

**AMENDMENT TO THE AGREEMENT  
BETWEEN NATIVIDAD MEDICAL CENTER / MONTEREY COUNTY  
AND MEDASSETS NET REVENUE SYSTEMS, LLC**

Natividad Medical Center / Monterey County ("Natividad") and MedAssets Net Revenue Systems, LLC ("MedAssets") entered into an agreement (No. DO2210) to facilitate the use of the MedAssets Services dated December 1, 2011 (the "Agreement").

Natividad and MedAssets agree to modify the Agreement with this amendment (the "Amendment") effective July 1, 2012 (the "Amendment Effective Date") as follows:

1. Section 1.1 of SOW 1 shall be deleted in its entirety and replaced with the following:

1.1 SOW Term. The services provided under this SOW (the "SOW 1 Services") shall be renewed effective July 1, 2012 and continue through June 30, 2013 unless either Party gives 90 days written notice to the other Party, to terminate a particular Module and such notice shall not be applied to other Modules unless Covered Facility so indicates.

2. Section 4.4 shall be added to SOW 1:

4.4 Maximum Liability. The total amount payable by Natividad to MedAssets under this SOW shall not exceed the total sum of \$112,000 for the full term of the Agreement and shall not exceed \$56,000 for fiscal year 2012-2013.

3. All defined terms used in this Amendment shall have the meaning ascribed to them in the Agreement unless otherwise defined herein. Except as expressly modified by this Amendment, the terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have caused this Amendment to be duly executed by their authorized representatives as of the last date signed below.

**MEDASSETS NET REVENUE SYSTEMS, LLC**

**NATIVIDAD MEDICAL CENTER / MONTEREY COUNTY**

*Matthew T. Willaert*

mwillaert@medassets.com

Signature

Matthew T. Willaert

Printed Name

Printed Name

SVP, Deputy General Counsel, MedAssets, Inc.

Title

Title

May 2, 2012

Date

Date

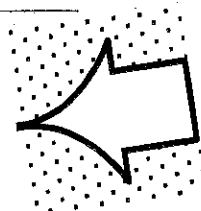
**APPROVED AS TO FORM AND LEGALITY**

*Stacy Sault*  
**DEPUTY COUNTY COUNSEL  
COUNTY OF MONTEREY**

Reviewed as to fiscal provisions

*[Signature]*  
**Auditor-Controller  
County of Monterey**

5-2-12



34838-121447-01

**AGREEMENT BETWEEN NATIVIDAD MEDICAL CENTER/MONTEREY COUNTY  
AND MEDASSETS NET REVENUE SYSTEMS, LLC**

This AGREEMENT (the "Agreement") is made and entered into as of the 1st day of July 2011 (the "Effective Date") between MedAssets Net Revenue Systems, LLC, a Delaware limited liability company with its principal office at 200 North Point Center East, Suite 400, Alpharetta, GA 30022 ("MedAssets") and Natividad Medical Center/Monterey County, a California corporation with its principal office at 1441 Constitution Blvd, Salinas, CA 93906 ("Natividad") (each a "Party" and collectively the "Parties").

MedAssets and its affiliates, Aspen Healthcare Metrics, LLC ("Aspen"), MedAssets Analytical Systems, LLC ("MAS"), MedAssets Net Revenue Systems, LLC ("NRS") MedAssets Supply Chain Systems, LLC ("SCS") and The Broadlane Group, Inc. ("Broadlane") (each an "Affiliate" and collectively the "Affiliates"), offer integrated services which assist healthcare providers in improving business processes and cash flow. Any Affiliate with whom Natividad has an executed Statement of Work (each an "SOW") for goods or services pursuant to the terms hereof shall be deemed a "Participating Affiliate". MedAssets is entering into this Agreement for itself and on behalf of these Participating Affiliates.

Natividad employs and/or contracts with healthcare providers, and wishes to enter into an agreement for the Services (as defined below).

In consideration of the mutual agreements and promises contained herein, and for other valuable consideration, receipt of which is acknowledged, MedAssets and Natividad agree as follows:

**1. Definitions.**

Background Technology shall mean all designs, drawings, models, prototypes, reports, information and technology proprietary to MedAssets, which: (i) MedAssets has acquired or acquires from third parties; (ii) MedAssets creates outside of its performance of the Services under this Agreement; or, (iii) relates to skills and knowledge of a general nature acquired by MedAssets in the course of performance of Services under this Agreement.

Facility or Member means the facilities of Natividad which are utilizing the Services provided under a fully executed SOW.

Go Live Date shall mean the delivery date of Exhibit B ("Live Status Notification") via e-mail; provided Natividad has not submitted to MedAssets written issues during the ten (10) day period following receipt of the Live Status Notification. Natividad Go Live Dates shall be identified separately for each Natividad or Central Business Office ("CBO") for each Module.

Intellectual Property Rights shall mean patent rights, copyright rights (including, but not limited to, moral rights), trademarks, trade secret rights, and any other intellectual property rights recognized by the law of any applicable jurisdiction.

Live Status shall mean the Module is accessible by end users on a daily basis for conducting normal business operations.

MedAssets Deliverables shall mean the Work, reports or other deliverables that MedAssets or a Participating Affiliate is obligated to deliver to Natividad, as set forth in the applicable SOW.

Module shall mean those products or services set forth within any SOW attached hereto.

Program shall mean the goods and services provided by MedAssets or a Participating Affiliate pursuant to all executed SOWs.

Proprietary Information shall mean: (i) the terms of this Agreement; (ii) each Party's business processes and plans; (iii) the Schedules and/or SOWs and content contained therein; (iv) Natividad's input data provided to MedAssets; (v) the Software; and, (vi) any other information which is disclosed to the other Party which is marked "Confidential" or "Proprietary" or which by its nature is considered confidential or proprietary.

Services shall mean the services to be provided by MedAssets to Natividad as set forth in any attached or subsequently executed Statement of Work.

Software shall mean any software provided by MedAssets to Natividad, including any related interfaces and any custom software, as set forth in any attached or subsequently executed Statement of Work.

Statement of Work or SOW means one (1) or more documents MedAssets, or a Participating Affiliate, and Natividad will develop and enter into incorporating a description of the specific services requested by Natividad and other applicable terms and conditions.

Term shall commence on the Effective Date and continue through the expiration of the last SOW attached to this Agreement, including any amendment, extension or renewal thereof.

Work shall mean any documentation prepared for Natividad by MedAssets as part of the Services requested by Natividad.

2. **Agreement Attachments.** The following attachments are to be considered an integral part hereof, and are incorporated into the Agreement by this reference:

Exhibit A: Request for Sales Tax Exemption Certificate  
Exhibit B: Business Associate Agreement (the "BAA")  
SOW 1: CDM Manager/KnowledgeSource/Revenue Dashboard

3. **Scope of Services.** MedAssets, or a Participating Affiliate, and Natividad will develop and enter into one (1) or more SOW(s), incorporating a description of the specific services requested by Natividad. Each SOW will set forth, among other things, project scope, fees, various project activities and tasks to be performed by the Parties, deliverables and roles and responsibilities of the Parties. Each SOW shall specifically identify this Agreement and indicate that it shall be governed by the terms hereof. To add additional SOWs the parties shall enter into Amendments to this Agreement. Each additional SOW shall be made into an Exhibit to each such Amendment.

#### 4. **Compensation.**

4.1 **Payment for Services.** During the applicable Term, Natividad shall pay to MedAssets the fees set forth in the SOW(s) which have been executed by MedAssets, or a Participating Affiliate, and Natividad (collectively, the "Fees"), as consideration for the Services. The Parties agree and acknowledge that any modification to the "Covered Facilities" set forth in an SOW may require a change in Fees charged. Any such change in Fees shall be mutually agreed to in writing by the Parties hereto.

4.2 **Terms of Payment.** MedAssets may submit monthly invoices for Services performed for the prior month under this Agreement or pursuant to a valid SOW. Terms for payment on any undisputed amounts are net thirty (30) days from the invoice date. If requested by MedAssets, Natividad shall issue a purchase order, or alternative document acceptable to the Parties, on or before commencement of Services.

4.3 **Expenses.** Natividad agrees to reimburse MedAssets for all reasonable business expenses incurred by MedAssets in rendering Services hereunder, including, reasonable travel expenses and reasonable lodging expenses. All expenses will be paid in accordance with the Monterey County Travel Policy.

4.4 **Taxes Excluded.** The Fees do not include any foreign, federal, state or local sales, use or other similar taxes, however designated, levied on the Services and/or products provided. Natividad shall pay, or reimburse MedAssets for, all such taxes imposed on Natividad or MedAssets; provided, however, that Natividad shall not be liable for any taxes based on MedAssets' net income. All sales of tangible personal property or taxable services are presumed to be subject to tax unless a properly executed Sales Tax Exemption Certificate or a Direct Pay Permit is provided.

4.5 **Consumer Price Index.** During the Term, the Fees set forth above may be revised by MedAssets, in its sole discretion, on an annual basis on each anniversary of the applicable Commencement Date; provided, however, that any such annual price changes will be capped at the lesser of (i) the annual Consumer Price Index; or, (ii) 5%. As used herein, the annual Consumer Price Index means the percentage change for the applicable 1 year period of the "All Items Figure" of the Consumer Price Index - All Urban Consumers - U.S. City Average (1982-84 = 100) issued by the Bureau of Labor Statistics of the United States Department of Labor.

#### 5. **Change Requests and Cooperation.**

5.1 **Project Changes.** Each SOW will set forth the projected schedule applicable to the Services. All statements and agreements concerning time are good faith estimates based upon information available and circumstances existing at the time made, and each SOW is subject to equitable adjustment upon any material change in such information or circumstances, the occurrence of an excusable delay (as provided herein) or upon modification of the scope, timing or level of work to be performed by MedAssets. Either Party will be entitled to propose changes in accordance with the change procedure provided in each SOW. It is mutually acknowledged that any such change may increase the fees or charges payable and/or the project schedule which such change shall be mutually agreed on by the parties hereto.

