confidential Information, then such analyses, compilations, studies or other documents shall be treated as the Confidential Information of the Disclosing Party hereunder. Apart from any testing or analysis as to which the Disclosing Party has specifically provided its prior written consent, Recipient will not test, analyze or reverse engineer any product, item or component thereof disclosed or supplied to him or it by the Disclosing Party hereunder. This Agreement does not grant Recipient any right or license under any patent, trademark, software or other intellectual property of the Disclosing Party.

5. **No Representations or Warranties**. The Disclosing Party makes no representations or warranties, express or implied, as to the accuracy or completeness of the Confidential Information. The Recipient acknowledges that the Disclosing Party makes no representations or warranties, express or implied, as to the accuracy or completeness of the Confidential Information and the Recipient agrees that the Disclosing Party will have no liability to the Recipient for any errors therein or omissions therefrom. Notwithstanding any term contained herein to the contrary, the Disclosing Party reserves the right to refuse to disclose any information that the Disclosing Party determines, in its sole discretion, would be inappropriate to disclose to Recipient.

6. **Return or Destruction of Confidential Information**. Upon request by the Disclosing Party, the Recipient shall promptly deliver to the Disclosing Party or destroy all Confidential Information and all embodiments thereof then in its custody, control or possession and shall deliver within ten (10) business days after such request a written statement to the Disclosing Party certifying to such action. Unless specifically authorized in advance in writing by the Disclosing Party, the Recipient will not retain any copies, extracts or other reproductions in whole or in part of any Confidential Information.

7. **Equitable Relief**. The Recipient hereby acknowledges that money damages would not be a sufficient remedy for the Disclosing Party in the event of any breach of this Agreement and that the Disclosing Party is entitled to specific performance and injunctive or other equitable relief as a remedy for any such breach, and the Recipient further agrees to waive any requirement for the posting of any bond in connection with any such remedy. Any such remedy will not be deemed to be the exclusive remedy for breach of this Agreement but shall be in addition to all other remedies available at law or equity to the Disclosing Party.

8. **Disclosures Required by Law**. If the Recipient is required by law to disclose any Confidential Information, the Recipient will provide the Disclosing Party with prompt notice of such requirement and, if so requested, will provide reasonable cooperation, at the Disclosing Party's expense and within the boundaries of the law, to the Disclosing Party in resisting the disclosure. Subject to its obligations stated in this Paragraph 8, the Recipient will be entitled to comply with any binding judicial or other process to the extent required by law, but will in doing so make reasonable efforts to limit the scope and secure confidential treatment of any materials it is compelled to disclose.

9. **Term of this Agreement**. Recipient's obligations under this Agreement shall survive for three (3) years from the date of Disclosing Party's disclosure of each item of Confidential Information

10. **Subsequent Agreement**. Should the parties decide to pursue a venture, transaction or relationship, it is anticipated that the parties will negotiate and enter into a definitive agreement for the purpose of setting forth their respective obligations under such venture, transaction or relationship. Such definitive agreement, to the extent that it contains comparable provisions which protect the confidentiality of the Confidential Information, shall supersede and replace the terms and conditions of this Agreement as of the date of such definitive agreement. Any conflict between

any such documents shall be interpreted in favor of preserving the confidential nature of the Confidential Information.

11. **Governing Law; Consent to Jurisdiction.** This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware applicable to agreements made and to be performed within such jurisdiction.

12. **Notices.** Any notice required or permitted hereunder shall be in writing and shall be deemed effectively given upon actual receipt.

13. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes any and all prior agreements and understandings of the parties, whether written or oral, with respect thereto. This Agreement will be binding upon and will inure to the benefit of the parties hereto and their respective successors and permitted assigns. Other than as set forth above, this Agreement may not be assigned by a party hereto without the consent of the other party, which consent will not be unreasonably withheld. In case any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions will not be in any way affected or impaired. This Agreement may not be amended or modified except by a written document signed by both of the parties hereto.

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

AUTOMED TECHNOLOGIES, INC.

By: _____

Name: _____

Title: _____

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By: _____

Name: _____

Title: _____