



AGENDA

KERN COUNTY HOSPITAL AUTHORITY BOARD OF GOVERNORS

**Kern Medical
1700 Mount Vernon Avenue
Conference Room 1058
Bakersfield, California 93306**

Regular Meeting
Wednesday, July 20, 2016

11:30 A.M.

BOARD TO RECONVENE

Board Members: Berjis, Bigler, McGauley, McLaughlin, Nilon, Pelz, Sistrunk
Roll Call:

CONSENT AGENDA/OPPORTUNITY FOR PUBLIC COMMENT: ALL ITEMS LISTED WITH A "CA" ARE CONSIDERED TO BE ROUTINE AND NON-CONTROVERSIAL BY KERN COUNTY HOSPITAL AUTHORITY STAFF. THE "CA" REPRESENTS THE CONSENT AGENDA. CONSENT ITEMS WILL BE CONSIDERED FIRST AND MAY BE APPROVED BY ONE MOTION IF NO MEMBER OF THE BOARD OR AUDIENCE WISHES TO COMMENT OR ASK QUESTIONS. IF COMMENT OR DISCUSSION IS DESIRED BY ANYONE, THE ITEM WILL BE REMOVED FROM THE CONSENT AGENDA AND WILL BE CONSIDERED IN LISTED SEQUENCE WITH AN OPPORTUNITY FOR ANY MEMBER OF THE PUBLIC TO ADDRESS THE BOARD CONCERNING THE ITEM BEFORE ACTION IS TAKEN.

STAFF RECOMMENDATION SHOWN IN CAPS

PUBLIC PRESENTATIONS

- 1) This portion of the meeting is reserved for persons to address the Board on any matter not on this agenda but under the jurisdiction of the Board. Board members may respond briefly to statements made or questions posed. They may ask a question for clarification, make a referral to staff for factual information or request staff to report back to the Board at a later meeting. Also, the Board may take action to direct the staff to place a matter of business on a future agenda. **SPEAKERS ARE LIMITED TO TWO MINUTES. PLEASE STATE AND SPELL YOUR NAME BEFORE MAKING YOUR PRESENTATION. THANK YOU!**

BOARD MEMBER ANNOUNCEMENTS OR REPORTS

- 2) On their own initiative, Board members may make an announcement or a report on their own activities. They may ask a question for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda (Government Code section 54954.2(a)(2))

CERTIFICATES OF RECOGNITION

- 3) Certificates of Recognition honoring George Bratton, RN, Valorie Farquharson, RN, Jesika Henry, RN, and Lucinda Sager, RN, for their volunteer efforts to evacuate and transport patients during the Erskine fire –
MAKE PRESENTATION

ITEMS FOR CONSIDERATION

CA

- 4) Minutes for Kern County Hospital Authority Board of Governors regular meeting on June 22, 2016 –
APPROVE

CA

- 5) Proposed Amendment No. 5 to Agreement 194-2012 with Ravi Patel, M.D., doing business as Comprehensive Blood and Cancer Center, an independent contractor, for medical practice management services at Kern Medical-leased clinics, extending the term for one year from August 1, 2016 through July 31, 2017, and increasing the maximum payable by \$573,000, from \$1,573,000 to \$2,146,000, to cover the extended term –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 6) Proposed Agreement with Oracle America, Inc., an independent contractor, for purchase of a perpetual software license in conjunction with the PeopleSoft core financial system (Fiscal Impact: None) –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 7) Proposed Resolution authorizing Counsel for the Kern County Hospital Authority to settle claims pursuant to Government Code Section 935.4 –
APPROVE; ADOPT RESOLUTION

CA

- 8) Proposed Agreement with Mission Linen Supply, an independent contractor, for linen supply items from August 1, 2016 through July 31, 2018, in an amount not to exceed \$1,880,000 –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 9) Proposed retroactive Agreement with Best Electric, an independent contractor, for C wing emergency power distribution upgrade, in an amount not to exceed \$669,800, effective July 1, 2016 –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

- 10) Kern County Hospital Authority Chief Executive Officer report –
RECEIVE AND FILE

- 11) Kern County Hospital Authority Chief Financial Officer report –
RECEIVE AND FILE

- 12) Proposed retroactive Agreement with Kapsis Investments, Inc., doing business as Kapsis Technical Services, an independent contractor, for temporary staffing of information technology personnel from July 1, 2016 through June 30, 2017, in an amount not to exceed \$1,650,000 –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN AGREEMENT; AUTHORIZE CHIEF FINANCIAL OFFICER TO SIGN STATEMENTS OF WORK

- 13) Proposed Premium Finance Agreement with IPFS Corporation of California, doing business as IPFS Corporation, an independent contractor, for financing of insurance premiums, effective August 1, 2016, in an amount not to exceed \$778,268 –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CLOSED SESSION

- 14) Request for Closed Session regarding peer review of health practitioners (Health and Safety Code Section 101855(j)(2)) –
- 15) Request for Closed Session regarding peer review of health facilities (Health and Safety Code Section 101855(j)(2)) –
- 16) CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION (Government Code Section 54956.9(d)(1)) Name of case: Bravo v. County of Kern, et al., Kern County Superior Court Case No. S-1500-CV-280293 –
- 17) CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION (Government Code Section 54956.9(d)(1)) Name of case: Winston v. County of Kern, et al., Kern County Superior Court Case No. S-1500-CV-280158 LHB –
- 18) CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION (Government Code Section 54956.9(d)(1)) Name of case: Jackson v. County of Kern, Kern County Superior Court Case No. BCV-15-101497 SPC –
- 19) Request for Closed Session for the purpose of discussion or taking action on authority trade secrets (Health and Safety Code Section 101855(e)(1)) –
- 20) PUBLIC EMPLOYEE PERFORMANCE EVALUATION - Title: Kern County Hospital Authority Chief Financial Officer (Government Code Section 54957) –
- 21) CONFERENCE WITH LABOR NEGOTIATORS - Agency designated representatives: Chief Executive Officer Russell V. Judd and designated staff - Unrepresented Employee: Kern County Hospital Authority Chief Financial Officer (Government Code Section 54957.6) –

RECONVENE FROM CLOSED SESSION

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

ADJOURN TO WEDNESDAY, AUGUST 17, 2016, AT 11:30 A.M.

SUPPORTING DOCUMENTATION FOR AGENDA ITEMS

All agenda item supporting documentation is available for public review at Kern Medical Center in the Administration Department, 1700 Mount Vernon Avenue, Bakersfield, 93306 during regular business hours, 8:00 a.m. – 5:00 p.m., Monday through Friday, following the posting of the agenda. Any supporting documentation that relates to an agenda item for an open session of any regular meeting that is distributed after the agenda is posted and prior to the meeting will also be available for review at the same location.

AMERICANS WITH DISABILITIES ACT (Government Code Section 54953.2)

The Kern Medical Center Conference Room is accessible to persons with disabilities. Disabled individuals who need special assistance to attend or participate in a meeting of the Kern County Hospital Authority Board of Governors may request assistance at Kern Medical Center in the Administration Department, 1700 Mount Vernon Avenue, Bakersfield, California, or by calling (661) 326-2102. Every effort will be made to reasonably accommodate individuals with disabilities by making meeting material available in alternative formats. Requests for assistance should be made five (5) working days in advance of a meeting whenever possible.



SUMMARY OF PROCEEDINGS

KERN COUNTY HOSPITAL AUTHORITY BOARD OF GOVERNORS

**Kern Medical
1700 Mount Vernon Avenue
Conference Room 1058
Bakersfield, California 93306**

Regular Meeting
Wednesday, June 22, 2016

11:30 A.M.

BOARD RECONVENED

Directors present: Berjis, Bigler, McGauley, McLaughlin, Nilon

Directors absent: Sistrunk

NOTE: The vote is displayed in bold below each item. For example, Nilon-McLaughlin denotes Director Nilon made the motion and Vice Chair McLaughlin seconded the motion.

CONSENT AGENDA/OPPORTUNITY FOR PUBLIC COMMENT: ALL ITEMS LISTED WITH A "CA" WERE CONSIDERED TO BE ROUTINE AND APPROVED BY ONE MOTION.

BOARD ACTION SHOWN IN CAPS

PUBLIC PRESENTATIONS

- 1) This portion of the meeting is reserved for persons to address the Board on any matter not on this agenda but under the jurisdiction of the Board. Board members may respond briefly to statements made or questions posed. They may ask a question for clarification, make a referral to staff for factual information or request staff to report back to the Board at a later meeting. Also, the Board may take action to direct the staff to place a matter of business on a future agenda. **SPEAKERS ARE LIMITED TO TWO MINUTES. PLEASE STATE AND SPELL YOUR NAME BEFORE MAKING YOUR PRESENTATION. THANK YOU!**

BERNICE BONIAS, CALIFORNIA ALLIANCE FOR RETIRED AMERICANS, HEARD IN SUPPORT OF A STABLE WORKFORCE; BRIAN HOLT, INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, AND JIM ELROD, HEARD IN SUPPORT OF SEIU FOR AN EXPERIENCED WORKFORCE; DELIA SERRANO, SEIU, COMMENDED KERN MEDICAL STAFF FOR IMPROVEMENTS TO THE HOSPITAL

BOARD MEMBER ANNOUNCEMENTS OR REPORTS

- 2) On their own initiative, Board members may make an announcement or a report on their own activities. They may ask a question for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda (Government Code section 54954.2(a)(2))

DIRECTOR NILON THANKED MEMBERS OF THE PUBLIC FOR TAKING TIME TO ADDRESS THE BOARD OF GOVERNORS

DIRECTOR McGAULEY RECOGNIZED CHIEF EXECUTIVE OFFICER RUSSELL V. JUDD AND STAFF FOR THEIR EFFORTS TO IMPROVE THE FINANCIAL CONDITION OF KERN MEDICAL AND REDUCE DEBT

ITEMS FOR CONSIDERATION

CA

- 3) Minutes for Kern County Hospital Authority Board of Governors regular meeting on May 18, 2016 –
APPROVED
Nilon-McGauley: 5 Ayes; 1 Absent - Sistrunk

CA

- 4) Proposed approval of Administrative policies for correctional medicine, tumor registry, and information technology services –
APPROVED POLICIES
Nilon-McGauley: 5 Ayes; 1 Absent - Sistrunk

- 5) Proposed presentation by the Kern Medical Chief Strategy Officer regarding areas of responsibility –
HEARD PRESENTATION; RECEIVED AND FILED
McGauley-McLaughlin: 5 Ayes; 1 Absent - Sistrunk

- 6) Proposed approval of media relations and marketing policies –
APPROVED POLICIES
Berjis-Nilon: 5 Ayes; 1 Absent - Sistrunk

- 7) Proposed Agreement with Hammel, Green and Abrahamson, Inc., an independent contractor, for the development of a master facility plan from July 1, 2016 through June 30, 2017, in an amount not to exceed \$504,120 –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN
McLaughlin-McGauley: 5 Ayes; 1 Absent - Sistrunk
- CA
- 8) Proposed Agreement with Valley Neurosurgery and Neurorestoration Center, a Medical Corporation, an independent contractor, for professional medical services in the Department of Surgery from July 1, 2016 through June 30, 2021, in an annual amount not to exceed \$1,824,085 –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN
Nilon-McGauley: 5 Ayes; 1 Absent - Sistrunk
- CA
- 9) Proposed Agreement with S. Sara Yegiyants, M.D., a contract employee, for professional medical services in the Department of Surgery from July 1, 2016 through June 30, 2019, in an annual amount not to exceed \$538,012, plus applicable benefits–
APPROVED; AUTHORIZED CHAIRMAN TO SIGN
Nilon-McGauley: 5 Ayes; 1 Absent - Sistrunk
- CA
- 10) Proposed Agreement with Andrew P. Cassidenti, M.D., a contract employee, for professional medical services in the Department of Obstetrics and Gynecology from September 1, 2016 through August 31, 2021, in an annual amount not to exceed \$500,000, plus applicable benefits policy –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN
Nilon-McGauley: 5 Ayes; 1 Absent - Sistrunk
- CA
- 11) Proposed Agreement with CSS Staffing, LLC dba CSS Consulting Group, an independent contractor, for healthcare supply chain consulting services from July 1, 2016 through June 30, 2017, in an amount not to exceed \$534,320 –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN
Nilon-McGauley: 5 Ayes; 1 Absent - Sistrunk
- CA
- 12) Request to establish an interest-bearing fund and budget unit in the County of Kern financial management system for the Kern County Hospital Authority specific to the Kern Health Systems Excess Reserves/Capital –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN CORRESPONDENCE REQUESTING ESTABLISHMENT OF FUND
Nilon-McGauley: 5 Ayes; 1 Absent - Sistrunk

CA

- 13) Proposed Agreement with the County of Kern for the provision of healthcare services, finance and support, effective July 1, 2016, in the amount of \$22,950,493 – APPROVED; AUTHORIZED CHAIRMAN TO SIGN

Nilon-McGauley: 5 Ayes; 1 Absent - Sistrunk

- 14) Proposed Agreement Cerner Corporation, an independent contractor, for purchase of the PeopleSoft core financial system from July 1, 2016 through June 30, 2023, in an amount not to exceed \$3,400,000 – APPROVED; AUTHORIZED CHAIRMAN TO SIGN

Nilon-McGauley: 5 Ayes; 1 Absent - Sistrunk

- 15) Proposed presentation by the Kern Medical Vice President of Human Resources regarding areas of responsibility – HEARD PRESENTATION; RECEIVED AND FILED

Berjis-Nilon: 5 Ayes; 1 Absent - Sistrunk

- 16) Proposed approval of Human Resources policies – APPROVED POLICIES

Berjis-McLaughlin: 5 Ayes; 1 Absent - Sistrunk

CA

- 17) Proposed acceptance of assigned contracts from the County of Kern – ACCEPTED ASSIGNMENT

Nilon-McGauley: 5 Ayes; 1 Absent - Sistrunk

CA

- 18) Proposed Agreement with the County of Kern, as represented by the Administrative Office, Human Resources Division, for the provision of health benefits to Kern County Hospital Authority employees and retirees, effective July 1, 2016 – APPROVED; AUTHORIZED CHAIRMAN TO SIGN

Nilon-McGauley: 5 Ayes; 1 Absent - Sistrunk

CA

- 19) Proposed application with state of California, Department of Industrial Relations and certification of consent to self-insure for workers' compensation liabilities – APPROVED; ADOPTED RESOLUTION 2016-010

Nilon-McGauley: 5 Ayes; 1 Absent - Sistrunk

CA

- 20) Proposed Resolution providing for authorized volunteers to be employees of Kern County Hospital Authority for purposes of workers' compensation coverage – APPROVED; ADOPTED RESOLUTION 2016-011

