

**AMENDMENT NO. 6
FOR PROFESSIONAL SERVICES AGREEMENT
BETWEEN Pharmedium Services AND
THE NATIVIDAD MEDICAL CENTER
FOR
Compounding Pharmaceutical Supplies and IV Solution Services**

The parties to Professional Services Agreement (“Agreement”), dated March 31, 2006 between the County of Monterey, on behalf of Natividad Medical Center (“NMC”), and Pharmedium Services (Contractor), hereby agree to amend their Agreement (No. A-10620) on the following terms and conditions:

WHEREAS, the County and Contractor wish to amend the Agreement to extend the term end date to allow for existing services to continue.

WHEREAS, the County and Contractor wish to amend the Agreement to increase the amount of the Agreement because of the term extension.

WHEREAS, the County and Contractor amended the Agreement previously on July 11, 2006 via Exhibit F Amendment, on July 1, 2007 via Amendment No. 1, on July 1, 2008 via Amendment No.2 on July 1, 2009 via Amendment No. 3, on July 1, 2010 via Amendment No. 4 and on July 1, 2011 via Amendment No. 5.

1. Contractor will continue to provide NMC with the same scope of services as stated in the original Agreement (No. A-10620).
2. Section 3 of the Agreement, as previously amended in Amendment No. 5, is amended to read: *“The total amount payable by County to Contractor under Agreement No. (A-10620) shall not exceed the total sum of \$440,000 for the full term of the Agreement.”*
3. Section 2 of the Agreement, as previously amended in Amendment No. 5, is amended to extend the term of the AGREEMENT through June 30, 2013.
4. All other terms and conditions of the Agreement shall continue in full force and effect. Except as provided herein, all remaining terms, conditions and provisions of the Agreement and Amendment Nos. 1, 2, 3, 4 and 5 are unchanged and unaffected by this Amendment and shall continue in full force and effect as set forth in the Agreement.
5. A copy of this Amendment and all previous amendments shall be attached to the original Agreement (No. A-10620).
6. The effective date of this Amendment is July 1, 2012.

IN WITNESS WHEREOF, the parties hereto are in agreement with this Amendment on the basis set forth in this document and have executed this Amendment on the day and year set forth herein.

CONTRACTOR

Signature 1 *[Handwritten Signature]* Dated 3/29/12
Printed Name Judith L. Stark Title _____
PharmEDium Sales Operations
Signature 2 _____ Dated _____
PharmEDium Services, LLC
Printed Name _____ Title _____

****INSTRUCTIONS: If CONTRACTOR is a corporation, including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers. If CONTRACTOR is a partnership, the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership. If CONTRACTOR is contracting in and individual capacity, the individual shall set forth the name of the business, if any and shall personally sign the Agreement.*

NATIVIDAD MEDICAL CENTER

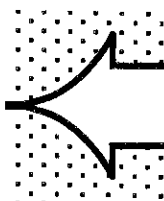
Signature _____ Dated _____
Purchasing Manager

Signature *[Handwritten Signature]* Dated 4-10-12
NMC - CEO for Harry Weiss

Approved as to Legality and Legal Form:
Charles J. McKee, County Counsel

By _____
Stacy Saetta, Deputy
Attorneys for County and NMC

Dated: _____, 2012



MONTEREY COUNTY BOARD OF SUPERVISORS

MEETING:	May 24, 2011	AGENDA NO.:
SUBJECT:	Authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute Amendment #5 to the Agreement with Pharmedium Services for Compounding Pharmaceutical Supplies and IV Solution Services at NMC in an amount not to exceed \$360,000 in the aggregate and \$60,000 for the period July 1, 2011 to June 30, 2012.	
DEPARTMENT:	Natividad Medical Center	

RECOMMENDATION:

It is recommended that the Board of Supervisors authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute Amendment #5 to the Agreement with Pharmedium Services for Compounding Pharmaceutical Supplies and IV Solution Services at NMC in an amount not to exceed \$360,000 in the aggregate and \$60,000 for the period July 1, 2011 to June 30, 2012.

SUMMARY/DISCUSSION:

NMC has had a Service Agreement with Pharmedium since November 15, 2005. The vendor provides compounding services for specific drug items that bear longer stability than if compounded onsite. NMC will need to continue the purchase of these same drugs in order to reduce the waste associated with onsite compounded products due to shorter stability. These compounded products meet the USP797 regulations for compounding and assists NMC with availability of product that can be stored for longer periods. The recommendation is to amend the current Agreement to provide an additional year of services.

OTHER AGENCY INVOLVEMENT:

The Amendment has been reviewed and approved by County Counsel, the Auditor/Controller's office and the Natividad Medical Center Board of Trustees.

FINANCING:

The cost for this Amendment is \$60,000 and is included in the 2011/2012 Fiscal Year Recommended Budget. This action will not require any additional General Fund subsidy.