5.2 Excusable Delays and Failures. MedAssets, Natividad or the respective Participating Affiliate will be excused from delays in performing, or from its failure to perform hereunder to the extent that such delays or failures result from causes beyond their reasonable control. Without limiting the generality of the foregoing, both Parties acknowledge that one Party's (the "delaying Party") failure or delay in furnishing necessary information, equipment or access to facilities, and/or delays or failure by the delaying Party in completing tasks required of the delaying Party or in otherwise performing the delaying Party's obligations hereunder or under any SOW and any assumption contained in an SOW which is untrue or incorrect may impede or delay completion of the Services by the non-delaying Party and will be considered an excusable delay or excusable failure to perform hereunder by the non-delaying Party. Both Parties further acknowledge that such delays or failures may result in a modification to the charges for the impacted Services, but only when such change is mutually agreed upon by the parties hereto.

6. **Ownership.** The Background Technology, Software, and MedAssets' Deliverables to the extent such Deliverables incorporate the Background Technology shall be the exclusive property of MedAssets or the respective Participating Affiliate, unless otherwise expressly specified in the applicable SOW. Excluding any Background Technology included in the Work all Work prepared by MedAssets for Natividad shall be the property of Natividad.

7. **Service Implementation and Utilization Commitments.** Each Party will ensure that all of its personnel who may be necessary or appropriate for the successful implementation and utilization of the Services shall, on reasonable notice: (i) be available to assist in answering business, technical and operational questions and providing requested documents, guidelines and procedures in a timely manner; (ii) participate in the Services as outlined in the SOW; (iii) participate in progress and other Services related meetings; (iv) contribute to system testing and data integrity testing; and, (v) be available to assist with any other activities or tasks required to complete the Services in accordance with the SOW.

## 8. Confidentiality.

8.1 Restrictions on Proprietary Information. Each Party, as a recipient ("Recipient"), agrees that, with respect to any Proprietary Information that is disclosed to it within the scope hereof: (i) such Proprietary Information shall not be further disclosed to any person outside of the Recipient's business organization or the business organization of any Participating Affiliate (except to contractors and consultants of the Recipient who are provided access to the Proprietary Information by mutual agreement of the Parties on Recipient's business premises, and who are subject to appropriate nondisclosure obligations consistent with the obligations hereunder), and shall only be disclosed within the Recipient's organization on a "need-to-know" basis to individuals who have been apprised of the confidential nature of the information except when required by law including the California Public Records Act; (ii) such Proprietary Information shall be treated according to the same internal security procedures, and with the same degree of care regarding its secrecy and confidentiality, as similar information of the Recipient is treated within the Recipient's organization; and, (iii) such Proprietary Information shall remain the property of the disclosing Party, and its disclosure to the Recipient hereunder creates only a limited right of Recipient to use such information in furtherance of Recipient's obligations under this Agreement.

Natividad hereby grants to MedAssets and its Affiliates, a non-exclusive, fully-paid, royalty-free and irrevocable right and license to use, reproduce, display, modify, create derivative works and disclose (including the right to prepare and provide comparative pricing benchmarks) any data or information uploaded, provided, sent, transferred or otherwise transmitted by Natividad to MedAssets in connection with the Services (the "Natividad Data"); provided, however, that other than in connection with the performance of the Services, MedAssets is prohibited from (and such right and license specifically excludes) the right: (i) to disclose the Natividad Data other than on a non-identifying (anonymous) basis which is in full compliance with the Department of Justice Guidelines on the aggregation of pricing data; and, (ii) to use or otherwise disclose any protected health information (as defined by Federal or applicable state law) or any other personally identifiable information.

8.2 Exceptions. Recipient's confidentiality and nondisclosure obligations, as set forth in this Agreement, will not apply to any information or any portion thereof which:

- (i) is or becomes publicly available by other than a breach of this Agreement (including, without limitation, any information filed with any governmental agency and available to the public);
- (ii) is disclosed to Recipient by a third party that is legally entitled to disclose such information;
- (iii) Recipient demonstrates through documented records was known by it prior to its receipt from disclosing Party;
- (iv) is developed by Recipient independently of any disclosures made by the disclosing Party of such information, as demonstrated by disclosing Party's documented records; or,
- (v) is required to be disclosed by subpoena, court order, or other legal or regulatory requirement including the California Public Records Act provided disclosing Party is provided with prompt written notice so that it may

seek a protective order or other appropriate remedy and/or waive compliance with the provisions of this Agreement.

8.3 Privacy and Security Rules. The Parties agree to fully comply with the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), the Health Information Technology for Economic and Clinical Health Act (as applicable), the Standard for Privacy of Individually Identifiable Health Information, (the "Privacy Rule"), and the Security Standards for the Protection of Electronic Protected Health Information (the "Security Rule") pursuant to the terms of the Business Associate Agreement attached hereto as Schedule 1.

8.4 Duration of Obligations. This Section 8 shall govern any disclosures made during the Term. The nondisclosure obligations of the Recipient under Section 8.2 shall remain in effect until five (5) years after the disclosure thereof, and for as long thereafter as the information may qualify as a trade secret of the disclosing Party under applicable law. MedAssets acknowledges the content of this Agreement and all exhibits thereto are discloseable pursuant to the California Public Records Act.

## 9. Warranty.

9.1 Warranties of MedAssets. MedAssets represents and warrants that the Services provided hereunder: (i) will be performed in a professional manner; and, (ii) any Work provided hereunder will reasonably conform in all material respects to the specifications agreed to by the Parties in writing for a period of ninety (90) days following the completion of such Services. Natividad may only notify MedAssets during such ninety (90) day period of any deficiency in the performance of the Services. Notwithstanding the foregoing, Natividad's sole and exclusive remedy, and MedAssets' sole and exclusive liability, for a breach of the foregoing representations and warranties shall be: (i) the specific support services in the applicable SOW; (ii) repeating or reprocessing of the services by MedAssets, or a Participating Affiliate, at no additional charge; or, (iii) termination pursuant to Section 10. In the event that an SOW contains a warranty different than the warranty provided for in this Section 9, then the warranty of the SOW shall control only as it pertains to the Services provided thereunder. EXCEPT FOR THE WARRANTIES SET FORTH IN THIS SECTION 9, MEDASSETS AND THE PARTICIPATING AFFILIATES HEREBY DISCLAIM ALL WARRANTIES, EXPRESS OR IMPLIED REGARDING THE WORK AND SERVICES PROVIDED HEREUNDER, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, TITLE, AND ANY WARRANTIES ARISING FROM A COURSE OF DEALING, USAGE, OR TRADE PRACTICE. ADDITIONAL LIMITATIONS MAY BE PROVIDED FOR IN EACH SOW.

9.2 Right to Use. Each Party warrants that it owns all right, title, and interest in and to, or has full and sufficient right and authority to use in the manner contemplated by this Agreement, any programming, materials, or data furnished hereunder in connection with MedAssets' performance of the Services under this Agreement.

9.3 Limitation of Liability. Natividad acknowledges that MedAssets' and the Participating Affiliates' work is advisory in nature, and that should it desire to implement any recommendations made, Natividad is solely responsible for the results therefrom. Each Party shall be solely responsible for its compliance with state and federal statutes, laws, regulations, policies or other governmental regulations including Medicare reimbursement, and Natividad shall be solely responsible for accurate and complete reimbursement code assignment, if any. Neither MedAssets nor any Participating Affiliate will be liable for any claims attributable to any errors, omissions, or other inaccuracies in the information or material contained in the data. The maximum liability of MedAssets and the Participating Affiliates arising out of or related to this Agreement, regardless of legal theory (WHETHER IN CONTRACT, TORT OR OTHERWISE), SHALL NOT EXCEED THE SUM OF FEES RECEIVED BY MEDASSETS OVER THE IMMEDIATELY PRECEDING SIX (6) MONTHS FOR THE SPECIFIC SERVICES IN THE SOW WHICH GAVE RISE TO THE LIABILITY.

MedAssets and the Participating Affiliates will rely on information provided to it by Natividad, and MedAssets will not undertake an independent investigation regarding any of this information unless specifically engaged in writing to do so. To the extent that the Services provided by MedAssets and/or Natividad might affect the amount or the way that such services/items are billed using Current Procedural Terminology ("CPT") or Revenue codes by Natividad to various payers, MedAssets will not undertake, and its analyses and results will not take into account, the extent to which any payer, whether governmental or private, will pay the amount charged or the codes billed. **Natividad shall be solely responsible for accurate and complete code assignment and Medicare reimbursement.**

IN NO EVENT SHALL ANY PARTY HERETO BE LIABLE FOR INDIRECT, SPECIAL, PUNITIVE, INCIDENTAL, OR CONSEQUENTIAL DAMAGES ARISING OUT OF THE SERVICE PROVIDE FOR HEREUNDER (including, without limitation, any damages for lost or damaged files or data, lost profits, lost savings, or loss of business opportunity or goodwill), EVEN IF INFORMED OF THE POSSIBILITY THEREOF IN ADVANCE.

The limitations of liability included in this Section 9 are fundamental to this Agreement and have been reviewed and bargained by the Parties, and neither Party would be willing to enter into this Agreement or the business relationship contemplated hereby, unless such limitations are given effect.

**10. Term and Termination.** This Agreement shall continue for the Term unless terminated earlier by either Party pursuant to this Section 10. In the event Natividad or MedAssets breaches any material provision of this Agreement (excluding any SOW attached hereto), the non-breaching Party shall provide written notice of such breach to the other Party. If, within thirty (30) days after receiving written notice, the breaching Party has failed to cure the breach, the non-breaching Party may, in its sole discretion, terminate this Agreement and all attached SOWs by providing a letter of termination to the breaching Party which shall specify the exact date of termination. In the event Natividad or MedAssets breaches any material provision of any SOW attached hereto, the non-breaching Party shall provide written notice of such breach to the other Party and the breaching Party shall have thirty (30) days to cure the breach as provided herein.