Nilon-McGauley: 5 Ayes; 1 Absent - Sistrunk

CA

- 21) Proposed Agreement with the County of Kern, as represented by the Department of Human Services, for the provision of Medi-Cal eligibility services from July 1, 2016 through October 31, 2018 –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN
Nilon-McGauley: 5 Ayes; 1 Absent - Sistrunk

CA

- 22) Proposed Agreement with County of Kern, as represented by the Administrative Office, Kern County Sheriff's Office, and Department of Human Services for the provision of forensic pediatric services from July 1, 2016 through June 30, 2017, in an amount not to exceed \$165,000 –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN
Nilon-McGauley: 5 Ayes; 1 Absent - Sistrunk

CA

- 23) Proposed Agreement with the County of Kern, as represented by the Administrative Office, Kern County Sheriff's Office, and Kern County Probation Department for the provision of correctional medicine services to in-custody inmates and juvenile wards from July 1, 2016 through June 30, 2018, in the amount of \$23,112,537 for Fiscal year 2016-2017 –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN SUBJECT TO APPROVAL AS TO FORM BY COUNSEL
Nilon-McGauley: 5 Ayes; 1 Absent - Sistrunk

CA

- 24) Proposed Agreement with Trans-West Security Services, Inc., an independent contractor, for the provision of security services from July 1, 2016 through June 30, 2018, in an amount not to exceed \$2,412,834 –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN
Nilon-McGauley: 5 Ayes; 1 Absent - Sistrunk

CA

- 25) Proposed Agreement with the County of Kern for the provision of a mutual, nonexclusive easement in support of the access, ingress and egress rights granted under the Joint Use Agreement, effective July 1, 2016 –
MADE FINDING PROJECT IS EXEMPT FROM FURTHER CEQA REVIEW PER SECTION 15301 OF STATE CEQA GUIDELINES; APPROVED; AUTHORIZED CHAIRMAN TO SIGN SUBJECT TO APPROVAL AS TO FORM BY COUNSEL
Nilon-McGauley: 5 Ayes; 1 Absent - Sistrunk

- CA
26) Proposed renewal and binding of insurance coverages for hospital professional liability, general liability and umbrella/excess liability, workers' compensation and employers liability, automobile liability, helipad liability, directors and officers liability, employment practices liability, crime, cyber liability, premises pollution liability, underground storage tank liability, and property from July 1, 2016 through June 30, 2017, in an amount not to exceed \$2,364,822 –
APPROVED
Nilon-McGauley: 5 Ayes; 1 Absent - Sistrunk
- CA
27) Proposed Resolution providing for the extension of excess medical professional liability coverage for Kern Medical employed and independent contractor physicians, effective July 1, 2016 –
APPROVED; ADOPTED RESOLUTION 2016-012
Nilon-McGauley: 5 Ayes; 1 Absent - Sistrunk
- CA
28) Proposed Resolution providing for the assumption and adoption of the Kern County Pension Plan for Physician Employees –
APPROVED; ADOPTED RESOLUTION 2016-013
Nilon-McGauley: 5 Ayes; 1 Absent - Sistrunk
- CA
29) Proposed rescission of Agreement with the County of Kern, as represented by the Office of County Counsel, Risk Management Division, for workers' compensation claims administration services (from May 4, 2016) –
APPROVED
Nilon-McGauley: 5 Ayes; 1 Absent - Sistrunk
- CA
30) Proposed Agreement with Tristar Risk Management, an independent contractor, for the provision of claims administration under the Kern County Hospital Authority self-insured retention program, effective July 1, 2016 –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN SUBJECT TO APPROVAL AS TO FORM BY COUNSEL
Nilon-McGauley: 5 Ayes; 1 Absent - Sistrunk
- CA
31) Proposed Agreement with Script Care, Ltd., an independent contractor, for the provision of third party administrative services related to the 340B drug pricing program from July 1, 2016 through June 30, 2019, with an annual user fee of \$11,000 and projected annual net revenue of \$901,000 –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN
Nilon-McGauley: 5 Ayes; 1 Absent - Sistrunk

CA

- 32) Proposed Agreement with the County of Kern, as represented by Kern County Mental Health, for involuntary care under section 5150 of the Welfare and Institutions Code, inpatient psychiatric services, and reimbursement for Chair of Psychiatry and resident physicians from July 1, 2016 through June 30, 2021, in the amount of \$4,350,000 for Fiscal Year 2016-2017 –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN
Nilon-McGauley: 5 Ayes; 1 Absent - Sistrunk

CA

- 33) Proposed Agreement with the County of Kern, as represented by the Office of County Counsel for the provision of legal services to the Kern County Hospital Authority, effective July 1, 2016 –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN
Nilon-McGauley: 5 Ayes; 1 Absent - Sistrunk

- 34) Proposed Amendment No. 8 to Agreement (Kern County Agt. #185-2011) with Weatherby Locums, Inc., for temporary physician staffing services, increasing the maximum payable by \$750,000, from \$2,950,000 to \$3,700,000, to cover the term –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN SUBJECT TO APPROVAL AS TO FORM BY COUNSEL
McGauley-Berjis: 5 Ayes; 1 Absent - Sistrunk

- 35) Kern County Hospital Authority Chief Executive Officer report –
RECEIVED AND FILED
McLaughlin-Berjis: 5 Ayes; 1 Absent - Sistrunk

ADJOURNED TO CLOSED SESSION
McGauley-Berjis

CLOSED SESSION

- 36) PUBLIC EMPLOYEE PERFORMANCE EVALUATION - Title: Kern County Hospital Authority Chief Executive Officer (Government Code Section 54957) – SEE RESULTS BELOW
- 37) Request for Closed Session regarding peer review of health practitioners (Health and Safety Code Section 101855(j)(2)) – SEE RESULTS BELOW
- 38) CONFERENCE WITH LABOR NEGOTIATORS - Agency designated representatives: Chief Executive Officer Russell V. Judd, and designated staff - Employee organization: Service Employees International Union, Local 521 (Government Code Section 54957.6) – SEE RESULTS BELOW

- 39) CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
(Government Code Section 54956.9(d)(1)) Service Employees International Union,
Local 521 v. Kern County Hospital Authority, et al., PERB Case No. LA-CE-1084-M –
SEE RESULTS BELOW

RECONVENED FROM CLOSED SESSION

Nilon-McGauley

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

Item No. 36 concerning PUBLIC EMPLOYEE PERFORMANCE EVALUATION - Title:
Kern County Hospital Authority Chief Executive Officer (Government Code Section
54957) – HEARD; NO REPORTABLE ACTION TAKEN

Item No. 37 concerning a Request for Closed Session regarding peer review of health
practitioners (Health and Safety Code Section 101855(j)(2)) – HEARD; ALL
PRACTITIONERS RECOMMENDED FOR INITIAL CREDENTIALING ON THE
MEDICAL STAFF OF KERN MEDICAL CENTER AS OWNED AND OPERATED BY
THE KERN COUNTY HOSPITAL AUTHORITY WERE APPROVED BY A
UNANIMOUS VOTE OF THOSE DIRECTORS PRESENT (1 ABSENT - SISTRUNK);
DIRECTOR BERJIS ABSTAINED FROM VOTING ON BERJIS

Item No. 38 concerning CONFERENCE WITH LABOR NEGOTIATORS - Agency
designated representatives: Chief Executive Officer Russell V. Judd, and designated
staff - Employee organization: Service Employees International Union, Local 521
(Government Code Section 54957.6) – HEARD; NO REPORTABLE ACTION TAKEN

Item No. 39 concerning CONFERENCE WITH LEGAL COUNSEL - EXISTING
LITIGATION (Government Code Section 54956.9(d)(1)) Service Employees
International Union, Local 521 v. Kern County Hospital Authority, et al., PERB Case
No. LA-CE-1084-M – HEARD; NO REPORTABLE ACTION TAKEN

ADJOURNED TO WEDNESDAY, JULY 20, 2016 AT 11:30 A.M.

McLaughlin

/s/ Raquel D. Fore
Authority Board Coordinator

/s/ Russell Bigler
Chairman, Board of Governors
Kern County Hospital Authority



**BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

July 20, 2016

SUBJECT: Proposed Approval Amendment No. 5 with Ravi Patel, M.D., Inc. for Medical Practice Management Agreement

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Proposed approval to amend the Agreement for medical practice management services with Ravi Patel, M.D., Inc. ("Contractor"). Kern Medical receives medical practice management services from this Contractor at various off-site clinic locations. Kern Medical originally entered into an agreement with this vendor on April 17, 2012.

The proposed amendment number 5 with the Ravi Patel, M.D., Inc. requests approval to add additional funding and increasing the maximum payable by \$573,000, from \$1,573,000 to \$2,146,000 to cover the extended term through July 31, 2017.

**AMENDMENT NO. 5
TO
MEDICAL PRACTICE MANAGEMENT AGREEMENT
(Kern County Hospital Authority – Ravi Patel, M.D., Inc.)**

This Amendment No. 5 to the Medical Practice Management Agreement is made and entered into this ____ day of _____, 2016, between the Kern County Hospital Authority, a county hospital authority (“Authority”), which owns and operates Kern Medical Center (“KMC”), and Ravi Patel, M.D., Inc., a California professional medical corporation, doing business as Comprehensive Blood and Cancer Center (“Manager”), individually referred to at times as a “Party” or collectively as the “Parties.”

RECITALS

(a) The Parties have heretofore entered into a Medical Practice Management Agreement (Kern County Agt. #194-2012, dated April 17, 2012), Amendment No. 1 (Kern County Agt. #261-2013, dated May 13, 2013), Amendment No. 2 (Kern County Agt. #134-2014, dated March 18, 2014), Amendment No. 3 (Kern County Agt. #157-2015, dated April 13, 2015), Amendment No. 4 (Kern County Agt. #587-2015, dated August 11, 2015), and Assignment of Agreement (Kern County Agt. #376-2016, dated April 26, 2016, effective July 1, 2016) (collectively, the “Agreement”), for the period April 17, 2012 through July 31, 2016, whereby Manager provides management and administrative services to operate the Clinic in leased office space owned by Manager; and

(b) The Agreement expires July 31, 2016; and

(c) Authority has an ongoing need for the management and administrative services provided by Manager, as such services are unavailable from Authority resources, and Manager has agreed to provide such services; and

(d) It is the intent of the Parties to have the terms of the Agreement provide for the payment of all reasonably projected costs and expenses related to the services provided by Manager; and

(e) The Parties agree to amend the Agreement to (i) extend the term for an additional period of one year from August 1, 2016 through July 31, 2017, and (ii) increase the maximum payable by \$573,000, from \$1,573,000 to \$2,146,000, to cover the extended term; and

(f) The Agreement is amended effective August 1, 2016;

NOW, THEREFORE, in consideration of the mutual covenants and conditions hereinafter set forth and incorporating by this reference the foregoing recitals, the parties hereto agree to amend the Agreement as follows:

1. Section 9.0, Term and Termination, paragraph 9.1, Term, shall be deleted in its entirety and replaced with the following:

“9.1 Term. The term of this Agreement shall commence on April 17, 2012, and shall end on July 31, 2017, unless earlier terminated pursuant to other provisions of this Agreement.”

2. Section 5.0, Compensation, paragraph 5.5, Maximum Payable, shall be deleted in its entirety and replaced with the following:

“5.5 Maximum Payable. The maximum payable under this Agreement shall not exceed \$2,146,000 over the term of this Agreement.”

3. Except as otherwise defined herein, all capitalized terms used in this Amendment have the meaning set forth in the Agreement.

4. This Amendment shall be governed by and construed in accordance with the laws of the state of California.

5. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

6. Except as provided herein, all other terms, conditions and covenants of the Agreement and any and all amendments thereto shall remain in full force and effect.

[Signatures follow on next page]

IN WITNESS WHEREOF, the parties have executed this Amendment No. 5 to the Agreement as of the day and year first written above.

KERN COUNTY HOSPITAL AUTHORITY

RAVI PATEL, M.D., INC.

By _____
Chairman
Board of Governors

By _____
Ravi Patel, M.D.
Its President

APPROVED AS TO CONTENT:
KERN MEDICAL CENTER

By _____
Russell V. Judd
Chief Executive Officer

APPROVED AS TO FORM:
OFFICE OF COUNTY COUNSEL

By _____
Chief Deputy

Amend5.CBCC.MSO.071316



**BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

July 20, 2016

SUBJECT: Proposed Agreement with Oracle America, Inc.

Required Action: Approve; Authorize Chairman to sign

Summary:

The proposed Agreement with Oracle America, Inc., an independent contractor, for the purchase of a perpetual software license in conjunction with the PeopleSoft core financial system. PeopleSoft was previously approved by the Kern County Hospital Authority Board on June 22, 2016.



GENERAL TERMS

These General Terms (these “General Terms”) are between Oracle America, Inc. (“Oracle”) and the individual or entity that has executed this Master Agreement. To place orders subject to these General Terms, the two Schedules (as defined below) that are attached to these General Terms must be incorporated into these General Terms. If a term is relevant only to a specific Schedule, that term will apply only to that Schedule if and/or when that Schedule is incorporated into these General Terms.

1. DEFINITIONS

1.1 “**Hardware**” refers to the computer equipment, including components, options and spare parts.

1.2 “**Integrated Software**” refers to any software or programmable code that is (a) embedded or integrated in the Hardware and enables the functionality of the Hardware or (b) specifically provided to You by Oracle under Schedule H and specifically listed (i) in accompanying documentation, (ii) on an Oracle webpage or (iii) via a mechanism that facilitates installation for use with Your Hardware. Integrated Software does not include and You do not have rights to (a) code or functionality for diagnostic, maintenance, repair or technical support services; or (b) separately licensed applications, operating systems, development tools, or system management software or other code that is separately licensed by Oracle. For specific Hardware, Integrated Software includes Integrated Software Options (as defined in Schedule H) separately ordered.

1.3 “**Master Agreement**” refers to these General Terms (including any amendments thereto) and the two Schedules incorporated into the Master Agreement (including any amendments to those incorporated Schedules). The Master Agreement governs Your use of the Products and Service Offerings ordered from Oracle or an authorized reseller.

1.4 “**Operating System**” refers to the software that manages Hardware for Programs and other software.

1.5 “**Products**” refers to Programs, Hardware, Integrated Software and Operating System.

1.6 “**Programs**” refers to (a) the software owned or distributed by Oracle that You have ordered under Schedule P, (b) Program Documentation and (c) any Program updates acquired through technical support. Programs do not include Integrated Software or any Operating System or any software release prior to general availability (e.g., beta releases).

1.7 “**Program Documentation**” refers to the Program user manual and Program installation manuals. Program Documentation may be delivered with the Programs. You may access the documentation online at <http://oracle.com/documentation>.

1.8 “**Schedule**” refers to all Oracle Schedules to these General Terms as identified in Section 2.

1.9 “**Separate Terms**” refers to separate license terms that are specified in the Program Documentation, readmes or notice files and that apply to Separately Licensed Third Party Technology.