Prepared by:
Nicole Gordon, Pharmacy Director 755-8617
April 5, 2011

Harry Weis
Chief Executive Officer

Attachments: Amendments #1, 2, 3, 4, 5, Original Agreement, Board Order

Before the Board of Supervisors in and for the
County of Monterey, State of California

Agreement No. A-10620

Authorize the Purchasing Manager for Natividad)
Medical Center (NMC) to execute Amendment #5 to)
the Agreement with Pharmedium Services for)
Compounding Pharmaceutical Supplies and IV)
Solution Services at NMC in an amount not to exceed)
\$360,000 in the aggregate and \$60,000 for the period)
July 1, 2011 to June 30, 2012.....)

Upon motion of Supervisor Potter, seconded by Supervisor Armenta, and carried by those
members present, the Board hereby;

Authorized the Purchasing Manager for Natividad Medical Center (NMC) to
execute Amendment #5 to the Agreement with Pharmedium Services for
Compounding Pharmaceutical Supplies and IV Solution Services at NMC in an
amount not to exceed \$360,000 in the aggregate and \$60,000 for the period July
1, 2011 to June 30, 2012.

PASSED AND ADOPTED on this 24th day of May, 2011, by the following vote, to wit:

AYES: Supervisors Armenta, Calcagno, Salinas, Parker, and Potter

NOES: None

ABSENT: None

I, Gail T. Borkowski, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby
certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the
minutes thereof of Minute Book 75 for the meeting on May 24, 2011.

Dated: May 24, 2011

Gail T. Borkowski, Clerk of the Board of Supervisors
County of Monterey, State of California

By Clint A. Muel
Deputy

**RENEWAL AMENDMENT NO. 5
FOR PROFESSIONAL SERVICE AGREEMENT
BETWEEN Pharmedium Services LLC AND
THE NATIVIDAD MEDICAL CENTER**

FOR

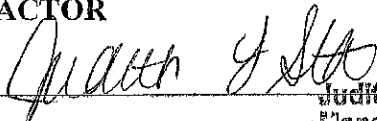
Compounding Pharmaceutical Supplies and IV Solution Services

The parties to Professional Service Agreement, dated January 31, 2006 between the County of Monterey, on behalf of Natividad Medical Center ("NMC"), and Pharmedium Services LLC (Contractor), hereby agree to renew their Agreement No. (A-10620) on the following amended terms and conditions:


1. Contractor will continue to provide NMC with the same scope of service as stated in the original Agreement No. (A-10620).
2. This Renewal Amendment shall become effective on July 1, 2011 and shall continue in full force and extending the term date until June 30, 2012.
3. The total amount payable by County to Contractor under Agreement No. (A-10620) shall not exceed the total sum of \$360,000 for the full term of the Agreement and \$60,000 for fiscal year 2011-2012.
4. All other terms and conditions of the Agreement shall continue in full force and effect.
5. A copy of this Amendment shall be attached to the original Agreement No. (A-10620).

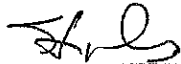
IN WITNESS WHEREOF, the parties hereto are in agreement with this Amendment and Professional Service Agreement on the basis set forth in this document and have executed this amendment on the day and year set forth herein.

CONTRACTOR

Signature  Dated 3/8/11
 Printed Name Judith L. Stark
Manager, Sales Operations
PharMEDium Services, LLC

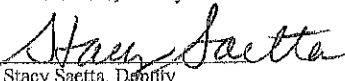
NATIVIDAD MEDICAL CENTER

Signature  Dated 6-28-11
Purchasing Manager


Signature  Dated 5/16/11
NMC - CEO

Approved as to Legal Form:

Charles J. McKee, County Counsel

By 
 Stacy Saetta, Deputy
 Attorneys for County and NMC

Dated: 3/28, 2011

Reviewed as to fiscal provisions

 Auditor-Controller
 County of Monterey 3-29-11

**RENEWAL AMENDMENT NO. 4
FOR PROFESSIONAL SERVICE AGREEMENT
BETWEEN Pharmedium Services LLC AND
THE NATIVIDAD MEDICAL CENTER
FOR**

Compounding Pharmaceutical Supplies and IV Solution Services

The parties to Professional Service Agreement, dated January 31, 2006 between the County of Monterey, on behalf of Natividad Medical Center ("NMC"), and Pharmedium Services LLC (Contractor), hereby agree to renew their Agreement No. (A-10620) on the following amended terms and conditions:

1. Contractor will continue to provide NMC with the same scope of service as stated in the original Agreement No. (A-10620).
2. This Renewal Amendment shall become effective on July 1, 2010 and shall continue in full force and extending the term date until June 30, 2011.
3. The total amount payable by County to Contractor under Agreement No. (A-10620) shall not exceed the total sum of \$300,000 for the full term of the Agreement and \$60,000 for fiscal year 2010-2011.
4. All other terms and conditions of the Agreement shall continue in full force and effect.
5. A copy of this Amendment shall be attached to the original Agreement No. (A-10620).

IN WITNESS WHEREOF, the parties hereto are in agreement with this Amendment and Professional Service Agreement on the basis set forth in this document and have executed this amendment on the day and year set forth herein.