**11. General Provisions.**

**11.1 Access to Records.** MedAssets acknowledges that applicable portions of the Social Security Act require Natividad to include in this Agreement a provision requiring MedAssets to allow the Secretary of the Department of Health and Human Services ("HHS"), and other authorized federal officials, access to MedAssets' books and records as they relate to services and procedures provided pursuant to this agreement. Therefore, if the value or cost of services rendered to Natividad pursuant to this agreement is Ten Thousand Dollars (\$10,000) or more over a twelve (12) month period, MedAssets agrees as follows:

- (i) until the expiration of four (4) years after the furnishing of any service or procedure pursuant to this agreement, MedAssets shall, upon written request, make available to the Secretary of HHS, the Secretary's duly authorized representatives, the Controller General, or the Controller General's duly authorized representatives, this agreement and such books, documents and records as many be necessary to certify the nature and extent of the cost or value of services performed by MedAssets hereunder;
- (ii) if MedAssets performs any of its duties hereunder by way of a subcontract with a related organization, and the value or cost of such subcontracted duties is Ten Thousand Dollars (\$10,000) or more over a twelve (12) month period, such subcontract shall contain a clause to the same effect as subparagraph (1), immediately above; and,
- (iii) the availability of MedAssets books, documents and records shall be subject at all times to such criteria and procedures for seeking and obtaining access as may be promulgated by the Secretary of HHS by regulation and other applicable laws.

**11.2 Audit Rights.** Each Party, or their authorized representative, shall have the right to inspect and audit at reasonable times and upon reasonable notice during the Term all such books, records and accounts of the other Party as necessary to establish and verify each Party's compliance with this Agreement. All audits will be at the expense of the requesting Party.

**11.3 Compliance with Law.** The Parties mutually represent that throughout the Term of this Agreement their respective performance under this Agreement shall be, and shall remain, in compliance with all applicable federal, state and local laws and regulations.

**11.4 CPT Subscription and Disclaimer.** Physicians' CPT codes, descriptions, and material only are Copyright of the American Medical Association (the "AMA"). All Rights Reserved. No fee schedules, basic units, relative values, or related listings are included in CPT. The AMA does not directly or indirectly practice medicine or dispense medical services. The AMA assumes no liability for data contained or not contained herein. CPT is a trademark of the AMA.

- (i) The responsibility for the content of any "National Correct Coding Policy" included in this product is with the Center for Medicare and Medicaid Services and no endorsement by the AMA is intended or should be implied.
- (ii) The AMA and MedAssets disclaim responsibility for any consequences or liability attributable to or related to any use, misuse, nonuse or interpretation of information contained or not contained in CPT.
- (iii) This product includes CPT, which is commercial technical data, and/or commercial computer software documentation, as applicable that were developed exclusively at private expense by the AMA, 515 North State Street, Chicago, Illinois, 60610. U.S. Government rights to use, modify, reproduce, release, perform, display, or disclose these technical data and/or computer data bases and/or computer software and/or computer software documentation are subject to the limited rights restrictions of DFARS 252.227-7015(b)(2) (June 1995) and/or subject to the restrictions of DFARS 227.7202-1(a) (June 1995) and DFARS 227.7202-3(a) (June 1995), as applicable for U.S. Department of Defense procurements and the limited rights restrictions of FAR 52.227-14 (June 1987) and/or subject to the restricted rights restrictions of FAR 52.227-14 (June 1987) and FAR 52.227-19 (June 1987), as applicable, and any applicable agency FAR Supplements, for non-Department of Defense Federal procurements.

- (iv) The provision of an updated version of CPT in the product is dependent upon MedAssets continuing contractual relations with AMA.
- (v) The distribution or publishing of CPT information in any public electronic bulletin board, or public based information system is prohibited.
- (vi) Natividad and any other end user who has authorized access to the product must comply with the provisions of the AMA Master Service Agreement and Subscription MSSA governing use of the product.
- (vii) Any questions pertaining to the use of CPT should be addressed to the AMA.

11.5 Discount Disclosure. Natividad understands that the discounted pricing provided as part of the Program, as well as the value of any services provided at less than full price including, but not limited to, the Merge Technology Services, may be regarded as a "discount" within the meaning of 42 U.S.C. Section 1320a-7b(3)(A) of the Social Security Act and the regulations promulgated hereunder at 42 C.F.R. Section 1001.952(h) and that Natividad may have an obligation to report this discount to any state or federal program which provides cost or charge-based reimbursement to Natividad, as the case may be, for the items to which the discount applies.

11.6 Entire Agreement and Amendment. This Agreement together with all attached Exhibits, Schedules and SOWs, contains the entire understanding between the Parties hereto with respect to the subject matter of this Agreement, and supersedes all prior and contemporaneous agreements and understandings, inducements or conditions, express or implied, oral or written, with respect to the subject matter of this Agreement including, but not limited to, the agreement between Natividad Medical Center and MedAssets Net Revenue Systems, LLC effective June 27, 2005. The express terms of this Agreement control and supersede any course of performance and/or usage of the trade inconsistent with any of the terms hereof. This Agreement may not be modified or amended other than by an agreement in writing signed by both Parties.

11.7 Facsimile/Electronic Mail. This Agreement and any SOW or Access Agreement may be executed by the exchange of faxed executed copies, certified electronic signatures or copies delivered by electronic mail in Adobe Portable Document Format or similar format, and any signature transmitted by such means for the purpose of executing this Agreement shall be deemed an original signature for purposes of this Agreement. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one (1) and the same instrument.

11.8 Governing Law. This Agreement will be governed by, and construed and interpreted according to, the substantive laws of the State of California

11.9 Indemnification. Each Party agrees to defend, indemnify, and hold the other harmless against all claims, losses, damages and costs, including, but not limited to, attorneys' fees and expenses, asserted against, sustained or incurred in connection with any action brought by any third party in connection with any act, omission or breach of warranty or obligation under this Agreement by the indemnifying Party or by any of such Party's employees, officers or agents. Neither Party shall be responsible for losses incurred by reason of the other Party's negligence or willful misconduct.

11.10 Independent Contractor. The Parties agree that the relationship of MedAssets to Natividad created by this Agreement is that of an independent contractor; there is no relationship of agency, partnership, joint venture, employment or franchise between the Parties. Neither Party has the authority to bind the other or to incur any obligation on its behalf. In this regard, MedAssets acknowledges that Natividad shall not be responsible for withholding any income taxes, paying any payroll taxes, providing other benefits or fulfilling other employer-type obligations for MedAssets' personnel.

11.11 Information Disclaimer. Natividad acknowledges and agrees that certain information within the AP-DRG may be provided to MedAssets by third parties or is developed using information provided to MedAssets by third parties, and as such MedAssets is not responsible for the accuracy or completeness of the information within the AP-DRG. Nothing contained in the AP-DRG is intended to replace the independent medical judgment of a health care professional and MedAssets shall not be liable for any damages arising out of reliance on the information contained herein.

11.12 Intellectual Property Indemnification.

11.12.1 Indemnity. MedAssets agrees to defend at its expense and pay any final judgment or settlement in connection with any third-party claim based on infringement or misappropriation of U.S. copyrights, U.S. patents, trade secrets, or other proprietary rights of any third party arising out of Natividad's use of the Service. The foregoing indemnification obligations of MedAssets are contingent upon MedAssets being promptly notified of such claim, having the sole authority to defend or settle such claim, and receiving the reasonable assistance of Natividad in connection therewith at MedAssets' expense.

11.12.2 Right to Procure or Modify. If a claim of infringement under this Section 6 occurs, or if MedAssets determines that a claim is likely to occur, MedAssets shall have the right, in its sole discretion, to either: (i) procure for Natividad the right or license to continue to use the Master Service free of the infringement claim; or (ii) modify the Master Service to make it non-infringing. If these remedies are not reasonably available to MedAssets, MedAssets may, at its option, terminate this SOW and return any fees that have been paid by Natividad in advance for future periods.

11.12.3 Indemnity Exclusions. Notwithstanding the foregoing, MedAssets has no obligation with respect to any claim of infringement that is based upon or arises out of: (i) the use or combination of the NRS Services with any hardware, software, products, data or other materials not specified or provided by MedAssets; or (ii) Natividad's use of the Modules or the other NRS Services other than in accordance with MedAssets' written directions or policies.

11.12.4 Exclusive Remedy. The provisions of this Section 6 state the sole and exclusive obligations and liability of MedAssets and its licensors and suppliers for any patent, copyright, trademark, trade secret or other intellectual property rights infringement arising out of or relating to the NRS Services and this SOW. The provisions of this Section 6 are in lieu of any implied warranties of non-infringement, all of which are disclaimed.

11.13 License. MedAssets hereby grants Natividad a non-exclusive, non-assignable, and non-transferable license to access and use the AP-DRG. Natividad may not download, upload, copy, print, display, reproduce, publish, post, distribute, or transmit any of the Properties or Confidential Information except as set forth herein.

11.14 Limitations and Exclusions. MedAssets shall have no obligation to provide support services for (i) any professional services provided by MedAssets outside of the scope of the Agreement or this SOW; (ii) any non-MedAssets computer programs, technology or hardware; (iii) any data conversion, template construction or interface design, other than as specifically set forth solely with respect to Natividad's systems and data as provided on the date of the completion of the applicable Setup Services; (iv) any data conversion, template construction or interface design arising out of or relating to a change in Natividad's system and data at any time during the SOW Term; and/or, (v) any MedAssets software that is not the most recent version or release. Any failure of Natividad to pay all applicable fees for the Services as they come due shall, at MedAssets' sole option, immediately discharge MedAssets of any obligation to provide Support services hereunder. Natividad acknowledges that interfaces to or exporting data from the AP-DRG for upload into the Natividad's system or other use, whether to the Natividad directly or to a third party, is not part of the scope of this SOW and is available for an additional fee.

11.15 Limited License. During the applicable SOW Term, MedAssets hereby grants to Natividad, and Natividad accepts, a non-transferable, non-exclusive limited license to access the Module(s) listed hereunder for its internal business purposes only; provided, however, such access shall only be for the number of authorized user(s) and the for the specific Covered Facilities identified hereunder, only during the applicable SOW Term and solely for the limited purpose of receiving the Services, subject to payment of the Fee (as defined in Section 6). Each Module shall include (i) the setup services, if any, for such Module as described herein (the "Setup Services"); and (ii) the additional services and technical support services for such Module as specifically identified herein.