1.10 “**Separately Licensed Third Party Technology**” refers to third party technology that is licensed under Separate Terms and not under the terms of the Master Agreement.

1.11 “**Service Offerings**” refers to technical support, education, hosted/outsourcing services, cloud services, consulting, advanced customer support services, or other services which You have ordered. Such Service Offerings are further described in the applicable Schedule.

1.12 “**You**” and “**Your**” or “**County**” refers to the individual or entity that has executed these General Terms.

2. MASTER AGREEMENT TERM AND APPLICABLE SCHEDULES

This Master Agreement is applicable to the order which this Master Agreement accompanies. As of the Effective Date, the following Schedules are incorporated into the Master Agreement: Schedule P – Program.

The Schedules set forth terms and conditions that apply specifically to certain types of Oracle offerings which may be different than, or in addition to, these General Terms.

3. SEGMENTATION

The purchase of any Products and related Service Offerings or other Service Offerings are all separate offers and separate from any other order for any Products and related Service Offerings or other Service Offerings You may receive or have received from Oracle. You understand that You may purchase any Products and related Service Offerings or other Service Offerings independently of any other Products or Service Offerings. Your obligation to pay for (a) any Products and related Service Offerings is not contingent on performance of any other Service Offerings or delivery of any other Products or (b) other Service Offerings is not contingent on delivery of any Products or performance of any additional/other Service Offerings. You acknowledge that You have entered into the purchase without reliance on any financing or leasing arrangement with Oracle or its affiliate.

4. OWNERSHIP

Oracle or its licensors retain all ownership and intellectual property rights to the Programs, Operating System, Integrated Software and anything developed or delivered under the Master Agreement.

5. INDEMNIFICATION

5.1 To the extent not prohibited by law and subject to sections 5.5, 5.6 and 5.7 below, if a third party makes a claim against either You or Oracle ("Recipient" which may refer to You or Oracle depending upon which party received the Material), that any information, design, specification, instruction, software, data, hardware, or material (collectively, "Material") furnished by either You or Oracle ("Provider" which may refer to You or Oracle depending on which party provided the Material) and used by the Recipient infringes the third party's intellectual property rights the Provider, at the Provider's sole cost and expense, will defend the Recipient against the claim and indemnify the Recipient from the damages, liabilities, costs and expenses awarded by the court to the third party claiming infringement or the settlement agreed to by the Provider, if the Recipient does the following:

- a. notifies the Provider promptly in writing, not later than 30 days after the Recipient receives notice of the claim (or sooner if required by applicable law);
- b. gives the Provider sole control of the defense and any settlement negotiations, to the extent permitted by law; and
- c. gives the Provider the information, authority and assistance the Provider needs to defend against or settle the claim.

5.2 If the Provider believes or it is determined that any of the Material may have violated a third party's intellectual property rights, the Provider may choose to either modify the Material to be non-infringing (while substantially preserving its utility or functionality) or obtain a license to allow for continued use, or if these alternatives are not commercially reasonable, the Provider may end the license for, and require return of, the applicable Material and refund any fees the Recipient may have paid to the other party for it and, if Oracle is the Provider of an infringing Program, any unused, prepaid technical support fees You have paid to Oracle for the license of the infringing Program, if any. If such return materially affects Oracle's ability to meet its obligations under the relevant order, then Oracle may, at its option and upon 30 days prior written notice, terminate the order.

5.3 Notwithstanding the provisions of section 5.2 and with respect to hardware only, if the Provider believes or it is determined that the hardware (or portion thereof) may have violated a third party's intellectual property rights, the Provider may choose to either replace or modify the hardware (or portion thereof) to be non-infringing (while substantially preserving its utility or functionality) or obtain a right to allow for continued use, or if these alternatives are not commercially reasonable, the Provider may remove the applicable hardware (or portion thereof) and refund the net book value and, if Oracle is the Provider of infringing Hardware, any unused, prepaid technical support fees You have paid to Oracle for the Hardware, if any.

5.4 In the event that the Material is Separately Licensed Third Party Technology and the associated Separate Terms do not allow termination of the license, in lieu of ending the license for the Material, Oracle may end the license for, and require return of, the Program associated with that Separately Licensed Third Party Technology and shall refund any Program license fees You may have paid to Oracle for the Program license.

5.5 Provided You are a current subscriber to Oracle technical support services for the Operating System (e.g., Oracle Premier Support for Systems, Oracle Premier Support for Operating Systems or Oracle Linux Premier Support), then for the period of time for which You were a subscriber to the applicable Oracle technical support services (a) the phrase

"Material" above in section 5.1 shall include the Operating System and the Integrated Software and any Integrated Software Options that You have licensed and (b) the phrase "Program(s)" in this section 5 is replaced by the phrase "Program(s) or the Operating System or Integrated Software or Integrated Software Options (as applicable)" (i.e., Oracle will not indemnify You for Your use of the Operating System and/or Integrated Software and/or Integrated Software Options when You were not a subscriber to the applicable Oracle technical support services). Notwithstanding the foregoing, with respect solely to the Linux operating system, Oracle will not indemnify You for Materials that are not part of the Oracle Linux covered files as defined at <http://www.oracle.com/us/support/library/enterprise-linux-indemnification-069347.pdf>.

5.6 The Provider will not indemnify the Recipient if the Recipient alters Material or uses it outside the scope of use identified in the Provider's user documentation or if the Recipient uses a version of Material which has been superseded, if the infringement claim could have been avoided by using an unaltered current version of Material which was provided to the Recipient, or if the Recipient continues to use the applicable Material after the end of the license to use that Material. The Provider will not indemnify the Recipient to the extent that an infringement claim is based upon any information, design, specification, instruction, software, data, or material not furnished by the Provider. Oracle will not indemnify You for any portion of an infringement claim that is based upon the combination of any Material with any products or services not provided by Oracle. Solely with respect to Separately Licensed Third Party Technology that is part of or is required to use a Program and that is used: (a) in unmodified form; (b) as part of or as required to use a Program; and (c) in accordance with the license grant for the relevant Program and all other terms and conditions of the Master Agreement, Oracle will indemnify You for infringement claims for Separately Licensed Third Party Technology to the same extent as Oracle is required to provide infringement indemnification for the Program under the terms of the Master Agreement. Oracle will not indemnify You for infringement caused by Your actions against any third party if the Program(s) as delivered to You and used in accordance with the terms of the Master Agreement would not otherwise infringe any third party intellectual property rights. Oracle will not indemnify You for any intellectual property infringement claim(s) known to You at the time license rights are obtained.

5.7 This section provides the parties' exclusive remedy for any infringement claims or damages.

6. TERMINATION

6.1 If either of us breaches a material term of the Master Agreement and fails to correct the breach within 30 days of written specification of the breach, then the breaching party is in default and the non-breaching party may terminate the Master Agreement. If Oracle terminates the Master Agreement as specified in the preceding sentence, You must pay within 30 days all amounts which have accrued prior to such termination, as well as all sums remaining unpaid for Products ordered and/or Service Offerings received under the Master Agreement plus related taxes and expenses. Except for nonpayment of fees, the non-breaching party may agree in its sole discretion to extend the 30 day period for so long as the breaching party continues reasonable efforts to cure the breach. You agree that if You are in default under the Master Agreement, You may not use those Products or Service Offerings ordered.

6.2 You may terminate this Master Agreement at any time without cause by giving Oracle 30 days prior written notice of such termination. If You end this Master Agreement as specified in the preceding sentence, You agree You must pay within 30 days all amounts which have accrued prior to the end of this Master Agreement, as well as all sums remaining unpaid for Products ordered and/or Service Offerings received under this Master Agreement plus applicable related taxes and expenses (if any).

6.3 If You have used a contract with Oracle or an affiliate of Oracle to pay for the fees due under an order and You are in default under that contract, You may not use the Products and/or Service Offerings that are subject to such contract.

6.4 Provisions that survive termination or expiration are those relating to limitation of liability, infringement indemnity, payment and others which by their nature are intended to survive.

7. FEES AND TAXES; PRICING, INVOICING AND PAYMENT OBLIGATION

7.1 All fees payable to Oracle are due within 30 days from the invoice date. You agree to pay any sales, value-added or other similar taxes imposed by applicable law that Oracle must pay based on the Products and/or Service Offerings You ordered, except for taxes based on Oracle's income. Also, You will reimburse Oracle for reasonable expenses related to providing Service Offerings.

7.2 You understand that You may receive multiple invoices for the Products and Service Offerings You ordered. Invoices will be submitted to You pursuant to Oracle's Invoicing Standards Policy, which may be accessed at <http://oracle.com/contracts>.

7.3 The order that this Master Agreement accompanies shall specify a term of one (1) year for technical support for the programs acquired under such order.

8. NONDISCLOSURE

8.1 By virtue of the Master Agreement, the parties may have access to information that is confidential to one another (“**Confidential Information**”). We each agree to disclose only information that is required for the performance of obligations under the Master Agreement. Confidential Information shall be limited to the terms and pricing under the Master Agreement and all information clearly identified as confidential at the time of disclosure. For clarification purposes, the parties agree that the terms and conditions of this Master Agreement are not Confidential Information.

8.2 A party’s Confidential Information shall not include information that: (a) is or becomes a part of the public domain through no act or omission of the other party; (b) was in the other party’s lawful possession prior to the disclosure and had not been obtained by the other party either directly or indirectly from the disclosing party; (c) is lawfully disclosed to the other party by a third party without restriction on the disclosure; or (d) is independently developed by the other party.

8.3 Subject to the applicable law, we each agree not to disclose each other’s Confidential Information to any third party other than those set forth in the following sentence for a period of three years from the date of the disclosing party’s disclosure of the Confidential Information to the receiving party. We may disclose Confidential Information only to those employees or agents or subcontractors who are required to protect it against unauthorized disclosure in a manner no less protective than under the Master Agreement. Nothing shall prevent either party from disclosing the terms or pricing under the Master Agreement or orders submitted under the Master Agreement in any legal proceeding arising from or in connection with the Master Agreement or disclosing the Confidential Information as required by law. In the event You receive a valid request for Oracle’s Confidential Information pursuant to applicable law, You will provide Oracle with reasonable notice of such request and give Oracle an opportunity to object to or limit any such disclosure.

9. ENTIRE AGREEMENT

9.1 You agree that the Master Agreement and the information which is incorporated into the Master Agreement by written reference (including reference to information contained in a URL or referenced policy), together with the applicable order, are the complete agreement for the Products and/or Service Offerings ordered by You and supersede all prior or contemporaneous agreements or representations, written or oral, regarding such Products and/or Service Offerings.

9.2 It is expressly agreed that the terms of the Master Agreement and any Oracle order shall supersede the terms in any purchase order, procurement internet portal or any other similar non-Oracle document and no terms included in any such purchase order, portal or other non-Oracle document shall apply to the Products and/or Service Offerings ordered. In the event of inconsistencies between the terms of any Schedule and these General Terms, the Schedule shall take precedence. In the event of any inconsistencies between the terms of an order and the Master Agreement, the order shall take precedence. The Master Agreement and orders may not be modified and the rights and restrictions may not be altered or waived except in a writing signed or accepted online through the Oracle Store by authorized representatives of You and of Oracle. Any notice required under the Master Agreement shall be provided to the other party in writing.

10. LIMITATION OF LIABILITY

EXCEPT WITH RESPECT TO THE INDEMNIFICATION OBLIGATIONS UNDER SECTION 5 (INDEMNIFICATION) ABOVE, NEITHER PARTY SHALL BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES, OR ANY LOSS OF PROFITS, REVENUE, DATA, OR DATA USE. ORACLE’S MAXIMUM LIABILITY FOR ANY DAMAGES ARISING OUT OF OR RELATED TO THE MASTER AGREEMENT OR YOUR ORDER, WHETHER IN CONTRACT OR TORT, OR OTHERWISE, SHALL BE LIMITED TO THE AMOUNT OF THE FEES YOU PAID ORACLE UNDER THE SCHEDULE GIVING RISE TO THE LIABILITY, AND IF SUCH DAMAGES RESULT FROM YOUR USE OF PRODUCTS OR SERVICE OFFERINGS, SUCH LIABILITY SHALL BE LIMITED TO THE FEES YOU PAID ORACLE FOR THE DEFICIENT PRODUCT OR SERVICE OFFERINGS GIVING RISE TO THE LIABILITY.

11. EXPORT

Export laws and regulations of the United States and any other relevant local export laws and regulations apply to the Products. You agree that such export laws govern Your use of the Products (including technical data) and any Service Offerings deliverables provided under the Master Agreement, and You agree to comply with all such export laws and regulations (including “deemed export” and “deemed re-export” regulations). You agree that no data, information, Product and/or materials resulting from Service Offerings (or direct product thereof) will be exported, directly or indirectly, in violation of these laws, or will be used for any purpose prohibited by these laws including, without limitation, nuclear, chemical, or biological weapons proliferation, or development of missile technology.

12. FORCE MAJEURE

Neither of us shall be responsible for failure or delay of performance if caused by: an act of war, hostility, or sabotage; act of God; pandemic, electrical, internet, or telecommunication outage that is not caused by the obligated party; government restrictions (including the denial or cancellation of any export, import or other license); other event outside the reasonable control of the obligated party. We both will use reasonable efforts to mitigate the effect of a force majeure event. If such event continues for more than 30 days, either of us may cancel unperformed Service Offerings and affected orders upon written notice. This section does not excuse either party's obligation to take reasonable steps to follow its normal disaster recovery procedures or Your obligation to pay for Products and Service Offerings ordered or delivered.

13. GOVERNING LAW AND JURISDICTION

The Master Agreement is governed by the laws of the State of California and You and Oracle agree to submit to the exclusive jurisdiction of, and venue in, the courts in California in any dispute arising out of or relating to the Master Agreement.

14. NOTICE

If You have a dispute with Oracle or if You wish to provide a notice under the Indemnification section of these General Terms, or if You become subject to insolvency or other similar legal proceedings, You will promptly send written notice to: Oracle America, Inc., 500 Oracle Parkway, Redwood Shores, CA 94065, Attention: General Counsel, Legal Department.

15. ASSIGNMENT

You may not assign the Master Agreement or give or transfer the Programs, Operating System, Integrated Software and/or any Service Offerings or an interest in them to another individual or entity. If You grant a security interest in the Programs, Operating System, Integrated Software and/or any Service Offerings deliverables, the secured party has no right to use or transfer the Programs, Operating System, Integrated Software and/or any Service Offerings deliverables, and if You decide to finance Your acquisition of any Products and/or any Service Offerings, You will follow Oracle's policies regarding financing which are at <http://oracle.com/contracts>. The foregoing shall not be construed to limit the rights You may otherwise have with respect to the Linux operating system, third party technology or Separately Licensed Third Party Technology licensed under open source or similar license terms.

16. OTHER

16.1 Oracle is an independent contractor and we agree that no partnership, joint venture, or agency relationship exists between us. We each will be responsible for paying our own employees, including employment related taxes and insurance.