CONTRACTOR

Signature *Justin L. Stark* Dated 4/30/10
 Printed Name Justin L. Stark
Manager, Sales Operations
PharMEDium Services, LLC

NATIVIDAD MEDICAL CENTER

Signature *[Signature]* Dated _____
Purchasing Manager

Signature *[Signature]* Dated 5/1/10
NMC - CEO

Approved as to Legal Form:
Charles J. McKee, County Counsel

By *Stacy Saetta*
Stacy Saetta, Deputy
Attorneys for County and NMC

Reviewed as to fiscal provisions
[Signature] Dated: 5/6 2010
Auditor/Controller
County of Monterey *SHU*

Original Agreement No or PO#, (A-10620)

**RENEWAL AMENDMENT NO. 3
FOR PROFESSIONAL SERVICE AGREEMENT
BETWEEN Pharmedium Services LLC AND
THE NATIVIDAD MEDICAL CENTER
FOR**

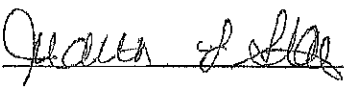
Compounding Pharmaceutical Supplies and IV Solution SERVICES

The parties to Professional Service Agreement, dated January 31, 2006 between the County of Monterey, on behalf of Natividad Medical Center ("NMC"), and Pharmedium Services LLC (Contractor), hereby agree to renew their Agreement No. (A-10620) on the following amended terms and conditions:

1. Contractor will continue to provide NMC with the same scope of service as stated in the original Agreement No. (A-10620).
2. This Renewal Amendment shall become effective on July 1, 2009 and shall continue in full force and extending the term date until June 30, 2010.
3. The total amount payable by County to Contractor under Agreement No. (A-10620) shall not exceed the total sum of \$240,000 for the full term of the Agreement and \$60,000 for fiscal year 2009-2010.
4. All other terms and conditions of the Agreement shall continue in full force and effect.
5. A copy of this Amendment shall be attached to the original Agreement No. (A-10620).


IN WITNESS WHEREOF, the parties hereto are in agreement with this Amendment and Professional Service Agreement on the basis set forth in this document and have executed this amendment on the day and year set forth herein.

CONTRACTOR

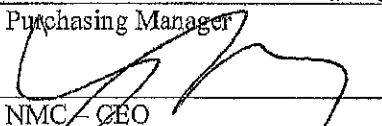
Signature 
 Printed Name _____

MAR 30 2009 Judith L. Stark
 Dated _____ Manager, Sales Operation
 PharmEDIUM Services, L
 Title _____

NATIVIDAD MEDICAL CENTER

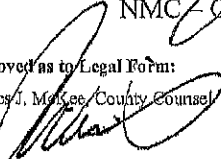
Signature 
 Purchasing Manager

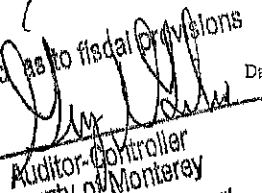
Dated 5/28/09

Signature 
 NMC-CEO

Dated 9/17/09

Approved as to Legal Form:
Charles J. McSee, County Counsel

By 
 William Litt, Deputy
 Attorneys for County and NMC

Reviewed as to fiscal provisions

 Auditor-Controller
 County of Monterey
 Dated: 4/17 2009
 4-17-09

RENEWAL AMENDMENT NO. 2
FOR PROFESSIONAL SERVICE AGREEMENT
BETWEEN Pharmedium Services LLC AND
THE COUNTY OF MONTEREY
FOR

Compounding Pharmaceutical Supplies and IV Solution SERVICES

The parties to Professional Service Agreement, dated January 31, 2006 between the County of Monterey, on behalf of Natividad Medical Center ("NMC"), and Pharmedium Services LLC (Contractor), hereby agree to renew their Agreement No. (A-10620) on the following amended terms and conditions:

1. Contractor will continue to provide NMC with the same scope of service as stated in the original Agreement No. (A-10620).
2. This Renewal Amendment shall become effective on July 1, 2008 and shall continue in full force and extending the term date until June 30, 2009.
3. The total amount payable by County to Contractor under Agreement No. (A-10620) shall not exceed the total sum of \$180,000 for the full term of the Agreement and \$60,000 for fiscal year 2008-2009.
4. All other terms and conditions of the Agreement shall continue in full force and effect.
5. A copy of this Amendment shall be attached to the original Agreement No. (A-10620).

IN WITNESS WHEREOF, the parties hereto are in agreement with this Amendment and Professional Service Agreement on the basis set forth in this document and have executed this amendment on the day and year set forth herein.