11.16 Limited Rights. Except as expressly authorized by any SOW, Natividad has no right to provide access to the Modules offered in a Statement of Work or to transfer, sublicense or otherwise distribute the MedAssets' proprietary content of any Services to any third party. Natividad is not authorized to access the Modules in any manner to provide service bureau, time sharing or other computer services to third parties. Natividad shall not remove any copyright, trademark, proprietary rights, disclaimer or warning notice included on or embedded in any part of Services (including any screen displays, etc.) or any other products or materials delivered by MedAssets hereunder. Natividad shall not copy, use, analyze, reverse engineer, decompile, disassemble, translate, convert, or apply any procedure or process to the Modules or Services in order to ascertain, derive, and/or appropriate for any reason or purpose, the source code for the Modules or any trade secret information contained in the Modules. Licensee does not have the right to alter, maintain, enhance or otherwise modify the Modules, MedAssets, or the respective Participating Affiliate, is the owner of all modifications and enhancements to the Software. Except for the express license granted herein, no other licenses are granted by MedAssets by implication or otherwise.

11.17 No Agency, Partnership or Joint Venture. Neither MedAssets, the Participating Affiliates, nor Natividad shall, by entering into this Agreement, become liable for any of the existing obligations, liabilities or debts of the other Party. Neither MedAssets nor Natividad shall, by virtue of this Agreement, assume or become liable for any of the future obligations, debts or liabilities of the other Party. Nothing in this Agreement shall be construed as creating a partnership or joint venture between MedAssets and Natividad or between MedAssets and any Member of Natividad.



11.18 Non-solicitation. Each Party to this Agreement agrees not to recruit or hire any employee of the other Party, either as an employee or consultant, or recruit any such person for another company, while such person is employed or retained by the other Party and for a period of twelve (12) months after the employee leaves the employ of the other Party, or for a period of twelve (12) months after the termination or expiration of this Agreement, whichever period ends at the earlier date. The preceding sentence does not, however, prohibit either Party from: (i) soliciting employment by placement of general advertisements for employees in newspapers or other media of general circulation which are not specifically directed at the employees of the other Party (or any hiring resulting therefrom); (ii) soliciting persons identified through employment search firms that have not been specifically directed at the employees of the other Party (or any hiring resulting therefrom); or, (iii) soliciting or hiring any such person who contacts such Party on his or her own initiative without any prior solicitation (other than solicitations of the type contemplated by the preceding clauses).

11.19 Notices. Any notices or other communications required or permitted to be given under this Agreement shall be in writing and shall be delivered by personal delivery, overnight courier service, or registered or certified mail (return receipt requested, postage prepaid). Notices shall be deemed to have been given on the later of: (i) the date when personally delivered; (ii) the date which immediately follows the date of delivery to such overnight courier service; or, (iii) the date which is seven (7) days from the date of deposit in the United States Postal Service in the manner described above. Notices shall be addressed as indicated below, and either Party may change such address in accordance with this Section.

**If to: MedAssets Net Revenue Systems, LLC**  
280 South Mount Auburn Road  
Cape Girardeau, MO 63703  
**Attn: Corporate Contracting**

**If to: Natividad Medical Center/Monterey County**  
1441 Constitution Blvd  
Salinas, CA 93906  
**Attn: Sid Cato/ Management Analyst/Contracts**

11.20 Ownership. Natividad hereby grants to MedAssets, and any Participating Affiliate which executes a valid Statement of Work, a non-exclusive, fully-paid, royalty-free and irrevocable right and license to use, reproduce, display, modify, create derivative works and disclose in any manner (including the right to prepare and provide comparative pricing benchmarks) any data or information uploaded, provided, sent, transferred or otherwise transmitted by Natividad to MedAssets in connection with the Services (the "Natividad Data"); provided, however, that, other than in connection with the performance of the Services, MedAssets is prohibited from (and such right and license specifically excludes) the right: (i) to disclose the Data other than on a non-identifying (anonymous) basis and (ii) to use or otherwise disclose any protected health information or any other personally identifiable information.

11.21 Publicity/Use of Marks. Natividad agrees that MedAssets may include Natividad in its listing of clients and may announce Natividad's selection of MedAssets in its marketing communications. Except as otherwise agreed to herein, neither Party shall: (i) use each other's trademarks or service marks; or, (ii) make any press release or other public disclosure regarding this Agreement or the transactions contemplated hereby without the other Party's express prior written consent, except as required under applicable law or by any governmental agency, in which case the Party required to make the press release or public disclosure shall use commercially reasonable efforts to obtain the approval of the other Party as to the form, nature and extent of the press release or public disclosure prior to issuing the press release or making the public disclosure.

11.22 Severability. In the event that any provision of this Agreement shall be held to be illegal, or otherwise unenforceable, such provision shall be severed and the entire Agreement shall not fail on account thereof and the balance of the Agreement shall continue in full force and effect; provided, however, that if the severing of such provision results in a material alteration of this Agreement, the remaining provisions of this Agreement shall be adjusted equitably so that no Party benefits disproportionately.

11.23 Software Maintenance. If applicable, MedAssets shall use its commercially reasonable efforts to correct Errors (as defined below) in the Modules which are reported in writing or via email by Natividad by issuing either: (a) correction information, such as correction or corrected documentation, if the Error is reasonably classified by MedAssets as an error in the documentation; or, (b) maintenance modifications, if the error resides in the operation of the code of the Module itself. As used herein, a "Maintenance Modification" to the Modules means a revision or modification thereto which provides Error correction or which otherwise is intended to remedy the reported and verifiable non-conformity of the Modules with its applicable specifications. Any modifications to the Modules that may be proposed by Natividad are subject to agreement on the terms and specifics of the work product, and MedAssets shall be under no obligation to make any requested modifications. "Error" shall mean a verifiable programming error, logic error, or "bug" within a Module, or other defect in a Module that causes it to operate incorrectly or otherwise not in conformity with its applicable specifications.

11.24 Successors and Assigns; Assignment. MedAssets shall not assign this Agreement without Natividad's consent, except that it may freely assign it to MedAssets, Inc. as the parent entity, or any other subsidiary of MedAssets, Inc., or as part of a change of control transaction. Natividad shall not assign this Agreement without MedAssets' consent

DN PREVIOUS PAGE gm

correction or which otherwise is intended to remedy the reported and verifiable non-conformity of the Modules with its applicable specifications. Any modifications to the Modules that may be proposed by Natividad are subject to agreement on the terms and specifics of the work product, and MedAssets shall be under no obligation to make any requested modifications. "Error" shall mean a verifiable programming error, logic error, or "bug" within a Module, or other defect in a Module that causes it to operate incorrectly or otherwise not in conformity with its applicable specifications.

11.24 ~~Successors and Assigns; Assignment.~~ MedAssets shall not assign this Agreement without Natividad's consent, except that it may freely assign it to MedAssets, Inc. as the parent entity, or any other subsidiary of MedAssets, Inc., or as part of a change of control transaction. Natividad shall not assign this Agreement without MedAssets' consent


11.25 Survival. The provisions of Sections 6, 8, 9, 11.10, and 11.15 hereof shall survive the termination or expiration of this Agreement. Additionally, undisputed obligations to pay for goods or services provided prior to the expiration or termination of this Agreement, or expiration or termination of an SOW, shall survive and be payable within thirty (30) days of the effective date of such expiration or termination.


11.26 Waiver. No waiver of any breach of any provision of this Agreement shall constitute a waiver of any breach of the same or any other provision hereof, and no waiver shall be effective unless made in writing and signed by an authorized representative of the waiving Party.

IN WITNESS WHEREOF, the parties have executed this Agreement through their duly authorized representatives as of the Effective Date.

**MEDASSETS NET REVENUE SYSTEMS, LLC**  
On behalf of itself and the Participating Affiliates

**NATIVIDAD MEDICAL CENTER/MONTEREY COUNTY**  
On behalf of itself and its Facilities

  
\_\_\_\_\_  
Signature  
Jonathan H. Glenn  
\_\_\_\_\_  
Printed Name  
Vice President and Secretary  
\_\_\_\_\_  
Title  
May 31, 2011  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Signature  
Henry W. ...  
\_\_\_\_\_  
Printed Name  
CEO  
\_\_\_\_\_  
Title  
6/2/11  
\_\_\_\_\_  
Date

11.25 Survival. The provisions of Sections 6, 8, 9, 11.10, and 11.15 hereof shall survive the termination or expiration of this Agreement.

11.26 Waiver. No waiver of any breach of any provision of this Agreement shall constitute a waiver of any breach of the same or any other provision hereof, and no waiver shall be effective unless made in writing and signed by an authorized representative of the waiving Party.

IN WITNESS WHEREOF, the parties have executed this Agreement through their duly authorized representatives as of the Effective Date.

**MEDASSETS NET REVENUE SYSTEMS, LLC**  
On behalf of itself and the Participating Affiliates

**NATIVIDAD MEDICAL CENTER/MONTEREY COUNTY**  
On behalf of itself and its Facilities

E-Signed: 10/21/2011 12:24:41 PM CST  
*Matthew T. Willaert*  
mwillaert@medassets.com  
IP: 50.82.92.133  
DocID: 2011021083645455

Matthew T. Willaert  
Printed Name  
SVP, Deputy General Counsel, MedAssets, Inc.  
Title  
10-21-11  
Date

*Jim L. Law*

Signature  
*Jim L. Law*  
Printed Name  
*CONTRACTS MANAGER*  
Title  
*10-27-11*  
Date

APPROVED AS TO FORM  
*Stan Jacobs*  
DEPUTY COUNTY COUNSEL  
COUNTY OF MONTEREY

Reviewed as to fiscal provisions  
*Stan Jacobs 10/26/11*  
Auditor-Controller  
County of Monterey

Exhibit A

# Request for Sales Tax Exemption Certificate

Pursuant to state law, all sales of tangible personal property or taxable services are presumed to be subject to tax unless a properly completed Exemption Certificate or a Direct Pay Permit is provided.

Facility Name: <b>NATIVIDAD MEDICAL CENTER</b>			
Facility Street Address: <b>1441 CONSTITUTION BLVD</b>			
P.O. Box:	City: <b>SALINAS</b>	State: <b>CA.</b>	ZIP Code: <b>93406</b>

- My facility is not exempt from sales tax. (Sales Tax will be applied to purchases where applicable.)  
 My facility has a Direct Pay Permit. Please provide the direct pay permit to one of the addresses below.

**OR:**

- I claim an exemption for the following reason (Check applicable box or boxes):

**PURCHASE FOR RESALE:**

- Purchase of tangible personal property or taxable services for resale or for use in performing taxable services where such property becomes a component part of the property upon which the services are performed and will be actually transferred to the purchasers.