16.2 If any term of the Master Agreement is found to be invalid or unenforceable, the remaining provisions will remain effective and such term shall be replaced with a term consistent with the purpose and intent of the Master Agreement.

16.3 Except for actions for nonpayment or breach of Oracle's proprietary rights, no action, regardless of form, arising out of or relating to the Master Agreement may be brought by either party more than two years after the cause of action has accrued.

16.4 Products and Service Offerings deliverables are not designed for or specifically intended for use in nuclear facilities or other hazardous applications. You agree that it is Your responsibility to ensure safe use of Products and Service Offerings deliverables in such applications.

16.5 If requested by an authorized reseller on Your behalf, You agree Oracle may provide a copy of the Master Agreement to the authorized reseller to enable the processing of Your order with that authorized reseller.

16.6 The Uniform Computer Information Transactions Act does not apply to the Master Agreement or orders placed under it. You understand that Oracle's business partners, including any third party firms retained by You to provide consulting services, are independent of Oracle and are not Oracle's agents. Oracle is not liable for nor bound by any acts of any such business partner unless (i) the business partner is providing services as an Oracle subcontractor in furtherance of an order placed under the Master Agreement and (ii) only to the same extent as Oracle would be responsible for the performance of Oracle resources under that order.

16.7 For software (i) that is part of Programs, Operating Systems, Integrated Software or Integrated Software Options (or all four) and (ii) that You receive from Oracle in binary form and (iii) that is licensed under an open source license that

gives You the right to receive the source code for that binary, You may obtain a copy of the applicable source code from <https://oss.oracle.com/sources/> or <http://www.oracle.com/goto/opensourcecode>. If the source code for such software was not provided to You with the binary, You may also receive a copy of the source code on physical media by submitting a written request pursuant to the instructions in the "Written Offer for Source Code" section of the latter website.

16.8 Oracle may refer to You as an Oracle customer of the ordered Products and Service Offerings in sales presentations, marketing vehicles and activities.

The effective date of this agreement shall be _____, 20_. (DATE TO BE COMPLETED BY ORACLE)

Kern County Hospital Authority:	Oracle America, Inc.
Signature: _____	Signature: _____
Name: Russell Bigler	Name: _____
Title: Chairman, Board of Governors	Title: _____
Signature Date: _____	Signature Date: _____
Approved as to Content Kern Medical Center:	
Signature: _____	
Name: Andy Cantu	
Title: Chief Financial Officer	
Signature Date: _____	
Approved as to Form Office of County Counsel:	
Signature: _____	
Name: Shannon Hochstein	
Title: Deputy	
Signature Date: _____	

SCHEDULE P - Program

This Program Schedule (this "Schedule P") is a Schedule to the General Terms to which this Schedule P is attached. The General Terms and this Schedule P, together with the attached Schedule H, are the Master Agreement. This Schedule P shall coterminate with the General Terms.

1. DEFINITIONS

1.1 "**Commencement Date**" refers to the date of shipment of tangible media or the effective date of the order if shipment of tangible media is not required.

1.2 Capitalized terms used but not defined in this Schedule P have the meanings set forth in the General Terms.

2. RIGHTS GRANTED

2.1 Upon the full signing of Your order by both Oracle and You, You have the non-exclusive, non-assignable, royalty free, perpetual (unless otherwise specified in the order), limited right to use the Programs and receive any Program-related Service Offerings You ordered solely for Your internal business operations and subject to the terms of the Master Agreement, including the definitions and rules set forth in the order and the Program Documentation.

2.2 Upon payment for Program-related Service Offerings, You have the non-exclusive, non-assignable, royalty free, perpetual, limited right to use for Your internal business operations anything developed by Oracle and delivered to You under this Schedule P ("deliverables"); however, certain deliverables may be subject to additional license terms provided in the order.

2.3 You may allow Your agents and contractors (including, without limitation, outsourcers) to use the Programs and deliverables for Your internal business operations and You are responsible for their compliance with the General Terms and this Schedule P in such use. For Programs that are specifically designed to allow Your customers and suppliers to interact with You in the furtherance of Your internal business operations, such use is allowed under the General Terms and this Schedule P.

2.4 You may make a sufficient number of copies of each Program for Your licensed use and one copy of each Program media.

3. RESTRICTIONS

3.1 The Programs may contain or require the use of third party technology that is provided with the Programs. Oracle may provide certain notices to You in Program Documentation, readmes or notice files in connection with such third party technology. Third party technology will be licensed to You either under the terms of the Master Agreement or, if specified in the Program Documentation, readmes or notice files, under Separate Terms. Your rights to use Separately Licensed Third Party Technology under Separate Terms are not restricted in any way by the Master Agreement. However, for clarity, notwithstanding the existence of a notice, third party technology that is not Separately Licensed Third Party Technology shall be deemed part of the Programs and is licensed to You under the terms of the Master Agreement.

If You are permitted under an order to distribute the Programs, You must include with the distribution all such notices and any associated source code for Separately Licensed Third Party Technology as specified, in the form and to the extent such source code is provided by Oracle, and You must distribute Separately Licensed Third Party Technology under Separate Terms (in the form and to the extent Separate Terms are provided by Oracle). Notwithstanding the foregoing, Your rights to the Programs are solely limited to the rights granted in Your order.

3.2 You may not:

- a. remove or modify any Program markings or any notice of Oracle's or its licensors' proprietary rights;
- b. make the Programs or materials resulting from the Service Offerings available in any manner to any third party for use in the third party's business operations (unless such access is expressly permitted for the specific Program license or materials from the Service Offerings you have acquired);

- c. cause or permit reverse engineering (unless required by law for interoperability), disassembly or decompilation of the Programs (the foregoing prohibition includes but is not limited to review of data structures or similar materials produced by Programs);
- d. disclose results of any Program benchmark tests without Oracle's prior written consent, except as required by applicable law, provided that You give Oracle prior notice and an opportunity to oppose such disclosure (unless prohibited by law).

3.3 The prohibition on the assignment or transfer of the Programs or any interest in them under section 15 of the General Terms shall apply to all Programs licensed under this Schedule P, except to the extent that such prohibition is rendered unenforceable under applicable law.

4. TRIAL PROGRAMS

You may order trial Programs, or Oracle may include additional Programs with Your order which You may use for trial, non-production purposes only. You may not use the trial Programs to provide or attend third party training on the content and/or functionality of the Programs. You have 30 days from the Commencement Date to evaluate these Programs. To use any of these Programs after the 30 day trial period, You must obtain a license for such Programs from Oracle or an authorized reseller. If You decide not to obtain a license for any Program after the 30 day trial period, You will cease using and promptly delete any such Programs from Your computer systems. Programs licensed for trial purposes are provided "as is" and Oracle does not provide technical support or offer any warranties for these Programs.

5. TECHNICAL SUPPORT

5.1 For purposes of an order, technical support consists of Oracle's annual technical support services You may have ordered from Oracle or an authorized reseller for the Programs. If ordered, annual technical support (including first year and all subsequent years) is provided under Oracle's technical support policies in effect at the time the technical support services are provided. You agree to cooperate with Oracle and provide the access, resources, materials, personnel, information and consents that Oracle may require in order to perform the technical support services. The technical support policies are incorporated in this Schedule P and are subject to change at Oracle's discretion; however, Oracle policy changes will not result in a material reduction in the level of technical support services provided for supported Programs during the period for which fees for technical support have been paid. You should review the policies prior to entering into the order for the applicable technical support services. You may access the current version of the technical support policies at <http://oracle.com/contracts>.

5.2 Software Update License & Support (or any successor technical support offering to Software Update License & Support, "SULS") acquired with Your order may be renewed annually and, if You renew SULS for the same number of licenses for the same Programs, for the first and second renewal years the fee for SULS will not increase by more than 3% over the prior year's fees. If Your order is fulfilled by an authorized reseller, the fee for SULS for the first renewal year will be the price quoted to You by Your authorized reseller; the fee for SULS for the second renewal year will not increase by more than 3% over the prior year's fees.

5.3 If You decide to purchase technical support for any Program license within a license set, You are required to purchase technical support at the same level for all licenses within that license set. You may desupport a subset of licenses in a license set only if You agree to terminate that subset of licenses. The technical support fees for the remaining licenses will be priced in accordance with the technical support policies in effect at the time of termination. Oracle's license set definition is available in the current technical support policies. If You decide not to purchase technical support, You may not update any unsupported Program licenses with new versions of the Program.

6. PROGRAM-RELATED SERVICE OFFERINGS

In addition to technical support, You may order a limited number of Program-related Service Offerings under this Schedule P as listed in the Program-Related Service Offerings document, which is at <http://oracle.com/contracts>. You agree to provide Oracle with all information, access and full good faith cooperation reasonably necessary to enable Oracle to deliver these Service Offerings and You will perform the actions identified in the order as Your responsibility. If while performing these Service Offerings Oracle requires access to another vendor's products that are part of Your system, You

will be responsible for acquiring all such products and the appropriate license rights necessary for Oracle to access such products on Your behalf. Service Offerings provided may be related to Your license to use Programs owned or distributed by Oracle which You acquire under a separate order. The agreement referenced in that order shall govern Your use of such Programs.

7. WARRANTIES, DISCLAIMERS AND EXCLUSIVE REMEDIES

7.1 Oracle warrants that a Program licensed to You will operate in all material respects as described in the applicable Program Documentation for a period of one year after delivery (i.e., via physical shipment or electronic download). You must notify Oracle of any Program warranty deficiency within one year after delivery. Oracle also warrants that technical support services and Program-related Service Offerings (as referenced in section 6 above) ordered and provided under this Schedule P will be provided in a professional manner consistent with industry standards. You must notify Oracle of any technical support service or Program-related Service Offerings warranty deficiencies within 90 days from performance of the deficient technical support service or Program-related Service Offerings.

7.2 ORACLE DOES NOT GUARANTEE THAT THE PROGRAMS WILL PERFORM ERROR-FREE OR UNINTERRUPTED OR THAT ORACLE WILL CORRECT ALL PROGRAM ERRORS.

7.3 FOR ANY BREACH OF THE ABOVE WARRANTIES, YOUR EXCLUSIVE REMEDY AND ORACLE'S ENTIRE LIABILITY SHALL BE: (A) THE CORRECTION OF PROGRAM ERRORS THAT CAUSE BREACH OF THE WARRANTY; OR, IF ORACLE CANNOT SUBSTANTIALLY CORRECT THE ERRORS OF THE APPLICABLE PROGRAM LICENSE IN A COMMERCIALY REASONABLE MANNER, YOU MAY END YOUR PROGRAM LICENSE AND RECOVER THE FEES YOU PAID TO ORACLE FOR THE PROGRAM LICENSE AND ANY UNUSED, PREPAID TECHNICAL SUPPORT FEES YOU HAVE PAID FOR THE PROGRAM LICENSE; OR (B) THE REPERFORMANCE OF THE DEFICIENT PROGRAM-RELATED SERVICE OFFERINGS; OR, IF ORACLE CANNOT SUBSTANTIALLY CORRECT THE DEFICIENCY IN A COMMERCIALY REASONABLE MANNER, YOU MAY END THE DEFICIENT PROGRAM-RELATED SERVICE OFFERINGS AND RECOVER THE FEES YOU PAID TO ORACLE FOR THE DEFICIENT PROGRAM-RELATED SERVICE OFFERINGS.

7.4 TO THE EXTENT NOT PROHIBITED BY LAW, THIS WARRANTY IS EXCLUSIVE AND THERE ARE NO OTHER EXPRESS OR IMPLIED WARRANTIES OR CONDITIONS, INCLUDING WARRANTIES OR CONDITIONS OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

8. AUDIT

Upon 45 days written notice, Oracle may audit Your use of the Programs. You agree to cooperate with Oracle's audit and provide reasonable assistance and access to information. Any such audit shall not unreasonably interfere with Your normal business operations. You agree to pay within 30 days of written notification any fees applicable to Your use of the Programs in excess of Your license rights. If You do not pay, Oracle can end (a) Program-related Service Offerings (including technical support), (b) Program licenses ordered under this Schedule P and related agreements and/or (c) the Master Agreement. You agree that Oracle shall not be responsible for any of Your costs incurred in cooperating with the audit.

9. ORDER LOGISTICS

9.1 Delivery and Installation

9.1.1 You are responsible for installation of the Programs unless the Programs have been pre-installed by Oracle on the Hardware You are purchasing under the order or unless You purchase installation services from Oracle for those Programs.

9.1.2 Oracle has made available to You for electronic download at the electronic delivery web site located at the following Internet URL: <http://edelivery.oracle.com> the Programs listed in the Programs and Program Support Service Offerings section of the applicable order. Through the Internet URL, You can access and electronically download to Your location the latest production release as of the effective date of the applicable order of the software and related Program Documentation for each Program listed. Provided that You have continuously maintained technical support for the listed Programs, You may continue to download the Programs and related Program

Documentation. Please be advised that not all Programs are available on all hardware/operating system combinations. For the most recent Program availability please check the electronic delivery web site specified above. You acknowledge that Oracle is under no further delivery obligation with respect to Programs under the applicable order, electronic download or otherwise unless otherwise stated in Your Order.

9.1.3 If ordered, Oracle will deliver the tangible media to the delivery address specified on the applicable order. You agree to pay applicable media and shipping charges. The applicable shipping terms for the delivery of tangible media are: FCA Shipping Point, Prepaid, and Add.

9.2 Territory

The Programs shall be used in the United States.

9.3 Pricing, Invoicing and Payment Obligation

9.3.1 In entering into payment obligations under an order, You agree and acknowledge that You have not relied on the future availability of any Program or updates. However, (a) if You order technical support, the preceding sentence does not relieve Oracle of its obligation to provide such technical support under the Master Agreement, if and when available, in accordance with Oracle's then current technical support policies, and (b) the preceding sentence does not change the rights granted to You under an order and the Master Agreement.

9.3.2 Program fees are invoiced as of the Commencement Date.

9.3.3 Program-related Service Offering fees are invoiced after the performance of the Program-related Service Offering performance; specifically, technical support fees are invoiced quarterly in arrears. The period of performance for all Program-related Service Offerings is effective upon the Commencement Date.

9.3.4 In addition to the prices listed on the order, and unless specified otherwise in the Order, Oracle will invoice You for any applicable shipping charges or applicable taxes and You will be responsible for such charges and taxes.

10. LICENSE DEFINITION AND RULES

To fully understand Your license grant, You need to review the definition for the licensing metric and term designation as well as the licensing rules which are listed below.

10.1 Definitions and License Metrics

\$M Annual Transaction Volume: is defined as one million U.S. Dollars in all purchase orders transacted and all auctions conducted through the Oracle Exchange Marketplace by You and others during the applicable year of the Oracle Exchange Marketplace license, regardless of whether any such auction results in a purchase order, provided that an auction resulting in a purchase order shall only be counted against the Annual Transaction Volume once.