CONTRACTOR

Signature  Dated MAY 08 2008
 Printed Name Judith L. Stark
Manager, Sales Operations
PharMEDium Services, LLC Title

COUNTY OF MONTEREY

Signature  Dated 7-15-08
Purchasing Manager

Signature  Dated 5/19/08
NMC - CEO

Approved as to Legal Form:
Charles J. McKee, County Counsel

By  Dated: 5/14 2008
William Litt, Deputy
Attorneys for County and NMC

(Original Agreement No. A-10620)

**RENEWAL AMENDMENT NO. 1
FOR PROFESSIONAL SERVICE AGREEMENT
BETWEEN PHARMEDIUM SERVICES LLC AND
THE COUNTY OF MONTEREY
FOR
COMPOUNDING PHARMACEUTICAL SUPPLIES AND IV SOLUTION SERVICES**

The parties to Professional Service Agreement, dated January 31, 2006 between the County of Monterey, on behalf of Natividad Medical Center ("NMC"), and Pharmedium Services LLC (Contractor), hereby agree to renew their Agreement No. (A-10620) on the following amended terms and conditions:


1. Contractor will continue to provide NMC with the same scope of service as stated in the original Agreement No. (A-10620)
2. This Renewal Amendment shall become effective on July 1, 2007 and shall continue in full force and extend the term date until June 30, 2008.
4. The total amount payable by County to Contractor under Agreement No. (A-10620) shall not exceed the total sum of \$120,000 for the full term of the Agreement; and \$60,000 for fiscal year 2007-2008.
5. All other terms and conditions of the Agreement shall continue in full force and effect.
6. A copy of this Amendment shall be attached to the original Agreement No. (A-10620)

IN WITNESS WHEREOF, the parties hereto are in agreement with this Amendment and Professional Service Agreement on the basis set forth in this document and have executed this amendment on the day and year set forth herein.

CONTRACTOR

Signature  Dated MAR 13 2007
 Printed Name Judith L. Stark Title Manager, Sales Operations
Pharmedium Services, LLC

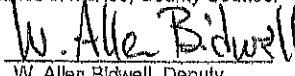
COUNTY OF MONTEREY

Signature  Dated 7-17-07
 Purchasing Manager

Signature  Dated 6/5/07
 NMC - CEO

Approved as to Legal Form:

Charles J. McKee, County Counsel

By 
 W. Allen Bidwell, Deputy
 Attorneys for County and NMC

Dated: 06-04 - 2007



PHARMEDIUM SERVICES, LLC
EXHIBIT F AMENDMENT

NATIVIDAD MED. CTR
1441 CONSTITUTION BLVD
SALINAS, CA 93906
Customer #: 516657
Attention: John Nygård

PharMEDium Services, LLC
Two Conway Park
150 North Field Drive
Suite 350
Lake Forest, IL 60045-4847

Herein referred to as Customer

Herein referred to as PharMEDium

This amendment dated July 11, 2006, is between PharMEDium and Customer who is a member of PACT.

Customer and PharMEDium entered into a PACT/PharMEDium Services, LLC, Agreement (the "Agreement") that will expire on March 31, 2006. Customer and PharMEDium agree to amend the Agreement as follows:

1. Paragraph 1 is amended to provide that the Agreement will now expire June 30, 2007.
2. The last section of Paragraph 6 in Exhibit F, is deleted and replaced with the following:

Customer shall be responsible for determining whether any compounded solution provided under this PharMEDium Services Agreement is clinically correct, appropriate or accurate for prescribing to any particular patient and for any particular disease or condition, and for determining and recording the individual patients that receive the medications. PharMEDium Services, LLC shall be responsible for the accuracy of any compounded solution provided under this Agreement.

3. Paragraph 1 under GENERAL PROVISIONS in Exhibit F, is deleted and replaced with the following:

This PharMEDium Services Agreement is assignable only with the written consent of both parties, except that PharMEDium may assign its rights and obligations hereunder, in whole or in part, only with prior county approval, which shall not be unreasonably withheld (i) to any of PharMEDium's subsidiaries, affiliates, or other related parties, and (ii) to a customer of all or substantially of PharMEDium's business or assets.

4. All other terms and conditions of the Agreement will remain in full force and effect.
5. This amendment shall become effective no later than five (5) business days from the date on which PharMEDium Services, LLC, countersigns this amendment.



Authorized representatives of the parties have executed this Agreement.

NATIVIDAD MEDICAL CENTER

BY: _____

NAME: _____

TITLE: _____

DATE: _____

PHARMEDIUM SERVICES, LLC

BY: Judith L. Stark

NAME: Judith L. Stark
Manager, Sales Operations
PharMEDium Services, LLC

TITLE: _____

DATE: JUL 25 2006

IN WITNESS WHEREOF, County and CONTRACTOR have executed this Agreement as of the day and year written below.

COUNTY OF MONTEREY

CONTRACTOR

By: [Signature]
Purchasing Manager

Date: 9-6-06

By: _____
Department Head (if applicable)

Date: _____

By: _____
Board of Supervisors (if applicable)

Date: _____

Approved as to Form

By: W. Allen Bidwell
Deputy County Counsel

Date: 07-27-2006

Approved as to Fiscal Provisions

By: _____
Auditor/Controller

Date: _____

Approved as to Liability Provisions

By: _____
Risk Management¹

Date: _____

ON PREVIOUS PAGE
Contractor's Business Name*

By: _____
(Signature of Chair, President, or Vice-President)*

Date: _____
Name and Title

By: _____
(Signature of Secretary, Asst. Secretary, CFO, or Asst. Treasurer)*

Date: _____
Name and Title

County Board of Supervisors' Agreement Number: _____

*INSTRUCTIONS: If CONTRACTOR is a corporation, including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers. If CONTRACTOR is a partnership, the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership. If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any, and shall personally sign the Agreement.