**TAX EXEMPT ORGANIZATIONS:**

- GOVERNMENT** -- Purchases by governmental agencies and institutions of (1) the United States; (2) the State (including local governments); and (3) other instrumentality of the state (i.e. hospital districts) which are exempted from sales tax. An exemption certificate from the state is required.
- NONPROFIT ORGANIZATIONS** -- Purchases by a corporation or organization which has a current registration certificate and which is exempt from federal income taxes under section 501(c)(3) or (c)(4) of the Internal Revenue Code. An exemption certificate from the state is required.

I declare that the information above on my sales tax exemption status is true to the best of my knowledge and belief.

*Jim (LAW)*

*JIM LAW*

*6-1-11*

Signature of Authorized Party

Print Name

Date

Please forward your valid Exemption Certificate and/or Direct Pay Permit to MedAssets via:

E-mail: [Exemptioncert@medassets.com](mailto:Exemptioncert@medassets.com)

Fax: (866) 493-3236

Mail: MedAssets Managed Tax Services  
c/o Taxcient, Inc.  
500 Sugar Mill Road  
Bldg A; Ste 150  
Atlanta, GA 30350

## EXHIBIT B BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement (the "BAA"), effective as of Effective Date (as defined below) (except as otherwise specified), is entered into by and between Natividad Medical Center/Monterey County, a California corporation located at 1441 Constitution Blvd, Salinas, CA 93906 ("Covered Entity"), and MedAssets Net Revenue Systems, LLC, a Delaware limited liability company located at 200 North Point Center East, Suite 400, Alpharetta, GA 30022 ("Business Associate") (Covered Entity and Business Associate are each a "Party" and collectively the "Parties").

WHEREAS, the parties hereto have entered into an services agreement between each other, and may enter into additional agreements in the future (each, an "Agreement"), under which, Business Associate shall perform or assist in performing certain functions or activities on behalf of Covered Entity that involve the use or disclosure of Protected Health Information ("PHI"), as defined in 45 C.F.R. § 164.501;

WHEREAS, in furtherance of the Agreements, Covered Entity wishes to disclose PHI to Business Associate pursuant to the terms of this BAA;

WHEREAS, the parties desire to impose certain requirements regarding the use and disclosure of PHI received by Business Associate under the Agreement as a result of services performed after the Effective Date, as required by the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and Section 13400 *et seq.* of the Health Information Technology for Economic and Clinical Health Act (as applicable) (and its implementing regulations including those at 45 C.F.R. Part 164, Subpart D) (collectively, the "HITECH Act"), and the Standard for Privacy of Individually Identifiable Health Information (codified at 45 C.F.R. Parts 160 and 164, subparts A and E) (the "Privacy Rule"), and the Security Standards for the Protection of Electronic Protected Health Information (codified at 45 C.F.R. Part 164, subparts A and C) (the "Security Rule") promulgated thereunder;

WHEREAS, Covered Entity is a Covered Entity under HIPAA; and

WHEREAS, Business Associate, as recipient of PHI from Covered Entity, may be deemed a Business Associate of Covered Entity under HIPAA.

NOW, THEREFORE, in consideration of the foregoing and the covenants herein contained, the Parties hereto agree as follows:

**1. Definitions.** Capitalized terms used in this BAA, but not otherwise defined, shall have the meaning given them in the Privacy Rule, the Security Rule, and the HITECH Act.

**2. Scope.** Covered Entity may disclose PHI to Business Associate for the limited purpose of carrying out the services described in the Statements of Work ("SOWs") attached to an Agreement, and Business Associate's use and disclosure of such PHI, including by its employees, agents, and subcontractors, shall be subject to the terms and conditions contained in this BAA. The use or disclosure of PHI by Business Associate (including, without limitation, its employees, agents, and subcontractors) is limited to the same extent that Covered Entity's use or disclosure is limited by HIPAA as a Covered Entity.

**3. Use and Disclosure of PHI.** Business Associate shall use or disclose the PHI only in a manner permitted or required by this BAA and the Agreement. Furthermore, Business Associate shall not use or disclose PHI in a manner that would violate HIPAA if it were so used or disclosed by Covered Entity. Business Associate shall not disclose any PHI, except for those disclosures required by law, to any third party without the prior written permission of Covered Entity. Notwithstanding the requirements of this Section 3, Business Associate shall be permitted to disclose PHI without the prior written permission of Covered Entity to Business Associate's employees, agents, and contractors whose assigned duties reasonably require such disclosure and use, and then only to the extent necessary to enable such employees, agents, and contractors to reasonably perform their assigned duties consistent with this BAA, the Agreement (including attached SOWs) pursuant to which services are being performed. The Parties shall make reasonable efforts to limit use and disclosure of PHI to the minimum necessary to accomplish the intended purpose of the use or disclosure of such PHI.

**4. Use for Management and Administration.** Except as otherwise limited in this BAA, Business Associate may, consistent with the Privacy Rule, use PHI if necessary (i) for the proper management and administration of the Business Associate, or (ii) to carry out the legal responsibilities of the Business Associate.

**5. Disclosure for Management and Administration.** Except as otherwise limited in this BAA, Business Associate may, consistent with the Privacy Rule, disclose PHI for the proper management and administration of the Business Associate, provided that (i) the disclosures are Required By Law, or (ii) Business Associate obtains reasonable assurances from the person to whom the information is disclosed ("Person") that it will remain confidential and be used or further disclosed only as

Required By Law or for the purpose for which it was disclosed to the Person, and the Person notifies the Business Associate in writing of any instances of which it becomes aware in which the confidentiality of the information has been breached.

**6. Data Aggregation.** Except as otherwise limited in this BAA, Business Associate may use PHI to provide Data Aggregation services to Covered Entity as permitted by the Privacy Rule.

**7. De-Identification.** Business Associate may de-identify PHI received from Covered Entity, consistent with the Privacy Rule's standards for de-identification.

**8. Reporting Violations.** Business Associate may use PHI to report violations of law to appropriate Federal and State authorities, consistent with the Privacy Rule. Business Associate shall give Covered Entity the maximum practical advance notice of such disclosure and to request confidential treatment of such disclosure from the recipient thereof as may be afforded by law.

**9. Unauthorized Use or Disclosure.** Business Associate shall report promptly to Covered Entity and take reasonable steps to determine, any use or disclosure of the PHI by Business Associate, including, without limitation, by its employees, agents, and subcontractors, which is not provided for or permitted in the Agreement or this BAA of which Business Associate become aware. Business Associate shall mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate in violation of the requirements of this BAA.

**10. Security Rule Compliance and Security Breach Notification.** With regard to the use or disclosure of Electronic Protected Health Information ("E PHI"), Business Associate shall:

(a) Implement Administrative, Physical, and Technical Safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the E PHI that it creates, receives, maintains, or transmits on behalf of Covered Entity, and use appropriate safeguards to prevent the use or disclosure of PHI other than as provided for by the Agreement. In addition, as of February 17, 2010, Business Associate shall comply with its direct legal obligations under the HITECH Act, as applicable, including 45 C.F.R. §§ 164.308, 164.310, 164.312 and 164.316.

(b) Report to Covered Entity any use or disclosure of E PHI not provided for by the Agreement of which Business Associate becomes aware, and notify Covered Entity of any Security Incident of which it becomes aware. In addition, as of February 22, 2010, per Section 13402 of the HITECH Act, to the extent Business Associate accesses, maintains, retains, modifies, records, stores, destroys, or otherwise holds, uses or discloses unsecured PHI, it will, following the discovery of a Breach of such information, notify Covered Entity of such Breach. Such notice will include, to the extent possible, the identification of each individual whose Unsecured PHI has been, or is reasonably believed by Business Associate to have been accessed, acquired, or disclosed during such Breach. Business Associate will also provide to Covered Entity other available information that the Covered Entity is required to include in its notification to the individual.

**11. Term and Termination.**

(a) Term. This BAA shall be effective as of the Effective Date of the Agreement (except as otherwise specified) and shall expire on the date the Agreement, or any renewal or amendment thereto, whichever is later, terminates or expires, unless earlier terminated by the Parties.

(b) Termination for Cause. Upon Covered Entity's knowledge of a material breach of the terms of this BAA by Business Associate, Covered Entity shall:

- (1) Provide an opportunity for Business Associate to cure, and, if Business Associate does not cure the breach within 45 days, Covered Entity may immediately terminate this BAA and the Agreement;
- (2) Immediately terminate this BAA and the Agreement if Covered Entity has determined that (i) Business Associate has breached a material term of this Addendum, and (ii) cure is not possible; or
- (3) Shall report the violation to the Secretary if Covered Entity determines that neither termination nor cure is feasible.

(c) Effect of Termination.

- (1) Except as provided below in Section 11(c)(2) of this BAA, upon termination of this BAA, for any reason, Business Associate shall return or destroy all PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall apply to PHI that is in the possession

of subcontractors or agents of Business Associate and Business Associate is obligated to ensure that such PHI is returned or destroyed consistent with this BAA. Business Associate and its subcontractors or agents shall retain no copies of the PHI.

- (2) Where Business Associate asserts that returning or destroying the PHI is infeasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction infeasible. Upon Business Associate's good faith representations that return or destruction of PHI is infeasible, Business Associate shall extend the protections of this BAA to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI.

**12. Access to Internal Practices, Books and Records.** To the extent required by HIPAA, Business Associate shall, upon proper request, allow the United States Department of Health and Human Services, and its duly authorized representatives, access to its internal practices and all agreements, books, documents, and records relating to the use and disclosure of PHI necessary to verify compliance with this BAA and HIPAA. If Business Associate carries out any of its duties under the Agreement through an agreement between Business Associate and an individual or organization related to Business Associate, then Business Associate shall require that a clause be included in such agreement to the effect that the related organization will make available, upon written request of the Secretary of Health and Human Services, or any other duly authorized representatives, all agreements, books, documents, and records and internal practices of said related organization that are necessary to verify compliance with this BAA and HIPAA.

**13. Subcontractors.** Business Associate shall require that any agent, including a subcontractor, to whom it provides PHI received from, or created on behalf of Covered Entity agrees in writing to the same restrictions and conditions that apply to Business Associate's use and disclosure of PHI pursuant to this BAA.