Application Module: is defined as a Program used by You on a single or multiple computers.

Applications National Language Support (NLS) Supplement Media Packs: Please be advised that only a subset of the products included on an Applications NLS Supplement Media Pack have been translated. For existing supported customers, My Oracle Support has information on which products have been translated for the supported languages (<https://support.oracle.com>). For new or unsupported customers, please contact Your Oracle Account Manager for this information.

\$M in Application Annual Revenue: is defined as one million U.S. Dollars excluding taxes processed through the licensed Program. For Oracle Self-Service E-Billing products, the Annual Revenue is equivalent to the total invoiced amount for all company accounts that have at least one enrolled user per billing period.

Application Developed: is defined as a software Program developed by You that operates on smart-phones and/or other end user devices and that (i) provides end users with access to content or (ii) provides end users with end user

transaction enablement or (iii) otherwise enables use by end users of functions available through the Oracle run-time Program.

Application User: is defined as an individual authorized by You to use the applicable licensed application Programs which are installed on a single server or on multiple servers regardless of whether the individual is actively using the Programs at any given time. If You license the Oracle Self Service Work Request option in conjunction with Oracle Enterprise Asset Management, You are required to maintain licenses for the equivalent number of Application Users licensed and You are granted unlimited access to initiate work requests, view work request status and view scheduled completion dates for Your entire employee population. Application Users licensed for Oracle Order Management are allowed to manually enter orders directly into the Programs but any orders entered electronically from other sources must be licensed separately. For Oracle Sourcing, Oracle Fusion Sourcing, Oracle iSupplier Portal, Oracle Fusion Supplier Portal, Oracle Services Procurement, PeopleSoft eSupplier Connection, PeopleSoft Strategic Sourcing and JD Edwards Supplier Self Service Programs, use by Your external suppliers is included with Your application user licenses. For the purposes of the Oracle Financial Services Operational Risk Solution Program, employees who are just contributing information to the Program via the applicable user interface shall not be counted as application users.

Application Read-Only User: is defined as an individual authorized by You to run only queries or reports against the application Program for which You have also acquired non read-only licenses, regardless of whether the individual is actively using the Programs at any given time.

Brand: is defined as a named product offering that corresponds to a specific molecular entity, including multiple dosage forms and multiple strengths for the same molecular entity.

Case Report Form (CRF) Page: is defined as the "electronic equivalent" of what would be the total number of physical paper pages initiated remotely by the Program (measured explicitly in the Program as Received Data Collection Instruments) during a 12 month period. You may not exceed the licensed number of CRF Pages during any 12 month period unless You acquire additional CRF Page licenses from Oracle.

Chassis: is defined as a physical enclosure containing hardware. For the purposes of the following Programs: Oracle Fabric Manager and Oracle Fabric Monitor, only the chassis (a) that contain networking hardware and (b) that are managed by the Program must be counted for the purpose of determining the number of licenses required.

Client Application Loader Client: is defined as a device that receives its configuration from a client application server.

Collaboration Program User: is defined as an individual authorized by You to use the Programs which are installed on a single server or on multiple servers regardless of whether the individual is actively using the Programs at any given time. For the purposes of counting and licensing the number of Beehive Synchronous Collaboration users, a Collaboration Program User within Your company is defined as a user able to initiate, or host, a web conference and also participate in a web conference; all participants in the web conference external to Your company and attending a web conference are not required to be licensed.

Compensated Individual: is defined as an individual whose compensation or compensation calculations are generated by the Programs. The term Compensated Individual includes, but is not limited to, Your employees, contractors, retirees, and any other Person.

Computer: is defined as the computer on which the Programs are installed. A Computer license allows You to use the licensed Program on a single specified computer. For the purposes of Computer licenses for the Oracle Health Science Integration Engine Program, a communication point is an interface to an input system (e.g., a clinical laboratory system in a hospital or healthcare setting) or to an output system (e.g., a healthcare data repository).

5 Concurrent Users: is defined as five concurrent users where each Concurrent User is an individual who is authorized by You to access the Program concurrently with other individuals at any given time.

Concurrent Connection: is defined as each connection to a Serduct/Datalink. A Serduct/Datalink is defined as an interface that renders the Infor software operable for use with Micros Applications.

Concurrent User: is defined as each individual that may concurrently use or access the Programs. Concurrent Users shall be only customers or prospective customers of Yours, and shall not be business partners, or employees of Yours.

Connected Device: is defined as each unique device that transmits data to or receives data from Oracle application Programs or Oracle cloud services. Devices include, but are not limited to, sensors, meters, RFID readers, and barcode scanners. Devices may be connected directly to Oracle application Programs or Oracle cloud services, or may be connected indirectly to Oracle application Programs or Oracle cloud services through a gateway device or a third-party communications service. A device may be uniquely identified as being the endpoint of communication of data to or from an Oracle application Program or an Oracle cloud service, or may be uniquely identified by its explicit registry with an Oracle application Program or an Oracle cloud service.

Connected Instance: is defined as the configuration between Oracle Policy Automation Connector for Oracle CRM On Demand and the Oracle CRM On Demand instance's web service endpoint. For each Oracle CRM On Demand instance so configured, an additional Connected Instance is required.

Connector: is defined as each connector connecting the software product with a third party product. A unique connector is required for each distinct third party product that the software product is required to interface.

\$M Cost of Goods Sold: is defined as one million U.S. Dollars in the total cost of inventory that a company has sold during their fiscal year. If Cost of Goods Sold is unknown to You then Cost of Goods Sold shall be equal to 75% of total company revenue.

CPU: is defined as a chip that contains a collection of one or more cores on which the Program is running. Regardless of the number of cores, each chip counts as 1 CPU.

Custom Suite User: is defined as an individual authorized by You to use the application Programs included in the applicable Custom Applications Suite which are installed on a single server or on multiple servers regardless of whether the individual is actively using the Programs at any given time.

Customer: is defined as the customer entity specified on Your order. The Programs may not be used or accessed for the business operations of any third party, including but not limited to Your customers, partners, or Your affiliates. There is no limitation on the number of computers on which such Programs may be copied, installed and used.

Customer Account: is defined as each unique Customer Account, designated by a unique account number, for which the billing information is managed or displayed using the Program, regardless of the number of individual account holders associated with such accounts.

Oracle Customer Data & Device Retention Service: is defined as a service for which the description may be found in the Technical Support Policies section (**Oracle Hardware and Systems Support Policies**) at www.oracle.com/contracts and which is incorporated by reference.

Customer Record: is defined as each unique Customer Record (including contact records, prospect records and records in external data sources) that You may access using the Program.

10,000 Daily Average Transactions: is defined as ten thousand unique transactions (including but not limited to sales transactions, return transactions, exchange transactions, loyalty transactions, deal transactions, gift card transactions, inventory transactions, petty cash transactions, and administrative transactions) that are processed by the Program in a single 24 hour period. The daily transaction volume is calculated as the daily average over the prior 12 month period.

Developer User / Developer/ Developer Seat: is defined as an individual authorized by You to use the Programs which are installed on a single server or multiple servers, regardless of whether the individual is actively using the Programs at any given time. With respect to Developer Users only, such users may create, modify, view and interact with the Programs and documentation.

Disk Drive: is defined as a spinning media device that stores data accessed by the Program.

Electronic Order Line: is defined as the total number of distinct order lines entered electronically into the Oracle Program from any source (not manually entered by licensed users) during a 12 month period. This includes order lines originating as external EDI/XML transactions and/or sourced from other Oracle and non-Oracle applications. You may not exceed the licensed number of order lines during any 12 month period.

Employee: is defined as (i) all of Your full-time, part-time, temporary employees, and (ii) all of Your agents, contractors and consultants who have access to, use, or are tracked by the Programs. The quantity of the licenses required is determined by the number of Employees and not the actual number of users. In addition, if You elect to outsource any business function(s) to another company, the following must be counted for purposes of determining the number of Employees: all of the company's full-time employees, part-time employees, temporary employees, agents, contractors and consultants that (i) are providing the outsourcing services and (ii) have access to, use, or are tracked by the Programs.

Employee for HCM: is defined as (i) all of Your full-time, part-time, temporary employees, and (ii) all of Your agents, contractors and consultants who have access to, use, or are tracked by the Programs. The quantity of the licenses required is determined by the number of Employees for HCM and not the actual number of users. In addition, if You elect to outsource any business function(s) to another company, the following must be counted for purposes of determining the number of Employees for HCM: all of the company's full-time employees, part-time employees, temporary employees, agents, contractors and consultants that (i) are providing the outsourcing services and (ii) have access to, use, or are tracked by the Programs. Employees for HCM may only use the licensed Programs with Oracle application Programs that contain "Oracle Fusion Human Capital Management" as a prefix in the Program name.

Employee User: is defined as an individual authorized by You to use the Programs which are installed on a single server or multiple servers, regardless of whether or not the individual is actively using the Programs at any given time.

Enterprise Employee: is defined as (i) all of Your full-time, part-time, temporary employees, and (ii) all of Your agents, contractors and consultants who have access to, use, or are tracked by the Programs. The quantity of the licenses required is determined by the number of Enterprise Employees and not the actual number of users. In addition, if You elect to outsource any business function(s) to another company, the following must be counted for purposes of determining the number of Enterprise Employees: all of the company's full-time employees, part-time employees, temporary employees, agents, contractors and consultants that (i) are providing the outsourcing services and (ii) have access to, use, or are tracked by the Programs. The value of these Program licenses is determined by the number of Enterprise Employees. For these Program licenses, the licensed quantity purchased must, at a minimum be equal to the number of Enterprise Employees as of the effective date of Your order. If at any time the number of Enterprise Employees exceeds the licensed quantity, You are required to order additional licenses (and technical support for such additional licenses) such that the number of Enterprise Employees is equal to or less than the number of licensed quantity. You are not entitled to any refund, credit or other consideration of any kind if there is a reduction in the number of Enterprise Employees. In addition, each year 90 days before the anniversary date of Your order, You are required to report to Oracle the number of Enterprise Employees as of such date.

Enterprise Full Time Equivalent (FTE) Student: is defined as any full-time student enrolled in Your institution and any part-time student enrolled in Your institution counts as 25% of an FTE Student. The definition of "full-time" and "part-time" is based on Your policies for student classification. If the number of FTE Students is a fraction, that number will be rounded to the nearest whole number for purposes of license quantity requirements. The value of these Program licenses is determined by the number of Enterprise FTE Students. For these Program licenses, the licensed quantity purchased must, at a minimum, be equal to the number of Enterprise FTE Students as of the effective date of Your order. If at any time the number of Enterprise FTE Students exceeds the licensed quantity, You are required to order additional licenses (and technical support for such additional licenses) such that the number of Enterprise FTE Students is equal to or less than the licensed quantity. You are not entitled to any refund, credit or other consideration of any kind if there is a reduction in the number of Enterprise FTE Students. In addition, each year 90 days before the anniversary date of Your order, You are required to report to Oracle the number of Enterprise FTE Students as of such date.

Enterprise Trainee: is defined as an employee, contractor, student or other person who is being recorded by the Program. The value of these Program licenses is determined by the number of Enterprise Trainees. For these Program licenses, the licensed quantity purchased must, at a minimum, be equal to the number of Enterprise Trainees as of the

effective date of Your order. If at any time the number of Enterprise Trainees exceeds the licensed quantity, You are required to order additional licenses (and technical support for such additional licenses) such that the number of Enterprise Trainees is equal to or less than the licensed quantity. You are not entitled to any refund, credit or other consideration of any kind if there is a reduction in the number of Enterprise Trainees. In addition, each year 90 days before the anniversary date of Your order, You are required to report to Oracle the number of Enterprise Trainees as of such date.

Enterprise \$M in Cost of Goods Sold: Enterprise \$M Cost of Goods Sold is defined as one million U.S. Dollars in the total cost of inventory that a company has sold during their fiscal year. If Cost of Goods Sold is unknown to You then Cost of Goods Sold shall be equal to 75% of total company revenue. The value of these Program licenses is determined by the amount of Enterprise \$M Cost of Goods Sold. For these Program licenses, the licensed quantity purchased must, at a minimum be equal to the amount of Enterprise \$M Cost of Goods Sold as of the effective date of Your order. If at any time the amount of Enterprise \$M Cost of Goods Sold exceeds the licensed quantity, You are required to order additional licenses (and technical support for such additional licenses) such that the amount of Enterprise \$M Cost of Goods Sold is equal to or less than the number of licensed quantity. You are not entitled to any refund, credit or other consideration of any kind if there is a reduction in the amount of Enterprise \$M Cost of Goods Sold. In addition, each year 90 days before the anniversary date of Your order, You are required to report to Oracle the number of Enterprise \$M Cost of Goods Sold as of such date.

Enterprise \$M in Freight Under Management: \$M Freight Under Management is defined as one million U.S. Dollars of the total transportation value of tendered orders for all shipments for a given calendar year during the term of the license. FUM shall include the combined total of actual freight purchased by You, plus the cost of freight for shipments managed by You (e.g., You are not purchasing transportation services on behalf of Your clients but are providing transportation management services for Your clients). Freight that is paid by a third party shall also be included in the FUM total (e.g., inbound shipments from suppliers to You with freight terms of prepaid). The value of these Program licenses is determined by the amount of Enterprise \$M Freight Under Management. For these Program licenses, the licensed quantity purchased must, at a minimum be equal to the amount of Enterprise \$M Freight Under Management as of the effective date of Your order. If at any time the amount of Enterprise \$M Freight Under Management exceeds the licensed quantity, You are required to order additional licenses (and technical support for such additional licenses) such that the amount of Enterprise \$M Freight Under Management is equal to or less than the number of licensed quantity. You are not entitled to any refund, credit or other consideration of any kind if there is a reduction in the amount of Enterprise \$M Freight Under Management. In addition, each year 90 days before the anniversary date of Your order, You are required to report to Oracle the number of Enterprise \$M Freight Under Management as of such date.

Enterprise \$M in Operating Budget: is defined as one million U.S. Dollars of Your gross budget reflected in an audited statement from Your external accounting firm. The value of these Program licenses is determined by the amount of Enterprise \$M in Operating Budget. For these Program licenses, the licensed quantity purchased must, at a minimum be equal to the amount of Enterprise \$M in Operating Budget as of the effective date of Your order. If at any time the amount of Enterprise \$M in Operating Budget exceeds the licensed quantity, You are required to order additional licenses (and technical support for such additional licenses) such that the amount of Enterprise \$M in Operating Budget is equal to or less than the number of licensed quantity. You are not entitled to any refund, credit or other consideration of any kind if there is a reduction in the amount of Enterprise \$M in Operating Budget. In addition, each year 90 days before the anniversary date of Your order, You are required to report to Oracle the number of Enterprise \$M in Operating Budget as of such date.