¹Approval by Risk Management is necessary only if changes are made in paragraph 8 or 9.

**AMENDMENT TO AGREEMENT BETWEEN
THE COUNTY OF MONTEREY AND PHARMEDIUM SERVICES, LLC**

NATIVIDAD MED-CTR
1441 CONSTITUTION BLVD
SALINAS, CA 93906
Customer #: 616657
Attention: John Nygard

PharMEDium Services, LLC
Two Conway Park
150 North Field Drive
Suite 350
Lake Forest, IL 60045-4847

Herein referred to as "Customer"

Herein referred to as "PharMEDium"

1. This Amendment dated July 11, 2006, is between PharMEDium and Customer who is a member of PACT. Customer and PharMEDium entered into a PACT/PharMEDium Services, LLC, Agreement ("Agreement") that expired on March 31, 2006. Customer and PharMEDium agree to amend their Agreement as follows:

1. Paragraph 1 of the Agreement is hereby amended to provide that the Agreement will now expire June 30, 2007.
2. The last section of Paragraph 6 in Exhibit "F" of the Agreement, is hereby deleted and replaced with the following:

"Customer shall be responsible for determining whether any compounded solution provided under this PharMEDium Services Agreement is clinically correct, appropriate or accurate for prescribing to any particular patient and for any particular disease or condition, and for determining and recording the individual patients that receive the medications. PharMEDium Services, LLC shall be responsible for the accuracy of any compounded solution provided under this Agreement."

3. Paragraph 1 under GENERAL PROVISIONS in Exhibit F, is deleted and replaced with the following:

"This PharMEDium Services Agreement is assignable only with the written consent of both parties; except that PharMEDium may assign its rights and obligations hereunder, in whole or in part, only with prior county approval, which shall not be unreasonably withheld (i) to any of PharMEDium's subsidiaries, affiliates, or other related parties, and (ii) to a customer of all or substantially all of PharMEDium's business or assets."

4. All other terms and conditions of the Agreement will remain in full force and effect.

5. This Amendment shall become effective no later than five (5) business days from the date on which PharMEDium Services, LLC, countersigns this Amendment.

Authorized representatives of the parties have executed this Agreement.

NATIVIDAD MEDICAL CENTER

BY: _____

NAME: _____

TITLE: _____

DATE: _____

PHARMEDIUM SERVICES, LLC

BY: _____

NAME: _____

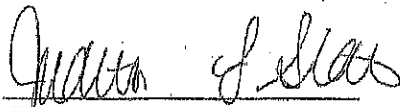
TITLE: _____

DATE: _____

APPROVED AS TO FORM
W. ALLEN BIDWELL 07-25-2006
DEPUTY COUNTY COUNSEL
COUNTY OF MONTEREY

Exhibit C

The Contractor shall procure all necessary permits and licenses and abide by all applicable laws, regulations and ordinances of the United States and of the State of California. The Agency will be in compliance with Title 22, OSHA, Federal and State Labor Laws and the Joint Commission on Accreditation of Health Care Organizations.


Contractor

Judith L. Stark
Manager, Sales Operations
PharmEDium Services, LLC

Title

MAR 13 2007

Date



PACT EXHIBIT F

PHARMEDIUM SERVICES, LLC.
COMPASS™ SERVICES AGREEMENT

Hereinafter referred to as "Customer"
"PharMEDium"

Natividad Medical Center
1441 Constitution Boulevard
Salinas, CA 93906
Customer #: TBD
Attention: Terry Kunysz
Title: Director of Pharmacy
Phone: 831-755-4313
Email: kunysz@co.monterey.ca.us

Hereinafter referred to as

PharMEDium Services, LLC.
Two Conway Park
180 North Field Drive
Suite 350
Lake Forest, IL 60045-4847

INTRODUCTION

This COMPASS™ Services Agreement describes the terms and conditions under which PharMEDium will provide Customer with pharmacy compounding services throughout the Term (as defined below). Any of the following Exhibits and Schedules which are marked below and are attached hereto (and such updated versions of such Schedules as PharMEDium may deliver to Customer from time to time to reflect additional services) shall be deemed to be incorporated herein by this reference:

- Exhibit A Ordering Requirements
- Exhibit B Contract Facility List
- Schedule A Standard Compounded Services
- Schedule A1 Pain Management (Narcotics) Compounded Services
- Schedule A2 Deltec Cassette Compounded Services
- Schedule A3 Custom Solutions Compounded Services

TERM

The initial term of this COMPASS™ Agreement (the "Initial Term") shall commence five (5) business days from the date on which PharMEDium signs this COMPASS™ Agreement ("Commencement Date") and shall expire on March 31, 2006. The "Anniversary Date" of this COMPASS™ Agreement shall be April 1st and the "Anniversary Year" will be the twelve month period following the Anniversary Date.