**14. Access to PHI.** Business Associate knows and understands that an individual has a right of access to, which includes a right to inspect and obtain a copy of, his or her PHI in a Designated Record Set and shall cooperate fully and timely with Covered Entity, as required by HIPAA, in responding to any request made by any subject of such PHI to Covered Entity to inspect and/or copy such PHI in Business Associate's possession.

**15. Amendments and Corrections.** To the extent Business Associate has PHI in a Designated Record Set and to the extent applicable; Business Associate agrees to make PHI in a Designated Record Set available to Covered Entity for purposes of amendment.

**16. Effect on Agreement.** Except as specifically required to implement the purpose of this BAA or to the extent inconsistent with this BAA, all other terms of the Agreement shall remain in full force and effect.

**17. Construction.** This BAA shall be construed as broadly as necessary to implement and comply with HIPAA. Any ambiguity in this BAA shall be resolved in favor of a meaning that complies with and is consistent with HIPAA.

**18. Amendment of BAA.** The Parties agree to take such action as is necessary to amend this BAA from time to time in order for Covered Entity and Business Associate to comply with the requirements of the Privacy and Security Rules. Specifically, the Parties agree to negotiate in good faith any changes or modifications to this BAA as proposed or requested by either Party as may be necessary for Covered Entity to comply with obligations to its customers or patients, the Privacy and Security Rules, and the requirements of the HITECH Act.

**SOW 1  
CDM MANAGER / KNOWLEDGESOURCE / REVENUE DASHBOARD**

THE UNDERSIGNED PARTIES ACKNOWLEDGE AND AGREE THAT THIS SOW IS MADE PART OF THE MASTER AGREEMENT BETWEEN NATIVIDAD MEDICAL CENTER AND MEDASSETS NET REVENUE SYSTEMS, LLC DATED AS OF THE 1st DAY OF December 2011 (THE "AGREEMENT").

**1. Term and Termination.**

1.1 SOW Term. The services provided under this SOW (the "SOW 1 Services") shall commence upon July 1, 2011 and continue until June 30, 2012 unless either Party gives written notice to the other Party, to terminate a particular Module at least ninety (90) days. Such notice shall serve as representation of Covered Facility's desire not to renew that particular Module and such notice shall not be applied to other Modules unless Covered Facility so indicates.

1.2 SOW Termination. In the event Covered Facility or MedAssets breaches any material provision of this SOW, the non-breaching Party shall provide written notice of such breach to the other Party. If, within sixty (60) days after receiving written notice, the breaching Party has failed to cure the breach, the non-breaching Party may, in its sole discretion, terminate this SOW by providing a letter of termination to the breaching Party which shall specify the exact date of termination.

2. **Covered Facilities.** Individual sites covered by this SOW (each a "Covered Facility" for the purposes of this SOW) are listed below. Each site must be listed individually (i.e. multiple sites shall not be grouped under a common name) and shall only have access to the Modules set forth on the table provided in Section 4 below. MedAssets shall have no obligation to implement any site not specifically listed below.

COVERED FACILITIES						
Facility ID	Facility Name	Facility City, State	Staffed Beds	CDM Items w/ Usage	MIF Items	Patient Accounting System
34838	Natividad Medical Center	Salinas, CA	172	10,000 or less	N/A	Meditech

3. **Definitions.** The following definitions are in addition to those contained in the Agreement and shall pertain to the SOW 1 Services:

Module Start Date shall mean the latest of either the (i) Go Live Date, (ii) Effective Date, (iii) Specified Date, or (iv) Specified Event.

**4. Fees, Payment Terms and Expenses.**

4.1 Fees. The fees for the SOW 1 Services (the "Fees") shall be as detailed below.

4.1.1 CDM Manger. CDM Manager Fee Details:

Facility Name	Initial Setup Fee	Annual Subscription Fee	Initial SOW Term	Base Number of Users	Additional Annual Fee per User	New Product (N) Renewal (R) Product Conversion (C) Version Upgrade (U)	Module Start Date
Natividad Medical Center	N/A	\$23,000	12 Months	50	\$100	R	July 1, 2011

4.1.2 KnowledgeSource. KnowledgeSource Fee Details:

Facility Name	Initial Setup Fee	Annual Subscription Fee	Initial SOW Term	Base Number of Users	Additional Annual Fee per User	Number of Monthly Coach Questions	New Product (N) Renewal (R) Product Conversion (C) Version Upgrade (U)	Module Start Date
Natividad Medical Center	N/A	\$7,500	12 Months	50	\$100	4	R	July 1, 2011

4.1.4 Revenue Dashboard. Revenue Dashboard Fee Details:



Facility Name	Initial Setup Fee	Annual Subscription Fee	Initial SOW Term	Base Number of Users	Additional Annual Fee per User	New Product (N) Renewal (R) Product Conversion (C) Version Upgrade (U)	Module Start Date
Natividad Medical Center	N/A	Included with CDM Manager and KnowledgeSource Fees	12 Months	N/A	N/A	R	July 1, 2011

4.2 Subscription Fee. MedAssets shall submit to the Contract Administrator an invoice on a form acceptable to NMC. If not otherwise specified, MedAssets may submit such invoice periodically or at the completion of services, but in any event, not later than thirty (30) days after completion of services. The invoice shall set forth the amounts claimed by MedAssets for the previous period, together with an itemized basis for Administrator or his or her designee shall certify the invoice, either in the requested amount or in such other amount as NMC approves in conformity with this Agreement, and shall promptly submit such invoice to the County Auditor-Controller for payment. The County Auditor-Controller shall pay the amount certified within thirty (30) days of receiving the certified invoice.

4.3 Conversion Time and Material Billing. In the event any work related to the conversion from a Covered Facility Patient Accounting System ("PAS") to another PAS is not covered by this SOW, the terms of such conversion shall be set forth in a separate SOW entered into by the Parties hereto.

## 5. Description, Deliverables and Obligations of the Parties.

### 5.1 CDM Manager Services.

5.1.1 CDM Manager Subscription. CDM Manager subscription shall include:

- (i) Reports -- coding, compliance, pricing, opportunity and maintenance templates identifying specific exceptions or possible opportunities available for ad hoc reporting;
- (ii) Integrated Access to Knowledge -- detailed coded and reimbursement information accessible from multiple areas of the product;
- (ii) Request Manager -- change request management and approval system;
- (iii) Audit History -- documentation of changes made to the chargemaster in CDM Manager;
- (iv) MedAssets Best Practice Models -- best practice models containing typical HCPCS and non HCPCS line items by department;
- (v) MedAssets Best Practice Catalog -- a comprehensive reference index of common chargemaster items with standardized descriptions;
- (vi) CDM Informants@ -- E-mail synopsis of CMS program Transmittals and other official publications referencing HCPCS codes in the hospital's chargemaster; and,
- (i) MedAssets training on demand, an online supplemental training library. Product and topic content vary from time to time; no guarantee if specific product or topic is made.

5.1.2 CDM Manager Training. CDM Manager training is web-based training conducted as follows:

- (i) Two (2) one-hour web-based sessions for Admin Center for up to fifty (50) students per session;
- (ii) One (1) two-hour web-based session for administrator reports for up to fifty (50) students per session;
- (iii) Two (2) two-hour web-based sessions for user reports for up to fifty (50) students per session;
- (iv) One (1) two-hour web-based session for administrators conducted for up to fifty (50) students per session; and,
- (v) Three (3) two-hour web-based sessions for users conducted for up to fifty (50) students per session.

Training sessions and attendance maximums are for all Covered Facilities combined. Covered Facility shall cover all travel expenses related to training for up to two (2) MedAssets associates. Multiple facilities may combine attendance provided maximum attendance is not exceeded. Students in excess of the maximum or additional training sessions may be added at the prevailing rates.

Training requirements for web-based sessions. Covered Facility shall provide appropriate training tools for web-based training. Such tools shall include, but not be limited to, the following:

- (i) Computers tested for website connectivity;
- (ii) Computers have hosted, web-training delivery service installed; and,

- (iii) Computers have minimum system requirements.

## 5.2 KnowledgeSource Services.

5.2.1 KnowledgeSource Description: KnowledgeSource provides a single and complete reference tool of current medical coding, compliance and payment information. In addition, it delivers continuous updates and timely e-mail notifications or Informants, advising of regulatory changes when they occur.

5.2.2 KnowledgeSource Subscription. KnowledgeSource subscription shall include:

- (i) CodeBase -- searchable databases to include CPT®/HCPCS, ICD-9-CM diagnosis codes, ICD-9-CM procedure codes, DRG/MDC Codes, modifiers, morphology codes, APCs, ASCs, revenue codes, pharmaceuticals device/product information;
- (ii) KnowledgeBase -- online access to resources including policy manuals, coding guidelines, Medicare bulletins, carrier manuals, transmittals, program memorandums, CMS and Medicare manuals and OIG publications;
- (iii) CodeCheck -- checks for code validity, medical necessity, and compliance based on correct coding initiatives and LCD and NCD policies;
- (iv) Coach® -- searchable database of questions and responses with access to certified specialists for personalized responses to complex coding questions;
- (v) Informants® -- targeted, actionable e-mail synopsis of CMS outpatient regulatory/reimbursement changes; and,
- (vi) MedAssets training on demand, an online supplemental training library. Product and topic content vary from time to time; no guarantee if specific product or topic is made.

5.2.3 KnowledgeSource Training. KnowledgeSource training is web-based and is conducted as follows:

- (i) Two (2) one-hour web-based sessions for Admin Center for up to fifty (50) students per session; and,
- (ii) One (1) two-hour web-based end-user session for up to fifty (50) students per session.

Training sessions and attendance maximums are for all Covered Facilities combined. Covered Facility shall cover all travel expenses related to training for up to two (2) MedAssets associates. Multiple facilities may combine attendance provided maximum attendance is not exceeded. Students in excess of the maximum or additional training sessions may be added at the prevailing rates.

Training requirements for web-based sessions. Covered Facility shall provide appropriate training tools for web-based training. Such tools shall include, but not be limited to, the following:

- (i) Computers tested for website connectivity;
- (ii) Computers have hosted, web-training delivery service installed; and
- (iii) Computers have minimum system requirements.