Enterprise \$M in Revenue: Enterprise \$M in Revenue is defined as one million U.S. Dollars in all income (interest income and non interest income) before adjustments for expenses and taxes generated by You during a fiscal year. The value of these Program licenses is determined by the amount of Enterprise \$M in Revenue. For these Program licenses, the licensed quantity purchased must, at a minimum be equal to the amount of Enterprise \$M in Revenue as of the effective date of Your order. If at any time the amount of Enterprise \$M in Revenue exceeds the licensed quantity, You are required to order additional licenses (and technical support for such additional licenses) such that the amount of Enterprise \$M in Revenue is equal to or less than the number of licensed quantity. You are not entitled to any refund, credit or other consideration of any kind if there is a reduction in the amount of Enterprise \$M in Revenue. In addition, each year 90 days before the anniversary date of Your order, You are required to report to Oracle the number of Enterprise \$M in Revenue as of such date.

Expense Report: is defined as the total number of expense reports processed by Internet Expenses during a 12 month period. You may not exceed the licensed number of expense reports during any 12 month period.

Faculty User: is defined as an active teaching member of the faculty for an accredited academic institution; such user may only use the Programs for academic and non-commercial use.

Field Technician: is defined as an engineer, technician, representative, or other person who is dispatched by You, including the dispatchers, to the field using the Programs.

Flash Drive: is defined as a front mounted solid state media device that stores data accessed by the Program.

\$M Freight Under Management: is defined as one million U.S. Dollars of the total transportation value of tendered orders for all shipments for a given calendar year during the term of the license. FUM shall include the combined total of actual freight purchased by You, plus the cost of freight for shipments managed by You (e.g., You are not purchasing transportation services on behalf of Your clients but are providing transportation management services for Your clients). Freight that is paid by a third party shall also be included in the FUM total (e.g., inbound shipments from suppliers to You with freight terms of prepaid).

Full Time Equivalent (FTE) Student: is defined as any full-time student enrolled in Your institution and any part-time student enrolled in Your institution counts as 25% of an FTE Student. The definition of "full-time" and "part-time" is based on Your policies for student classification. If the number of FTE Students is a fraction, that number will be rounded to the nearest whole number for purposes of license quantity requirements.

25,000 Gift Cards: is defined as twenty-five thousand value cards (gift or stored) that are generated by the Program during a 12 month period.

Guest Cabin: is defined as a guest cabin onboard a cruise ship managed by the Program. You must license the total number of Guest Cabins onboard each cruise ship managed by the Program and the licensed quantity of Guest Cabin licenses may not be shared across multiple cruise ships.

For the purposes of the Cruise Fleet Management, Cruise Crew Management, Cruise Materials Management HQ and Sub-HQ Programs, You must license the total number of Guest Cabins onboard all ships or vessels in the fleet that are managed by the Program.

Guest Room: is defined as the number of guest rooms managed by the Program.

For the purposes of the Oracle Hospitality Suite8 Interface Programs, a unique Guest Room license is required for each distinct product with which an Oracle Hospitality Suite8 Program is required to interface. For example, a customer requiring interfaces of an Oracle Hospitality Suite8 Program with three distinct products must have three separate Guest Room licenses.

Hosted Named User: is defined as an individual authorized by You to access the hosted service, regardless of whether the individual is actively accessing the hosted service at any given time.

Hospitality Suite: is defined as an entertainment space that typically includes, but is not limited to, a kitchenette, restroom, table and seats within an arena, stadium, concert venue or other venue that is managed by the Program.

Installation Services, Start-Up Packs and Configuration/Upgrade Services: is defined as a service(s) for which the description may be found in the Advanced Customer Support Services section at www.oracle.com/contracts and which is incorporated by reference.

Instance: is defined as a single database environment. Test, production, and development environments are considered three separate instances that must each be licensed.

Interface: is defined as each interface connecting the Oracle Program with a third party product. A unique Interface license is required for each distinct third party product with which the Oracle Program is required to interface.

Inventory Location: is defined as a dedicated physical inventory space used by vendors to store their inventory within

an arena, stadium, concert venue or other venue that is managed by the Program. Each dedicated physical inventory space must be counted as one Inventory Location.

Invoice Line: is defined as the total number of invoice line items processed by the Program during a 12 month period. You may not exceed the licensed number of Invoice Lines during any 12 month period unless You acquire additional Invoice Line licenses from Oracle.

IVR Port: is defined as a single caller that can be processed via the Interactive Voice Response (IVR) system. You must purchase licenses for the number of IVR Ports that represent the maximum number of concurrent callers that can be processed by the IVR system.

Kitchen Display Client: is defined as a device that is used to display and monitor the status of ordered items. If multiplexing hardware or software (e.g., a TP monitor or a web server product) is used, this number must be measured at the multiplexing front end.

Learning Credits: may be used to acquire education products and services offered in the Oracle University online catalogue posted at <http://www.oracle.com/education> under the terms specified therein. Learning credits may only be used to acquire products and services at the list price in effect at the time You order the relevant product or service, and may not be used for any product or service that is subject to a discount or a promotion when You order the relevant product or service. The list price will be reduced by applying the discount specified to You by Oracle. Notwithstanding anything to the contrary in the previous three sentences, learning credits may also be used to pay taxes, materials and/or expenses related to Your order; however, the discount specified above will not be applied to such taxes, materials and/or expenses. Learning credits are valid for a period of 12 months from the date Your order is accepted by Oracle, and You must acquire products and must use any acquired services prior to the end of such period. You may only use learning credits in the country in which You acquired them, may not use them as a payment method for additional learning credits, and may not use different learning credits accounts to acquire a single product or service or to pay related taxes, materials and/or expenses. Learning credits are non-transferable and non-assignable. You may be required to execute standard Oracle ordering materials when using learning credits to order products or services.

\$M in Managed Assets: is defined as one million U.S. Dollars of the following total: (1) Book value of investment in capital leases, direct financing leases and other finance leases, including residuals, whether owned or managed for others, active on the Program, plus (2) Book value of assets on operating leases, whether owned or managed for others, active on the Program, plus (3) Book value of loans, notes, conditional sales contracts and other receivables, owned or managed for others, active on the Program, plus (4) Book value of non earning assets, owned or managed for others, which were previously leased and active on the Program, including assets from term terminated leases and repossessed assets, plus (5) Original cost of assets underlying leases and loans, originated and active on the Program, then sold within the previous 12 months.

Managed Resource: is defined as an individual authorized by You to use the Programs which are installed on a single server or on multiple servers, regardless of whether the individual is actively using the Programs at any given time. In addition, Your employees, contractors, partners and any other individual or entity managed by the Programs shall be counted for the purposes of determining the number of Managed Resource licenses required.

Member Record: is defined as each unique customer loyalty Program Member Record managed by the Program. 100K Member Records shall mean one hundred thousand Member Records.

Merchandise: is defined as a unique item or SKU of a consumer good.

Module: is defined as each production database running the Programs.

Monitored User: is defined as an individual who is monitored by an Analytics Program which is installed on a single server or multiple servers, regardless of whether the individual is actively being monitored at any given time. Individual users who are licensed for an Analytics Program by either Named User Plus or Application User may not be licensed by Monitored User. For the purposes of the Usage Accelerator Analytics Program, every user of Your licensed CRM Sales application Program must be licensed. For the purposes of the Human Resources Compensation Analytics Program, all of Your employees must be licensed.

For the purpose of the following Oracle Governance, Risk, and Compliance applications: Application Access Controls Governor, Application Access Controls for E-Business Suite, Configuration Controls Governor, Configuration Controls for E-Business Suite, Transaction Controls Governor, Preventive Controls Governor, and Governance, Risk, and Compliance Controls Suite, the number of Monitored Users is equal to the total number of unique E-Business Suite users (individuals) being monitored by the Program(s), as created/defined in the User Administration function of E-Business Suite. Users of iProcurement and/or Self-Service Human Resources are excluded.

For the purpose of the following PeopleSoft Enterprise Governance, Risk, and Compliance applications: Application Access Controls Governor, Application Access Controls for PeopleSoft Enterprise, Configuration Controls Governor, and Configuration Controls for PeopleSoft Enterprise, the number of Monitored Users is equal to the total number of unique PeopleSoft Enterprise (or any other custom applications / Programs) users (individuals) that the Program monitors.

MySQL Cluster Carrier Grade Edition Annual Subscription, MySQL Enterprise Edition Annual Subscription and MySQL Standard Edition Annual Subscription: are defined as the right to use the specified Program(s) in accordance with the applicable license metric and to receive Oracle Software Update License & Support for the specified Program(s) and for MySQL Community Edition for the term specified on the order. MySQL Community Edition refers to MySQL that is licensed under the GPL license. Software Update License & Support for MySQL Community Edition does not include updates of any kind. The subscription term is effective upon the effective date of the subscription ordering document, unless otherwise stated in Your ordering document. If Your order was placed through the Oracle Store, then the effective date is the date Your order was accepted by Oracle. Oracle Software Update License & Support services are provided under the applicable technical support policies in effect at the time the services are provided. You must obtain a subscription license for all servers where MySQL Cluster Carrier Grade Edition, MySQL Enterprise Edition and/or MySQL Standard Edition are deployed. If You obtain Oracle Software Update License & Support services for any servers where MySQL Community Edition is deployed, then You must also purchase a subscription license for all of such servers for which You have obtained Oracle Software Update License & Support services. You may obtain Oracle Software Update License & Support services for the MySQL Community Edition subscription licenses at any level (e.g., at the MySQL Cluster Carrier Grade Edition level, at the MySQL Enterprise Edition level and/or at the MySQL Standard Edition level). At the end of the specified term, You may renew Your subscription, if available, at the then current fees for the applicable subscription. If You choose not to renew Your subscription, Your right to use the Program(s) will terminate and You must de-install all applications, tools, and binaries provided to You under the applicable non-Community Edition license (e.g., the license for MySQL Cluster Carrier Grade Edition, MySQL Enterprise Edition and/or MySQL Standard Edition). If You do not renew a subscription, You will not receive any updates—including patches or subsequent versions) and You may also be subject to reinstatement fees if You later choose to reactivate Your subscription.

Named User Plus / Named User: is defined as an individual authorized by You to use the Programs which are installed on a single server or multiple servers, regardless of whether the individual is actively using the Programs at any given time. All of the remaining provisions of this definition apply only with respect to Named User Plus licenses, and not to Named User licenses. A non human operated device will be counted as a named user plus in addition to all individuals authorized to use the Programs, if such devices can access the Programs. If multiplexing hardware or software (e.g., a TP monitor or a web server product) is used, this number must be measured at the multiplexing front end. Automated batching of data from computer to computer is permitted. You are responsible for ensuring that the named user plus per processor minimums are maintained for the Programs contained in the user minimum table in the licensing rules section; the minimums table provides for the minimum number of named users plus required and all actual users must be licensed.

For the purposes of the following Programs: Configuration Management Pack for Applications, System Monitoring Plug-in for Non Oracle Databases, System Monitoring Plug-in for Non Oracle Middleware, Management Pack for Non-Oracle Middleware and Management Pack for WebCenter Suite, only the users of the Program that is being managed/monitored are counted for the purpose of determining the number of Named User Plus licenses required.

With respect to the following Programs: Load Testing, Load Testing Developer Edition, Load Testing Accelerator for Web Services, Load Testing Accelerator for Oracle Database, Load Testing Suite for Oracle Applications, and Oracle Test Starter Kit for Utilities (Load Testing), each emulated human user and non human operated device shall be considered as a virtual user and shall be counted for the purpose of determining the number of Named User Plus licenses required.

For the purposes of the following Programs: Data Masking and Subsetting Pack and Data Masking and Subsetting Pack for Non-Oracle Databases, only (a) the users of the database servers where masked data or data subsets originate and (b) the users of the database servers performing the masking or subsetting operations (via GUI or command line) must be counted for the purpose of determining the number of licenses required.

For the purposes of the following Programs: Application Management Suite for Oracle E-Business Suite, Application Management Suite for PeopleSoft, Application Management Suite for Siebel, Application Management Suite for JD Edwards EnterpriseOne, Real User Experience Insight and Application Replay Pack, all users of the respective managed application Program must be counted for the purpose of determining the number of licenses required.

For the purposes of the following Program: Oracle GoldenGate, only (a) the users of the Oracle database from which You capture data and (b) the users of the Oracle database where You will apply the data must be counted for the purpose of determining the number of licenses required.

For the purposes of the following Program: Oracle GoldenGate for Big Data, only the users of the source Oracle or non Oracle database(s) from which You capture data must be counted for the purpose of determining the number of licenses required. For multiple source databases, all users for all sources must be counted.

For the purposes of the following Programs: Oracle GoldenGate for Mainframe and Oracle GoldenGate for Teradata Replication Services, only (a) the users of the database from which You capture data and (b) the users of the database where You will apply the data must be counted for the purpose of determining the number of licenses required.

For the purposes of the following Program: Oracle GoldenGate for Non Oracle Database only (a) the users of the Non Oracle database from which You capture data and (b) the users of the Non Oracle database where You will apply the data must be counted for the purpose of determining the number of licenses required.

For the purposes of the following Programs: Data Integrator Enterprise Edition and Data Integrator Enterprise Edition for Oracle Applications, only the users that are running or accessing the data transformation processes must be counted for determining the number of licenses required.

For the purposes of the following Programs: Oracle Mobile Suite Client Runtime and Application Development Framework Mobile, only the end users of each Application Developed must be counted for the purposes of determining the number of licenses required, regardless of the choice of the mobile application development tool or the framework used to build the Application Developed.

Network Device: is defined as the hardware and/or software whose primary purpose is to route and control communications between computers or computer networks. Examples of network devices include but are not limited to, routers, firewalls and network load balancers.

Non Employee User - External: is defined as an individual, who is not Your employee, contractor or outsourcer, authorized by You to use the Programs which are installed on a single server or multiple servers, regardless of whether or not the individual is actively using the Programs at any given time.

Oracle Financing Contract: is a contract between You and Oracle (or one of Oracle's affiliates) that provides for payments over time of some or all of the sums due under Your order.

1000 Orders: is defined as one thousand orders entered into the applicable Program during a 12 month period. You may not exceed the licensed number of orders during any 12 month period unless You acquire additional 1000 Orders licenses from Oracle.

Order Line: is defined as the total number of order entry line items processed by the Program during a 12 month period. Multiple order entry line items may be entered as part of an individual customer order or quote and may also be automatically generated by the Oracle Configurator. You may not exceed the licensed number of Order Lines during any 12 month period unless You acquire additional Order Line licenses from Oracle.

1,000 Page Views: is defined as 1,000 Page Views per Month, where one Page View means one visit by a unique internet user to a particular page on a website.

Partner Organization: is defined as an external third party business entity that provides value-added services in developing, marketing and selling Your products. Depending upon the type of industry, partner organizations play different roles and are recognized by different names such as reseller, distributor, agent, dealer or broker.