After the Initial Term, this COMPASS™ Agreement shall automatically renew on each Anniversary Date for an additional one (1) year period unless either party shall have delivered to the other a written notice of nonrenewal at least six (6) months prior to the Anniversary Date.

Notwithstanding the above, PharMEDium will provide Customer a sixty (60) day evaluation period commencing on the Commencement Date (the "Trial Period"). At the end of the Trial Period, this COMPASS™ Agreement will continue in full force and effect



unless the Customer notifies PharMEDium in writing of its intent to cancel before the expiration of the Trial Period. All provisions of this COMPASS™ Agreement shall govern the obligations of the parties for the Trial Period.

PRICING

The initial prices for services purchased by Customer from PharMEDium hereunder are those specified on Schedule A, A-1, and A-2 attached hereto, as the case may be. Such prices shall become effective on the Commencement Date and shall remain in effect until March 31, 2006. On each Anniversary Date, prices hereunder shall be increased by a percentage equal to the unadjusted percentage increase in the Consumer Price Index for Medical Care ("CPI-M") for the twelve (12) month period ended four (4) months prior to such date, as published by the U.S. Department of Labor, Bureau of Labor Statistics, but each such increase shall be at least 1% and not more than 5%, in addition to any price increases pursuant to the following sentence or Section 3 below. If market conditions change and/or the suppliers of pharmaceuticals, solutions, or raw materials used for compounding increase prices to PharMEDium for those items, PharMEDium shall have the right to adjust prices for its services hereunder as necessary, effective 30 days following delivery to Customer of written notice thereof.

REQUIREMENTS

By signing this Contract, Purchaser agrees to provide estimated annual units for inventory purposes only.

PAYMENT TERMS

Customer shall make all payments due under this COMPASS™ Services Agreement payable to "PharMEDium Services, LLC". All purchases shall be made in accordance with the payment terms and other terms on the invoices, including without limitation current returned goods policies and minimum order quantities in effect on the date of the shipment. Customer shall pay, in addition to all other amounts due, a service charge of 1-1/2% per month (or the highest amount allowed by law, if lower) on all amounts past due. In the event Customer is delinquent in payment of any amounts owed to PharMEDium, all amounts owed under this COMPASS™ Services Agreement will become immediately due and payable.

PHARMEDIUM PERFORMANCE; OPERATIONS

Center Operation: PharMEDium will operate the facility ("Center"), which will provide the services to Customer. This Center will be operated consistent with applicable Federal and State license requirements and regulations established for such service. The Center will operate in accordance with applicable Good Manufacturing Practices, Drug Enforcement Agency requirements (where applicable), and PharMEDium's standard operating procedures.

Stability: PharMEDium will provide the most current and extended stability which is commercially reasonable for services, consistent with requirements of the US Food and Drug Administration ("FDA").

Service Returns: Under Federal and State laws and PharMEDium's standard operating procedures, PharMEDium cannot accept from Customer the return of any service. If there is a question regarding the quality of an admixture, the admixture may be shipped to PharMEDium for evaluation purposes only. For any admixture preparation which



evaluation reveals was prepared in error by PharMEDium, PharMEDium will provide Customer a full credit for the service.

CUSTOMER RESPONSIBILITIES

This COMPASS™ Services Agreement applies only to services listed on a Schedule A, A1, and/or A2 which has been incorporated into this COMPASS™ Services Agreement, and only to services bought by Customer for its own use and only for use in facilities in the United States. Neither Customer, itself, nor through any affiliate or agent, shall export or otherwise transfer outside the United States any admixtures acquired under this COMPASS™ Services Agreement.

Customer represents that it and each of its locations, have all required local, state, and federal licenses applicable to the receipt of sale and distribution of the services and will forward copies of such licenses to PharMEDium.

Customer shall be responsible for determining whether any compounded solution provided under this COMPASS™ Services Agreement is clinically correct, appropriate or accurate for prescribing to any particular patient and for any particular disease or condition.

CUSTOMER FACILITIES

Customer represents that the facilities identified on the Contract Facility List attached hereto as Exhibit B, or if none is attached then Customer's location noted above, is a true and complete statement of all facilities in the United States owned, directly or indirectly, or effectively managed by Customer as of the Commencement Date of this COMPASS™ Services Agreement and in which Customer uses services. Customer will promptly notify PharMEDium of all changes to such Contract Facility List in order to maintain the accuracy of this representation during the Term. Additional facilities in the United States may be added only upon written request by the Customer and only upon written agreement by PharMEDium's home office. The effective date of pricing for new facilities will be the date set by PharMEDium. These facilities are only eligible for the pricing and terms of this COMPASS™ Services Agreement while they are owned or effectively managed by Customer.