## 5.3 Revenue Dashboard Services.

5.3.1 Revenue Dashboard. Revenue Dashboard shall include:

- (i) Cost Analysis -- Broken down by cost center, APC, usage, reimbursement, average cost, cost variance, APC reimbursement verses cost;
- (ii) Physician Analysis -- APC cost analysis by physician, reimbursement, usage;
- (iii) ICD-9 -- Cost analysis by procedural ICD-9 group and cost center;
- (iv) Reports -- Claim search, code pair reports;
- (v) Admin -- Claims processing log, validate number of Medicare outpatient claims in product; and,
- (vi) MedAssets training on demand, an online supplemental training library. Product and topic content vary from time to time; no guarantee if specific product or topic is made.

5.3.2 Revenue Dashboard Training. Revenue Dashboard training is web-based and is conducted as follows:

- (i) Two (2) one-hour web-based sessions for admin center for up to fifty (50) students per session;
- (ii) One (1) one-hour web-based administrator session for up to fifty (50) students per session; and,
- (iii) One (1) one-hour web-based end-user session for up to fifty (50) students per session.

Training sessions and attendance maximums are for all Covered Facilities combined. Covered Facility shall cover all travel expenses related to training for up to two (2) MedAssets associates. Multiple facilities may combine attendance provided maximum attendance is not exceeded. Students in excess of the maximum or additional training sessions may be added at the prevailing rates.

Training requirements for web-based sessions. Covered Facility shall provide appropriate training tools for web-based training. Such tools shall include, but not be limited to, the following:

- (i) Computers tested for website connectivity;
- (ii) Computers have hosted, web-training delivery service installed; and,
- (iii) Computers have minimum system requirements.

5.7 Email, Telephone and Onsite Support. MedAssets shall provide reasonable email and phone support for Error corrections to Covered Facility regarding the operation of the Modules, during normal business hours, which are Monday through Friday, 7:00 a.m. – 7:00 p.m. EST.

6. **Exhibits.** The following exhibits are attached thereto and are to be considered an integral part hereof and are incorporated into this SOW by reference:

Attachment 1: Hardware Requirements

## ATTACHMENT 1: HARDWARE REQUIREMENTS

**Note:** These requirements are what MedAssets consider to be necessary to ensure optimal performance. Using a lower configuration could result in slow or erratic performance and is not recommended. The versions listed here are good at the time of implementation and may be updated periodically as new ones are released.

### 1. Recommended Hardware Requirements

- CPU speeds of 1.5 GHz or higher
- Memory of 2GB RAM or higher
- Monitor resolution of SVGA 1024x768, 256 colors or higher
- Disk space of 600MB or higher

### 2. Recommended Software Requirements

- XP SP3, XP Pro, Vista SP1, Win7
- Microsoft Internet Explorer 6.0 SP1\*\* or greater, 128 bit encryption
- MS .NET Framework 3.5SP1 Redistributable for some applications (see below)
- Other Third Party Applications:
  - Adobe Reader 6 or higher
  - MSOffice 2003 or higher
- Miscellaneous:
  - Public Internet access, broadband speeds or higher

*\*\*MedAssets strongly recommends all Covered Facilities use Internet Explorer 7. MedAssets will begin phasing out support for IE6 in 2011 which coincides with Microsoft's end of support.*



# CERTIFICATE OF LIABILITY INSURANCE

DATE(MM/DD/YYYY)  
10/31/2011

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Aon Risk Services South, Inc. Atlanta GA Office 3565 Piedmont Rd NE, Bldg1, #700 Atlanta GA 30305 USA	<b>CONTACT NAME:</b> <b>PHONE (A/C. No. Ext):</b> (866) 283-7122 <b>FAX (A/C. No.):</b> (847) 953-5390		
	<b>E-MAIL ADDRESS:</b>		
<b>INSURED</b> MedAssets, Inc. 200 North Point Center East Suite 600 Alpharetta GA 30022 USA	<b>INSURER(S) AFFORDING COVERAGE</b>		<b>NAIC #</b>
	<b>INSURER A:</b> OneBeacon Insurance Company		21970
	<b>INSURER B:</b> The Employers' Fire Insurance Company		20648
	<b>INSURER C:</b> OneBeacon America Insurance Company		20621
	<b>INSURER D:</b>		
	<b>INSURER E:</b>		

**COVERAGES**      **CERTIFICATE NUMBER:** 570044259444      **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS. **Limits shown are as requested**

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
C	<b>GENERAL LIABILITY</b> <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC			711-01-28-96-0000	11/01/2011	11/01/2012	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$1,000,000 MED EXP (Any one person) \$10,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMP/OP AGG \$2,000,000
C	<b>AUTOMOBILE LIABILITY</b> <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS			711-01-28-96-0000	11/01/2011	11/01/2012	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)
C	<input checked="" type="checkbox"/> <b>UMBRELLA LIAB</b> <input type="checkbox"/> OCCUR <input type="checkbox"/> <b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input type="checkbox"/> RETENTION			711-01-28-96-0000	11/01/2011	11/01/2012	EACH OCCURRENCE \$5,000,000 AGGREGATE \$5,000,000
A	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR / PARTNER / EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below			4060380420000 AOS 4060380410000 RI Only	11/01/2011	11/01/2012	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE-EA EMPLOYEE \$1,000,000 E.L. DISEASE-POLICY LIMIT \$1,000,000
B	Y/N <input checked="" type="checkbox"/> N    N/A						

**DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)**  
 Natividad Medical Center & The County of Monterey its officers, agents and employees are added as an Additional Insured for General Liability as required by written contract but limited to the operations of the Insured under said contract, and always subject to the policy terms, conditions and exclusions.

<b>CERTIFICATE HOLDER</b>  Natividad Medical Center & The County of Monterey its officers, agents and employees 1441 Constitution Blvd. Salinas CA 93906 USA	<b>CANCELLATION</b> SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  <b>AUTHORIZED REPRESENTATIVE</b>  <i>Aon Risk Services South, Inc.</i>
--	---

Holder Identifier :

Certificate No : 570044259444



applies. But we won't be the principal under any such bond. Nor do we have to furnish any appeal bond.

- All postjudgment interest that accumulates on the full amount of the judgment. But only from the date of the judgment to the date we pay, or deposit in court, the limit of coverage that applies to the judgment.

These payments are in addition to the limits of coverage. However, the results of an appeal won't change the limits of coverage that apply under this agreement.

### When This Agreement Covers

#### **Bodily injury and property damage liability.**

We'll apply this agreement to claims or suits for covered bodily injury or property damage whenever they're made or brought.

**Personal injury liability.** We'll apply this agreement to claims or suits for covered personal injury whenever they're made or brought.

**Advertising injury liability.** We'll apply this agreement to claims or suits for covered advertising injury whenever they're made or brought.

**Medical expenses.** We'll apply this agreement to covered medical expenses only when they're reported to us within three years of the beginning date of the event.

### Where This Agreement Covers

We'll apply, and make payments under, this agreement:

- only in the coverage territory; and
- only for covered injury or damage that's caused by events that happen, or offenses that are committed, there.

However, we'll also apply, and make payments under, this agreement in the coverage territory for covered injury or damage that's caused by events which happen, or offenses which are committed, in the rest of the world if the protected person's liability for such injury or damage is determined in a suit on the merits in the coverage territory, or in a settlement agreed to by us, and:

- the events or offenses result from the activities of a person whose home is in

the coverage territory, but is away from there for a short time on your business;

- the events result from your products that are made or sold by you in the coverage territory; or
- the offenses are committed in or with any electronic means of communication, such as the Internet.

For example:

*You manufacture a product in the coverage territory. It is exported to Norway. A few months later a Norwegian citizen is allegedly injured while using that product and, as a result, sues you. If the suit is brought against you in the coverage territory, and it seeks damages for bodily injury covered by this agreement, we'll have the duty to defend you against the suit and pay covered damages awarded in a judgment against you. However, if the suit is brought against you in Norway, or anywhere else outside of the coverage territory, we won't have a duty to defend you there. Also, we won't have a duty to pay a judgment awarded by a court there, even if the judgment is later recognized and enforced by a court in the coverage territory.*

*Coverage territory means:*

- the United States of America, including its territories and possessions;
- Puerto Rico;
- Canada; and
- international waters or airspace only during travel or transportation between any of the above places.

We explain the term your products in the Products and completed work total limit section.

### Who Is Protected Under This Agreement

**Individual.** If you are shown in the Introduction as a named insured and an individual, you and your spouse are protected persons only for the conduct of a business of which you are the sole owner.

**Partnership or joint venture.** If you are shown in the Introduction as a named insured and a partnership or a joint venture, you are a protected person. Your partners or co-venturers, and their spouses, are protected

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persons only for the conduct of your business.

**Limited liability company.** If you are shown in the Introduction as a named insured and a limited liability company, you are a protected person. Your members are protected persons only for the conduct of your business. And your managers are protected persons only for their duties as your managers.

**Corporation or other organization.** If you are shown in the Introduction as a named insured and a corporation or an other organization, you are a protected person. Your directors and executive officers are protected persons only for the conduct of their duties as your directors or executive officers. And your stockholders are protected persons only for their liability as your stockholders.

**Other organization** means an organization other than a corporation, partnership, joint venture, or limited liability company.

**Executive officer** means any person holding an officer position created by the charter, constitution, or by-laws, or any other similar governing document, of a corporation or other organization.

**Employees and volunteer workers.** Your employees are protected persons only for:

- work done within the scope of their employment by you; or
- their performance of duties related to the conduct of your business.

And your volunteer workers are protected persons only for activities or work they conduct or perform:

- at your direction; and
- within the scope of their duties for you.

However, no employee or volunteer worker is a protected person for bodily injury or personal injury to:

- you;
- any of your partners or co-venturers if you are a partnership or joint venture;
- any of your members or managers if you are a limited liability company;
- any fellow employee;
- any fellow volunteer worker or any of your employees; or
- the spouse, or any child, parent, brother, or sister, of that employee or volunteer

worker if such injury results from the bodily injury or personal injury to such fellow employee or volunteer worker.

Nor is any employee or volunteer worker a protected person for:

- any obligation to share damages with or repay someone else who must pay damages because of such bodily injury or personal injury; or
- bodily injury or personal injury that results from his or her performance of or failure to perform health care professional services.