Person: is defined as Your employee or contractor who is actively working on behalf of Your organization or a former employee who has one or more benefit plans managed by the system or continues to be paid through the system. For Project Resource Management, a person is defined as an individual who is scheduled on a project. The total number of licenses needed is to be based on the peak number of part-time and full-time people whose records are recorded in the system.

PIN Entry Device (PED): is defined as an electronic hardware device that is used in a debit, credit or smart card-based transaction to accept and encrypt the cardholder's personal identification number (PIN).

Physical Server: is defined as each physical server on which the Programs are installed.

Ported Number: is defined as the telephone number that end users retain as they change from one service provider to another. This telephone number originally resides on a telephone switch and is moved into the responsibility of another telephone switch.

POS Client: is defined as a device that is used to record any part of a sales transaction or related end-user functionality such as workstation reporting, cash management, engagement, table management, or manager operations. If multiplexing hardware or software (e.g., a TP monitor or a web server product) is used, this number must be measured at the multiplexing front end.

For the purposes of the Oracle Hospitality Guest Access POS and Device Client Program, a POS Client is a guest access control method that includes, but is not limited to, turnstiles, gates and swing doors that are managed by the Program. For each guest access control method, both entrance and exit points must be counted for the purposes of determining the number of licenses required. For example, each turnstile must be counted as two POS Clients (one for entrance and one for exit).

Processor: shall be defined as all processors where the Oracle Programs are installed and/or running. Programs licensed on a processor basis may be accessed by Your internal users (including agents and contractors) and by Your third party users. The number of required licenses shall be determined by multiplying the total number of cores of the processor by a core processor licensing factor specified on the Oracle Processor Core Factor Table which can be accessed at <http://oracle.com/contracts>. All cores on all multicore chips for each licensed Program are to be aggregated before multiplying by the appropriate core processor licensing factor and all fractions of a number are to be rounded up to the next whole number. When licensing Oracle Programs with Standard Edition 2, Standard Edition One or Standard Edition in the product name (with the exception of WebCenter Enterprise Capture Standard Edition, Java SE Support, Java SE Advanced, and Java SE Suite), a processor is counted equivalent to an occupied socket; however, in the case of multi-chip modules, each chip in the multi-chip module is counted as one occupied socket.

For example, a multicore chip based server with an Oracle Processor Core Factor of 0.25 installed and/or running the Program (other than Standard Edition One Programs or Standard Edition Programs) on 6 cores would require 2 processor licenses (6 multiplied by a core processor licensing factor of .25 equals 1.50, which is then rounded up to the next whole number, which is 2). As another example, a multicore server for a hardware platform not specified in the Oracle Processor Core Factor Table installed and/or running the Program on 10 cores would require 10 processor licenses (10 multiplied by a core processor licensing factor of 1.0 for 'All other multicore chips' equals 10).

For the purposes of the following Program: Oracle Healthcare Data Repository, only the processors on which Internet Application Server Enterprise Edition and Healthcare Transaction Base Programs are installed and/or running must be counted for the purpose of determining the number of licenses required.

For the purposes of the following Programs: iSupport, iStore and Configurator, only the processors on which Internet Application Server (Standard Edition and/or Enterprise Edition) and the licensed Program (e.g., iSupport, iStore and/or Configurator) are running must be counted for the purpose of determining the number of licenses required for the

licensed Program; under these licenses You may also install and/or run the licensed Program on the processors where a licensed Oracle Database (Standard Edition and/or Enterprise Edition) is installed and/or running.

For the purposes of the following Programs: Configuration Management Pack for Applications, System Monitoring Plug-in for Non Oracle Databases, System Monitoring Plug-in for Non Oracle Middleware, Management Pack for Non-Oracle Middleware and Management Pack for WebCenter Suite, only the processors on which the Program that is being managed/monitored are running must be counted for the purpose of determining the number of licenses required.

For the purposes of the following Programs: Data Masking and Subsetting Pack and Data Masking and Subsetting Pack for Non-Oracle Databases, only (a) the processors running the database servers where masked data or data subsets originate and (b) the processors running the database servers performing the masking or subsetting operations (via GUI or command line) must be counted for the purpose of determining the number of licenses required.

For the purposes of the following Programs: Application Management Suite for Oracle E-Business Suite, Application Management Suite for PeopleSoft, Application Management Suite for Siebel, Application Management Suite for JD Edwards EnterpriseOne, Application Management Pack for Utilities and Application Management Pack for Taxation and Policy Management, all processors on which the middleware and/or database software that support the respective managed application Program are running must be counted for the purpose of determining the number of licenses required.

For the purposes of the following Programs: Application Replay Pack and Real User Experience Insight, all processors on which the middleware software that supports the respective managed application Program are running must be counted for the purpose of determining the number of licenses required.

For the purposes of the following Programs: Informatica PowerCenter and PowerConnect Adapters, and Application Adapter for Warehouse Builder for PeopleSoft, Oracle E-Business Suite, Siebel, and SAP, only the processor(s) on which the target database is running must be counted for the purpose of determining the number of licenses required.

For the purposes of the following Programs: Data Integrator Enterprise Edition, Data Integrator Enterprise Edition for Oracle Applications, Data Integrator and Application Adapter for Data Integration and Application Adapters for Data Integration, only the processor(s) where the data transformation processes are executed must be counted for the purpose of determining the number of licenses required.

For the purposes of the following Program: In-Memory Database Cache, only the processors on which the Times Ten In-Memory Database component of the In-Memory Database Cache Program is installed and/or running must be counted for the purpose of determining the number of licenses required.

For the purposes of the following Program: Oracle GoldenGate, only (a) the processors running the Oracle database from which You capture data and (b) the processors running the Oracle database where You will apply the data must be counted for the purpose of determining the number of licenses required.

For the purposes of the following Programs: Oracle GoldenGate for Mainframe and Oracle GoldenGate for Teradata Replication Services, only (a) the processors running the database from which You capture data and (b) the processors running the database where You will apply the data must be counted for the purpose of determining the number of licenses required.

For the purposes of the following Program: Oracle GoldenGate for Non Oracle Database, only (a) the processors running the non Oracle database from which You capture data and (b) the processors running the non Oracle database where You will apply the data must be counted for the purpose of determining the number of licenses required.

For the purposes of the following Programs: Oracle GoldenGate Application Adapters and Oracle GoldenGate for Big Data, only the processors running the source Oracle or non Oracle database(s) from which You capture data must be counted for the purpose of determining the number of licenses required. For multiple source databases, all processors for all sources must be counted.

For the purposes of the following Program: Audit Vault and Database Firewall, only the processors of the sources which are protected, monitored, or audited must be counted for the purpose of determining the number of licenses required.

For the purposes of the following Program: Oracle ATG Web Commerce Search, only the processors on which queries are processed must be counted. You do not need to count processors on which the Program is running for indexing content in configured content sources as long as the foregoing is the only use of the Program on all the processors installed in a given server.

Project: is defined as a scheduled stage gate process plan in operation.

Property: is defined as a location with a single physical address.

For the purposes of the following Programs: Oracle Hospitality POS Gateway Provisioning Service for Merchant Link, Oracle Hospitality POS Gateway Change Service for Merchant Link, and Oracle Hospitality POS Annual Support Subscription for Merchant Link, each property management system, each restaurant, and each retail point of sale system must be counted as a separate Property.

500,000 Queries Per Day: is defined as five hundred thousand queries from midnight to the next midnight (e.g., a day) to the production MDEX engine, including but not limited to: text searches; changes to facet (refinement); and page up/down through results (any text box query, change in facet selection, change in results viewed). Queries that can be reasonably shown to be generated via malicious intent, such as Denial of Service attacks, are not counted against the number of licensed queries. You may also use the programs for non-production uses, including but not limited to development, quality assurance, and performance testing.

\$M in Revenue: is defined as one million U.S. Dollars in all income (interest income and non interest income) before adjustments for expenses and taxes generated by You during a fiscal year.

\$M Revenue Under Management: is defined as one million U.S. Dollars in all income (interest income and non interest income) before adjustments for expenses and taxes generated by You during a fiscal year for the product lines for which the Programs are used.

Record: The Customer Hub B2B is a bundle that includes two components, Siebel Universal Customer Master B2B and Oracle Customer Data Hub. For the purposes of the Customer Hub B2B application, record is defined as the total number of unique customer database records stored in the Customer Hub B2B application (i.e., stored in a component of Customer Hub B2B). A customer database record is a unique business entity or company record, which is stored as an account for the Siebel Universal Customer Master B2B product or as an organization for the Oracle Customer Data Hub product.

The Customer Hub B2C is a bundle that includes two components, Siebel Universal Customer Master B2C and Oracle Customer Data Hub. For the purposes of the Customer Hub B2C application, record is defined as the total number of unique customer database records stored in the Customer Hub B2C application (i.e., stored in a component of Customer Hub B2C). A customer database record is a unique consumer (i.e., physical person) record, which is stored as a contact for the Siebel Universal Customer Master product or as a person for the Oracle Customer Data Hub product.

The Product Hub is a bundle that includes two components, Siebel Universal Product Master and Oracle Product Information Management Data Hub. For the purposes of the Product Hub application, record is defined as the total number of unique product database records stored in the Product Hub application (i.e., stored in a component of Product Hub). A product database record is a unique product component or SKU stored in the MTL_SYSTEM_ITEMS table with an active or inactive status and does not include any instance items (i.e. *-star items) or organization assignments of the same item.

For the purposes of the Case Hub Program a record is defined as the total number of unique case database records stored in the Case Hub Program. A case database record is a unique request or issue requiring investigation or service stored in S_CASE table with an active or inactive status.

For the purposes of the Site Hub Program a record is defined as the total number of unique site database records stored in the RRS_SITES_B table of the Site Hub Program. A site database record is a unique site (e.g., an asset, a building, part of a building (such as a store or a franchise within a store, an ATM, etc.) stored in the Site Hub Program.

For the Programs listed above, please see the application licensing prerequisites as specified in the Applications Licensing Table which may be accessed at <http://oracle.com/contracts> for the grant and restrictions of the underlying Oracle technology.

For the purposes of the Oracle Data Relationship Management Program, a record is defined as the unique occurrence of any business object or master data construct that You choose to manage within the Program. Records may describe any number of enterprise information assets, commonly referred to as base members, including but not limited to cost centers, ledger accounts, legal entities, organizations, products, vendors, assets, locations, regions or employees. Additionally, a record may also be a summary object, commonly referred to as a rollup member, that either summarizes base members or describes hierarchical information associated with underlying base members. Records represent unique occurrences and they do not include any duplicates or shared references that may be essential for master data management purposes.

For the purposes of the Supplier Lifecycle Management and Supplier Hub Programs, a record is defined as a unique business entity or company record stored as Supplier in the AP_SUPPLIERS table of the Supplier Lifecycle Management and Supplier Hub Programs.

For the purposes of the Life Sciences Customer Hub Program, a record is defined as the number of unique customer database records stored in such Program. A customer database record is a unique physician (i.e., physical person) record which is stored as a contact for the Oracle Life Sciences Customer Hub Program.

1000 Records: is defined as 1000 cleansed records (i.e., rows) that are output from a production data flow of the Data Quality for Data Integrator Program.

Registered User: is defined as an individual authorized by You to use the Programs which are installed on a single server or multiple servers, regardless of whether the individual is actively using the Programs at any given time. Registered Users shall be business partners and/or customers and shall not be Your employees.

250,000 Requests Per Day: is defined as two hundred fifty thousand requests from midnight to the next midnight (e.g., a day) in the production systems. Requests that can be reasonably shown to be generated via malicious intent, such as Denial of Service attacks, are not counted against the number of licensed requests. You may also use the Program for non-production uses, including but not limited to development, quality assurance, and performance testing.

For the purposes of the following Program: ATG Web Commerce, requests for the full ATG pipeline at the ATG DynamoHandler in the Servlet Pipeline made by web browsers or via web service calls in the production systems, including, but not limited to: JSP page requests; Ajax requests; REST service requests; SOAP service requests; web service calls by native mobile applications, rich front end applications or other integrated external systems must be counted for the purpose of determining the number of licenses required.

For the purposes of the following Program: WebCenter Sites for Oracle ATG Web Commerce, requests to the production WebCenter Sites or production WebCenter Sites Satellite Server Programs for page or page fragments, JSP page requests, REST service requests, SOAP service requests or web service calls by browsers or external application must be counted for the purpose of determining the number of licenses required.

For the purposes of the following Program: Endeca Experience Manager, requests at the production Assembler and Presentation API, including but not limited to: any page request for Experience Manager; any single submitted query for the Search Engine (text box queries, selection or changes in facet selection); page requests by an application (e.g., ATG Web Commerce); direct requests from web browsers; web service calls by native mobile applications, rich front end applications or other integrated external systems must be counted for the purpose of determining the number of licenses required.

Retail Register: is defined as any device designed to record any part of a sales transaction.

Retail Store: is defined as any location where two or more people are employed to generate revenue by selling goods and services to customers.

Retail Wireless Device: is defined as a detached device that accesses the Program. Examples of wireless devices include but are not limited to, scanners, RF devices, PDAs.

Revenue Center: is defined as a logical reporting as configured within a Location. For example, a restaurant that keeps its reports and configuration separate from its bar and its room service would require 3 Revenue Center licenses (one for the restaurant, one for the bar and one for room service).

RosettaNet Partner Interface Processes® (PIPs®): are defined as business processes between trading partners. Preconfigured system-to-system XML-based dialogs for the relevant E-Business Suite Application(s) are provided. Each preconfigured PIP includes a business document with the vocabulary and a business process with the choreography of the message dialog.

Rule Set: is defined as a data rules file containing content for a given country in order to perform data quality functions optimized for that country.

Server: is defined as the computer on which the Programs are installed. A Server license allows You to use the licensed Program on a single specified computer.

For the purposes of Acme Packet Programs, a Server in a virtual environment is defined as a virtual machine image.

For the purposes of Tekelec Programs, a Server in a virtualized environment is not counted as a Server.

Service Order Line: is defined as the total number of service order entry line items processed by the Program during a 12 month period. Multiple service order entry line items may be entered as part of an individual customer service order or quote. You may not exceed the licensed number of Service Order Lines during any 12 month period unless You acquire additional Service Order Line licenses from Oracle.

1,000 Sites: is defined as one thousand unique sites added to Multi-Site Quotes created during a 12 month period. Sites added to Multi-Site Quotes are listed as records in the Site Characteristics View and the Billing Group View of a Multi-Site Quote. A Site record is uniquely defined by its Service Account and Service Point fields. A single Site (as defined by its Service Account and Service Point fields Site) that is added to multiple Multi-Site Quotes created during a 12-month period shall be only counted once.

Socket: is defined as a slot that houses a chip (or a multi-chip module) that contains a collection of one or more cores. Regardless of the number of cores, each chip (or multi-chip module) shall count as a single socket. All occupied sockets on which the Program is installed and/or running must be licensed.