TERMINATION

This Agreement may be terminated with or without cause by either part by providing the non-terminating party with sixty (60) days prior written notice, and such termination shall be without penalty to either party.

DISCLOSURES

The dollar value of the services not paid for by the Customer and received by the Customer from PharMEDium under this COMPASS™ Services Agreement are payments which are subject to the disclosure requirements as "discounts or other reductions in price" under the provisions of Section 1128b(B)(3)(A) of the Social Security Act, 42 U.S.C. 1320a-7b(5)(3)(A). Customer shall disclose the discounts, reductions in price or value of services under any state or federal program which provides cost or charge based reimbursement to the Customer for the services provided under this COMPASS™ Services Agreement.



Neither party shall be liable for non-performance or delays caused by causes beyond that party's reasonable control, which shall include, without limitation, supply shortage of materials, manufacturing or labor problems, acts of regulatory agencies including FDA approval of products, therapies, services or other matters affecting the delivery of services under this COMPASS™ Agreement, discontinuation of a service, or acts of God. Customer agrees that in such events, PharMEDium without liability may allocate its services among all PharMEDium's customers. Should such a force majeure event result in a delay in performance or nonperformance in whole or in part which extends for at least ninety (90) days, either party may terminate this COMPASS™ Services Agreement upon ninety (90) days notice.

INDEMNIFICATION BY PHARMEDIUM

PharMEDium shall defend, indemnify, protect and hold Customer and its affiliates, shareholders, directors, officers, employees, agents and representatives harmless from and against any and all losses, damages, fines, costs and expenses (including reasonable attorney's fees and litigation costs), which Customer is required to pay to third party for personal injuries, death and/or property damage resulting directly from (i) any negligent, reckless, or willful misconduct of PharMEDium under this COMPASS™ Services Agreement; (ii) failure of the admixtures to be prepared by PharMEDium in accordance with applicable federal and state law; (iii) failure of PharMEDium to comply with the terms of this COMPASS™ Services Agreement; (iv) storage, handling and delivery of admixtures while in PharMEDium's control, except to the extent resulting from the negligent, reckless or willful misconduct of Customer or Customer's failure to comply with the terms of this COMPASS™ Services Agreement.

INDEMNIFICATION BY CUSTOMER

Customer shall defend, indemnify, protect and hold PharMEDium and its affiliates, members, managers, shareholders, directors, officers, employees, agents and representatives harmless from and against any and all losses, damages, fines, costs and expenses (including reasonable attorney's fees and litigation costs), which PharMEDium is required to pay to third parties for personal injuries, death and/or property damage resulting directly from (i) any negligent, reckless, or willful misconduct of Customer under this COMPASS™ Services Agreement; (ii) any claims arising from Customer's responsibilities as described in section 6 of this COMPASS™ Services Agreement; (iii) PharMEDium's compliance with instructions set forth in orders submitted to PharMEDium by Customer; (iv) failure of Customer to comply with the terms of this COMPASS™ Services Agreement; (v) storage, handling and delivery of admixtures while in Customer's control, except to the extent resulting from the negligent, reckless or willful misconduct of PharMEDium; failure of admixtures to meet the specifications that are PharMEDium's responsibility, or PharMEDium's failure to comply with the terms of this COMPASS™ Services Agreement.

GENERAL PROVISIONS

This COMPASS™ Services Agreement is assignable only with the written consent of both parties, except that PharMEDium may assign its rights and obligations hereunder, in whole or in part, without Customer's approval (i) to any of PharMEDium's subsidiaries, affiliates, or other related parties, and (ii) to a Customer of all or substantially all of PharMEDium's business or assets.



No conflicting or additional terms contained in any purchase order or other document submitted by Customer shall be valid unless signed by PharMEDium at its home office. A waiver of any of the provisions of this COMPASS™ Services Agreement shall not constitute a waiver of any other provision nor shall it constitute a continuing waiver.

This COMPASS™ Services Agreement is deemed to have been executed in and shall be governed by and construed according to the internal laws of the State of California. Each party agrees to submit to the jurisdiction of the Courts of California for purposes of resolving any dispute. If particular portions of this COMPASS™ Services Agreement are ruled unenforceable, such portions shall be deleted and all other terms and conditions of this COMPASS™ Services Agreement shall remain in full force and effect.

If PharMEDium and Customer are parties to any other agreements or understandings covering the same services covered by this COMPASS™ Services Agreement, then, with regard to such services, this COMPASS™ Services Agreement shall supersede such other agreements or understandings.

This Agreement and its Schedules contain CONFIDENTIAL information. As the receiver of this information, you acknowledge you are a valid recipient and agree to safeguard this information with the appropriate level of control to ensure its integrity, security and confidentiality. This information shall not be duplicated or distributed to any unauthorized persons.

IN WITNESS WHEREOF, the undersigned duly authorized representatives of the parties have executed this COMPASS™ Services Agreement on the date below.