Also, no employee or volunteer worker is a protected person for property damage to property that's controlled by:

- you;
- any of your partners or co-venturers if you are a partnership or joint venture;
- any of your members or managers if you are a limited liability company;
- that employee or any fellow employee; or
- that volunteer worker, any fellow volunteer worker, or any of your employees.

But we won't apply the exclusions in this Employees and volunteer workers section to:

- bodily injury that results from the providing of or failure to provide first aid by an employee or volunteer worker, other than an employed or volunteer doctor; or
- premises damage.

Nor will we apply the exclusions in this Employees and volunteer workers section to bodily injury or personal injury to:

- any fellow employee that results from work, other than the performance of or failure to perform health care professional services, by your employees who hold supervisory positions; or
- the spouse or any child, parent, brother, or sister of that fellow employee if such injury results from the bodily injury or personal injury to that fellow employee.

Also, we won't apply this Employees and volunteer workers section to the following protected persons:

- Your managers if you are a limited liability company. Instead, we'll apply the Limited liability company section to them.
- Your executive officers if you are a corporation or an other organization. Instead, we'll apply the Corporation or other organization section to them.

*Employee* includes a leased worker, other than a leased temporary worker.

*Leased worker* means any person who:

- is hired from an employee leasing firm under a contract or agreement between the hirer and that firm; and
- is performing duties related to the conduct of the hirer's business.

*Volunteer worker* means any person who:

- isn't an employee or a leased temporary worker;
- donates his or her work; and
- isn't paid a fee, salary, or other compensation for that work.

*Employee leasing firm* means any person or organization that hires out workers to others. It includes any:

- employment agency, contractor, or service;
- labor leasing firm; or
- temporary help service.

*Leased temporary worker* means a leased worker who is hired to:

- temporarily take the place of a permanent employee on leave; or
- meet seasonal or short-term workload conditions.

*Controlled by* means:

- owned, rented, leased, occupied, borrowed, or used by;
- in the care, custody, or control of; or
- being physically controlled for any purpose by.

*Health care professional services* includes:

- any dental, medical, mental, nursing, surgical, x-ray, or other health care professional service, including any advice, instruction, food, or beverage provided with such service;
- the dispensing of drugs or medical or dental supplies and appliances; and
- the handling or treatment of corpses, including autopsies, organ donations, and other postmortem procedures.

We explain the term premises damage in the Each event limit section.

**Real estate managers.** Your real estate managers are protected persons only for their management of premises that you rent,

lease, or borrow from others, or own. They may be persons or organizations.

But we won't apply this Real estate managers section to your employees. Instead, we'll apply the Employees and volunteer workers section to them.

**Landlords.** Any landlord, lessor, manager, or owner of a premises rented or leased to you is a protected person only for the ownership, maintenance, or use of that premises while you rent or lease it.

However, no landlord, lessor, manager, or owner is a protected person for injury or damage that results from any of the following work while being done by or for such landlord, lessor, manager, or owner:

- Structural changes.
- New construction work.
- Demolition work.

But we won't apply this Landlords section to your real estate managers. Instead, we'll apply the Real estate managers section, or the Employees and volunteer workers section, whichever section is applicable, to them.

**Equipment lessors.** Any lessor or owner of equipment rented or leased to you is a protected person only for your operation, maintenance, or use of that equipment while you rent or lease it.

However, no equipment lessor or owner is a protected person for injury or damage that results from its sole negligence.

**Persons or organizations for your work as required by written contract.** Any person or organization that:

- is not otherwise a protected person under this agreement; and
- you specifically agree in a written contract to add as an additional protected person under this agreement;

is a protected person, but only for covered bodily injury or property damage that results from your work.

However, no such person or organization is a protected person for bodily injury or property damage that results from their sole negligence.



Also, such person or organization is a protected person, only for the lesser of:

- the limits of coverage required by the written contract; or
- the limits of coverage available under this agreement.

*Additional protected person* may also be called an additional insured in that written contract.

We explain the term your work in the Products and completed work total limit section.

**Vendors of your products.** Any vendor of your products is a protected person for covered bodily injury or property damage that results from your products, but only if:

- you specifically agree in a written contract to add the vendor as an additional protected person under this agreement;
- this agreement provides coverage for those products; and
- those products are sold or distributed in the normal course of the vendor's business.

However, no vendor from whom you've acquired your products is a protected person.

Nor is any vendor a protected person for bodily injury or property damage that results from:

- any express warranty which is made by the vendor and you haven't authorized;
- any change made in the condition of any of your products by the vendor;
- the repackaging of your products other than when the products are unpacked for demonstration, inspection, testing, or replacement of parts ordered by you or the manufacturer, and later repackaged in their original containers;
- any failure of the vendor to perform normal or agreed upon servicing of your products which the vendor has sold or distributed;
- the demonstration, installation, or servicing of your products, which is done away from the vendor's premises; or
- your products which have been labeled or relabeled, or used as an ingredient, part, or container in, on, or for anything else, by or for the vendor.

*Servicing* includes any adjustment, assembly, disposal, inspection, repair or test.

We explain the term your products in the Products and completed work total limit section.

**Operators of registered mobile equipment.** All operators of registered mobile equipment are protected persons for covered bodily injury or property damage that results from their driving of such equipment on a public street or road with your permission.

Any person or organization legally responsible for the driving conduct of those operators is also a protected person for such bodily injury or property damage. But only if there's no valid and collectible other insurance available to cover its liability for the operators.

However, no operator or any other person or organization is a protected person for:

- bodily injury to a fellow employee of the person driving the equipment; or
- property damage to property controlled by you or the employer of an operator who is a protected person.

*Registered mobile equipment* means mobile equipment that's registered in your name under a motor vehicle registration law.

We explain the terms:

- controlled by in the Employees and volunteer workers section;
- mobile equipment in the Mobile equipment exclusion; and
- other insurance in the Other Insurance section.

**Unnamed subsidiaries.** Any of your subsidiaries, other than a partnership, joint venture, or limited liability company, that isn't shown in the Introduction as a named insured is a protected person if you own more than 50% of it on the beginning date of this agreement.

However, no unnamed subsidiary is a protected person for:

- bodily injury or property damage that happened before you own more than 50% of it;
- personal injury or advertising injury that results from an offense that's committed before you own more than 50% of it; or
- injury or damage that's covered by other similar general liability insurance.



*Own more than 50% of* means own more than 50% of the outstanding voting securities representing the present right to vote for the election of directors of the organization.

**Newly acquired or formed organizations.** Any organization that you acquire or form while this agreement is in effect that isn't a partnership, joint venture, or limited liability company is a protected person if you own more than 50% of it.

However, no newly acquired or formed organization is a protected person for:

- more than the remainder of the time this agreement is in effect, beginning with the date that you acquired or formed it;
- bodily injury or property damage that happened before you acquired or formed it;
- personal injury or advertising injury that results from an offense committed before you acquired or formed it; or
- injury or damage that's covered by other similar general liability insurance.

**Separation of protected persons.** We'll apply this agreement separately to each protected person.

However, all protected persons share the limits of coverage shown in the Coverage Summary. We explain how in the Limits Of Coverage section.

Also, any right or duty specifically assigned to the first named insured remains unchanged. We explain those rights and duties in the General Rules, which is a part of your policy.

### Limits Of Coverage

The limits of coverage shown in the Coverage Summary and the information contained in this section fix the most we'll pay as damages and medical expenses, regardless of the number of:

- protected persons;
- claims made or suits brought; or
- persons or organizations making claims or bringing suits.

**General total limit.** This is the most we'll pay for the combined total of:

- all covered bodily injury and property damage that happens in a policy year;

- all covered personal injury that's caused by all personal injury offenses committed in a policy year;
- all covered advertising injury that's caused by all advertising injury offenses committed in a policy year; and
- all covered medical expenses that result from all events that happen in a policy year.

However, we won't apply this limit to bodily injury or property damage that results from your products or your completed work. Instead, we'll apply the products and completed work total limit to such bodily injury or property damage covered by this agreement.

*Policy year* means the policy period shown in the introduction, or the period of time that this agreement is in effect, whichever period is shorter. But when that period is longer than one year, policy year means each of the following periods of time that this agreement is in effect, starting with the beginning date of this agreement:

- Each consecutive one-year period.
- Any period that remains after the last consecutive one-year period.

However, if the original policy period shown in the introduction is extended for a period of less than one year, we'll consider each such extended period to be part of the last policy year, regardless of the number of extensions provided.

For example:

*Your original policy period is two years and nine months long. As a result, it has three policy years, each one separate from the other. The first is the first one-year period. The second is the next one-year period. And the third is the remaining nine-month period.*

*During the third policy year you request, and we provide, two separate extensions of the policy period: a three-month extension, and then a four-month extension. As a result, the third policy year becomes sixteen months long and is still subject to the same limits of coverage that applies when it was nine months long.*

We explain the products and completed work total limit, and the terms your products and your completed work, in the Products and completed work total limit section.

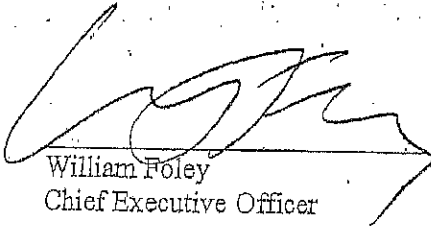
**EXHIBIT B**  
**INSURANCE JUSTIFICATION**

**Vendor/Contractor Name: Accuro Healthcare Solutions, Inc.**

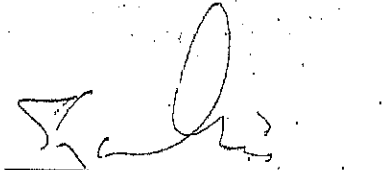
**Automobile Liability Insurance Endorsement**

**Business Justification:**

The vendor has provided evidence of Automobile Liability Insurance; however, the use of an automobile is not included in or necessary to the performance of the scope of services required by this Agreement. Therefore, the hospital does not foresee any potential liability risks associate with this justification.

  
\_\_\_\_\_  
William Foley  
Chief Executive Officer

Date: MAY 29 2008

  
\_\_\_\_\_  
Harry Weis  
Chief Financial Officer

Date: MAY 29 2008