CUSTOMER
NATIVIDAD MEDICAL CENTER
 BY: [Signature]
 NAME: LINDA CHARNOLE
 TITLE: CSO
 DATE: 11/20/05

PHARMEDIUM
PHARMEDIUM SERVICES, LLC.
 BY: [Signature]
 NAME: WILLIAM L STRICK
 TITLE: MANAGER CONTRACTS & PRICING
 DATE: NOV 22 2005

APPROVED AS TO FORM
 W. ALLEN BIDWELL
 NOV 15 2005
 DEPUTY COUNTY COUNSEL
 COUNTY OF MONTEREY



EXHIBIT A

The following ordering requirements apply for Pain Management (Narcotics) Compounded Services and Deltec Cassette Compounded Services Only:

A copy of the pharmacy DEA registration is required. No service or cassette will be shipped to the customer unless a valid DEA registration is on file. Please attach a copy of registration to signed COMPASS™ Services Agreement.

For narcotics purchases, please follow separate instructions for ordering from the facility.
No returns are permitted.

The following ordering requirements apply for all COMPASS™ Services except Pain Management (Narcotics) Services and Deltec Cassette Compounded Services:

Orders must be faxed to the Houston, TX facility (713-741-0185) by 11:00 A.M. local time with the attached order form.

No returns are permitted.



EXHIBIT B

Contract Facility List and Statement

Name, Address and Customer # of Each Facility Owned or Controlled by Customer:

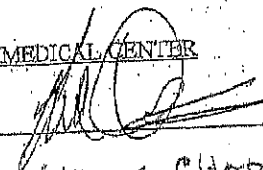
Natividad Medical Center
1441 Constitution Boulevard
Salinas, CA 93906
Customer #: TBD

Statement

Customer agrees that the services purchased under the COMPASS™ Services Agreement between Customer and PharMEDium are for use exclusively in connection with patients being treated at or from the above facilities. Customer hereby states that it owns a controlling interest in all facilities listed above.

CUSTOMER:

NATIVIDAD MEDICAL CENTER

Signature: 

Printed Name: LINDA CHRISTENSEN

Title: CEO

Date: 11/26/05

DESCRIPTIONS (Continued from Page 1)

Products Liability: Products Liability Limit including Excess Liability is greater than \$8,000,000

**Commercial General Liability -(successor to Comprehensive General Liability)/Excess (Excluding Products)
Each Occurrence Limit is greater than \$5,000,000 and General Aggregate Limit is greater than \$5,000,000.
Coverage is included for Personal & Advertising Injury and Medical Expense**

Property: Property Coverage is greater than \$3,000,000

Executive Package: Executive Package includes D&O, EPL & Fiduciary - \$5,000,000 Limit, Crime limit is \$2,000,000 including ERISA coverage

Products Liability includes Professional Liability

REQUEST TO WAIVE COUNTY OF MONTEREY STANDARD CONTRACT INSURANCE REQUIREMENTS

NMC requests the NMC Board of Trustees and the County of Monterey Board of Supervisors to hereby approve/ratify:

- Waiver
- Modification
- Recession

General Liability Insurance Requirements

- Certificate of Liability Insurance (Accord Form)
- ISO Endorsement Forms
- Additional Insured Endorsement
- Primary Insurance Endorsement
- Non-Contributory Endorsement
- Completed Operations Endorsement
- Coverage Limits
- California Admitted
- "A" Rated Insurance Company

Business Justification:

Based on the Scope of Services provided herein, Commercial General Liability Insurance is not applicable and therefore is not required. The hospital does not foresee any potential liability risks associated with this justification.

Professional Liability Insurance Requirements

- Certificate of Liability Insurance (Accord Form)
- Coverage Limits
- Tail Coverage

Business Justification:

Professional liability insurance is not required.

Automobile Liability Insurance Requirements

- Certificate of Liability Insurance (Accord Form)
- ISO Endorsement Forms
- Additional Insured Endorsement
- Primary Insurance Endorsement
- Non-Contributory Endorsement
- Coverage Limits
- California Admitted
- "A" Rated Insurance Company

Business Justification:

Business Automobile Liability Insurance is not required. 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 associated with this justification.

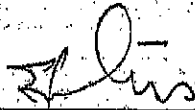
**REQUEST TO WAIVE COUNTY OF MONTEREY STANDARD
CONTRACT INSURANCE REQUIREMENTS**

Workers' Compensation Insurance Requirements

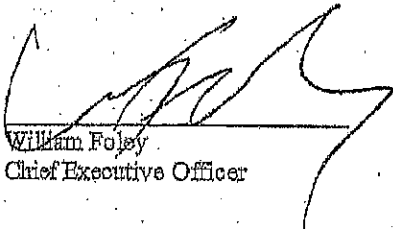
- Certificate of Liability Insurance (Accord Form)
- California Statutory Requirements
- Coverage Limits
- California Licensed Insurer

Business Justification:

Workers' Compensation Insurance is not required. The Contractor does not employ others in the performance of this Agreement. Therefore, the hospital does not foresee any potential liability risks associated with this justification.



Harry Weis
Chief Financial Officer



William Foley
Chief Executive Officer