Oracle Solaris Premier Subscription for Non-Oracle Hardware per socket: is defined as the right to use the Oracle Solaris Programs (as defined below) on hardware not manufactured by or for Sun/Oracle, and to receive Oracle Premier Support for Operating Systems services (limited to the Oracle Solaris Programs), for the term specified in the ordering document. "Oracle Solaris Programs" refers to the Oracle Solaris operating system and the separately licensed third party technology (as defined below). The Oracle Solaris Programs may contain third party technology. Oracle may provide certain notices to You in Program Documentation, "readme" files or the installation details in connection with such third party technology. Third party technology will be licensed to You either under the terms of the agreement, or if specified in the Program Documentation, "readme" files, or the installation details, under separate license terms ("separate terms") and not under the terms of the agreement ("separately licensed third party technology"). Your rights to use such separately licensed third party technology under the separate terms are not restricted in any way by the agreement. The Oracle Solaris Programs may include or be distributed with certain separately licensed components that are part of Java SE ("Java SE"). Java SE and all components associated with it are licensed to You under the terms of the Oracle Binary Code License Agreement for the Java SE Platform Products, and not under the agreement. A copy of

the Oracle Binary Code License Agreement for the Java SE Platform Products can be found at www.oracle.com/contracts.

This subscription is available only for a server that is certified by Oracle and listed on the Hardware Compatibility List (HCL) at www.oracle.com/webfolder/technetwork/hcl/index.html. You must obtain a subscription license for each socket in the server. The subscription term is effective upon the effective date of the subscription ordering document, unless otherwise stated in Your ordering document. If Your order was placed through the Oracle Store, then the effective date is the date Your order was accepted by Oracle. Oracle Premier Support for Operating System services are provided under the applicable technical support policies in effect at the time the services are provided. At the end of the specified term, You may renew Your subscription, if available, at the then current fees for this subscription.

If Your order specifies “**1 – 4 socket server**” then You may only use the subscription on a server with not more than 4 sockets. If Your order specifies “**5+ socket server**” then You may use the subscription for servers with any number of sockets.

Store: is defined as a physical store location which sells goods or services that utilize one Point-of-Sale (POS) system. If a physical store location has multiple POS systems, then each POS system must be counted as a Store.

Stream: is defined as a concurrent backup or restore job to a tape, disk or cloud target. For tape targets (which would be a physical tape drive (e.g., T10000D or LTO6) or a virtual tape drive), each configured tape drive within the Oracle Secure Backup domain must be counted for determining the number of licenses required. For disk targets, each concurrent job defined per Oracle Secure Backup disk pool must be counted for determining the number of licenses required. For Cloud based targets utilizing the Oracle Secure Backup Cloud Module, each parallel Recovery Manager (RMAN) channel must be counted for determining the number of licenses required.

Subscriber: is defined as (a) a working telephone number for all wireline devices; (b) a portable handset or paging device that has been activated by You for wireless communications and paging; (c) a residential drop or a nonresidential device serviced by a cable provider; or (d) a live connected utility meter. The total number of Subscribers is equal to the aggregate of all types of Subscribers. If Your business is not defined in the primary definition of Subscriber above, Subscriber is defined as each U.S. \$1,000 increment of Your gross annual revenue as reported to the SEC in Your annual report or the equivalent accounting or reporting document.

Suite: is defined as all the functional software components described in the product documentation.

Sun Ray Device: is defined as the Sun Ray computer on which the Program is running.

System: is defined as a single configuration environment. Test, production, and development configurations are considered three separate systems that must each be licensed.

Tape Drive: is defined as mechanical devices used to sequentially write, read and restore data from magnetic tape media. Typically used, but not limited to, data protection and archival purposes, tape drives are deployed either as a standalone unit(s) or housed within a robotic tape library. Examples of tape drive include but are not limited to, Linear Tape Open (LTO), Digital Linear Tape (DLT), Advanced Intelligent Type (AIT), Quarter-Inch Cartridge (QIC), Digital Audio Tape (DAT), and 8mm Helical Scan. For cloud based backups, Oracle counts each parallel stream or Recovery Manager (RMAN) channel as equivalent to a tape drive.

Tape Library Slot: is defined as a physical slot location within a tape library where each slot accepts a single tape cartridge.

Technical Reference Manuals: Technical Reference Manuals (“TRMs”) are Oracle’s confidential information. You shall use the TRMs solely for Your internal data processing operations for purposes of: (a) implementing applications Programs, (b) interfacing other software and hardware systems to the applications Programs and (c) building extensions to applications Programs. You shall not disclose, use or permit the disclosure or use by others of the TRMs for any other purpose. You shall not use the TRMs to create software that performs the same or similar functions as any of Oracle products. You agree: (a) to exercise either at least the same degree of care to safeguard the confidentiality of the TRMs as You exercise to safeguard the confidentiality of Your own most important confidential information or a reasonable

degree of care, whichever is greater; (b) to maintain agreements with Your employees and agents that protect the confidentiality and proprietary rights of the confidential information of third parties such as Oracle and instruct Your employees and agents of these requirements for the TRMs; (c) restrict disclosure of the TRMs to those of Your employees and agents who have a "need to know" consistent with the purposes for which such TRMs were disclosed; (d) maintain the TRMs at all times on Your premises; and (e) not to remove or destroy any proprietary or confidential legends or markings placed upon the TRMs. Oracle shall retain all title, copyright and other proprietary rights in the TRMs. TRMs are provided to You "as-is" without any warranty of any kind. Upon termination, You shall cease using, and shall return or destroy, all copies of the applicable TRMs.

Telephone Number: is defined as each unique telephone number for which the billing information is managed or displayed using the Program, regardless of the number of individual account holders associated with such telephone numbers.

Terabyte: is defined as a terabyte of computer storage space used by a storage filer equal to one trillion bytes.

\$B in Total Assets: is defined as one billion U.S. dollars of Your latest published or internally available "Total Asset Value" as disclosed in Your annual report and/or regulatory filings.

Trainee: is defined as an employee, contractor, student or other person who is being recorded by the Program.

Transaction: is defined as each set of interactions that is initiated by an application user recorded by Oracle Enterprise Manager to capture availability and performance metrics used in calculating service levels. For example, the following set of interactions would represent one transaction: login, search customer, log out.

1K Transactions: is defined as one thousand unique transactions processed through the Program during a 12 month period. You may not exceed the licensed number of transactions during a 12 month period unless You acquire additional transaction licenses from Oracle. For Oracle Contact Center Anywhere, a unique transaction is defined as one of the following: inbound phone call, outbound phone call (direct dialed, preview dialed, predictive dialed, web call back), workgroup fax, workgroup email/voice mail, and chat session (inbound sessions / web collaboration with agents). For JD Edwards World Purchase Card Management, a unique transaction is defined as a single charge processed by the Program.

Transaction Services Client: is defined as a device that is used to receive data from an external source to record a sales transaction (e.g., a device in a coffee shop that is used by customers to enter their sandwich orders). If multiplexing hardware or software (e.g., a TP monitor or a web server product) is used, this number must be measured at the multiplexing front end.

For the purposes of the Oracle Hospitality Symphony Transaction Services Program, devices that are used to send property or revenue center configuration to an external source must be counted as Transaction Services Clients. For example, if a digital signage provider wants to display menu item information (e.g., price, name, etc.) on a menu board behind the counter and the menu board system requests that a device provides a list of the menu items and prices that are available for purchase, then that device must be licensed as Transaction Services Client.

UPK Developer: is defined as an individual authorized by You to use the Programs which are installed on a single server or multiple servers, regardless of whether the individual is actively using the Programs at any given time. UPK Developers may create, modify, view and interact with simulations and documentation.

UPK Module: is defined as the functional software component described in the product documentation

Video Wrapper: is defined as a standardized container that acts as a file system for video assets installed per site. Examples of video wrapper formats include GXF, MXF, OP1A, AVI, Quicktime and LXF.

Wireless handset: is defined as a mobile communications device such as a mobile telephone, PDA, or paging device, that has as primary functions wireless voice communications and data services provided through a service provider.

Workstation: is defined as the client computer from which the Programs are being accessed, regardless of where the Program is installed.

10.2 Term Designation

If Your Program license does not specify a term, the Program license is perpetual and shall continue unless terminated as otherwise provided in the agreement.

1, 2, 3, 4, 5 Year Terms: A Program license specifying a 1, 2, 3, 4 or 5 Year Term shall commence on the effective date of the order and shall continue for the specified period. At the end of the specified period the Program license shall terminate.

1 Year Subscription: A Program license specifying a 1 Year Subscription shall commence on the effective date of the order and shall continue for a period of 1 year. At the end of the 1 year the Program license shall terminate.

10.3 Licensing Rules for Oracle Technology Programs and Oracle Business Intelligence Applications

Failover: Subject to the conditions that follow below, Your license for the Programs listed on the US Oracle Technology Price List, which may be accessed at <http://www.oracle.com/us/corporate/pricing/price-lists/index.html>, includes the right to run the licensed Program(s) on an unlicensed spare computer in a failover environment for up to a total of ten separate days in any given calendar year (for example, if a failover node is down for two hours on Tuesday and three hours on Friday, it counts as two days). **The above right only applies when a number of machines are arranged in a cluster and share one disk array. When the primary node fails, the failover node acts as the primary node. Once the primary node is repaired, You must switch back to the primary node. Once the failover period has exceeded ten days, the failover node must be licensed. In addition, only one failover node per clustered environment is at no charge for up to ten separate days even if multiple nodes are configured as failover.** Downtime for maintenance purposes counts towards the ten separate days limitation. When licensing options on a failover environment, the options must match the number of licenses of the associated database. Additionally, when licensing by Named User Plus, the user minimums are waived on one failover node only. Any use beyond the right granted in this section must be licensed separately. In a failover environment, the same license metric must be used for the production and failover nodes when licensing a given clustered configuration.

Testing: For the purpose of testing physical copies of backups, Your license for the Oracle Database (Enterprise Edition, Standard Edition or Standard Edition One) includes the right to run the database on an unlicensed computer for up to four times, not exceeding 2 days per testing, in any given calendar year. The aforementioned right does not cover any other data recovery method - such as remote mirroring - where the Oracle Program binary files are copied or synchronized.

You are responsible for ensuring that the following restrictions are not violated:

- Oracle Database Standard Edition 2 may only be licensed on servers that have a maximum capacity of 2 sockets. When used with Oracle Real Application Clusters, Oracle Database Standard Edition 2 may only be licensed on a maximum of 2 one-socket servers. In addition, notwithstanding any provision in Your Oracle license agreement to the contrary, each Oracle Database Standard Edition 2 database may use a maximum of 16 CPU threads at any time. When used with Oracle Real Application Clusters, each Oracle Database Standard Edition 2 database may use a maximum of 8 CPU threads per instance at any time. If You purchase Named User Plus (NUP) licenses, You must maintain a minimum of 10 NUP per server.
- Oracle Database Standard Edition can only be licensed on servers that have a maximum capacity of 4 sockets. Oracle Database Standard Edition, when used with Oracle Real Application Clusters, may only be licensed on a single cluster of servers supporting up to a maximum capacity of 4 sockets.
- Oracle Standard Edition One, Internet Application Server Standard Edition One and Portal Standard Edition One can only be licensed on servers that have a maximum capacity of 2 sockets.
- WebLogic Server Standard Edition does not include WebLogic Server Clustering.
- Business Intelligence Standard Edition One can only be licensed on servers that have the ability to run a maximum of 2 sockets. The data sources for BI Server and BI Publisher are limited to the included Oracle Standard Edition One, one other database, and any number of flat file sources such as CSV, and XLS. You may use Oracle Warehouse Builder Core ETL to pull data from any number of data sources but You must use only the included Oracle Standard Edition One as the target database.
- Informatica PowerCenter and PowerConnect Adapters may not be used on a standalone basis or as a standalone ETL tool. The Informatica PowerCenter and PowerConnect Adapters may be used with any data source provided the target(s) are: (i) the Oracle Business Intelligence applications Programs (excluding

Hyperion Enterprise Performance Management Applications), (ii) the underlying platforms on which the Oracle Business Intelligence Suite Enterprise Edition Plus Program, Oracle Business Intelligence Standard Edition One or associated components of those Business Intelligence applications Programs run, or (iii) a staging database for any of the foregoing. Informatica PowerCenter and PowerConnect Adapters may also be used where the Oracle Business Intelligence applications Programs (excluding Hyperion Enterprise Performance Management Applications) are the source and non-Oracle Business Intelligence application Programs are the target, provided, that users do not use Informatica PowerCenter and PowerConnect Adapters to transform the data.

- With respect to the Java SE Advanced and Java SE Suite Programs, You may not create, modify, or change the behavior of, or authorize Your users to create, modify, or change the behavior of, classes, interfaces, or subpackages that are in any way identified as "java", "javax" "sun" or "oracle" or any variation of the aforementioned naming conventions. The installation and auto-update processes for these Programs transmit a limited amount of data to Oracle (or its service provider) about those specific processes to help Oracle understand and optimize them. Oracle does not associate the data with personally identifiable information. You can find more information about the data Oracle collects at <http://oracle.com/contracts>. Additional copyright notices and license terms applicable to portions of the Programs are set forth at <http://oracle.com/contracts>.
- Programs that contain "for Oracle Applications" in the Program name are limited use Programs. These limited use Programs may only be used with "eligible" Oracle application Programs that contain the following prefixes in the Program name: Oracle Fusion, Oracle Communications*, Oracle Documaker, Oracle Endeca*, Oracle Knowledge, Oracle Media, Oracle Retail*, Oracle Enterprise Taxation*, Oracle Tax, Oracle Utilities*, Oracle Financial Services*, Oracle FLEXCUBE, Oracle Reveleus, Oracle Mantas, Oracle Healthcare*, Oracle Health Sciences, Oracle Argus, Oracle Legal, Oracle Insurance, Oracle Primavera, Oracle Hospitality, Oracle XBRi, and Oracle Relate. For those prefixes designated above with a "*" not all Programs with that prefix are eligible for use with the "for Oracle Applications" limited use Programs. For a list of excluded Programs please review the Applications Licensing Table, which may be accessed at <http://oracle.com/contracts>. Notwithstanding anything above, Oracle Business Intelligence Suite Enterprise Edition Plus for Oracle Applications may only be used with "eligible" Oracle application Programs that contain "Oracle Fusion Human Capital Management" as a prefix in the Program name provided that the Oracle Fusion Human Capital Management Programs are the only Programs configured to run against the database instance Oracle Business Intelligence Foundation Suite for Oracle Applications may also be used with the Oracle Product Information Management Analytics, Fusion Edition, Oracle Customer Data Management Analytics, Fusion Edition and Oracle Product Lifecycle Analytics Programs. Oracle Business Intelligence Foundation Suite for Oracle Applications may also be used with the following Programs provided that the Oracle Fusion Applications are the only data source: Oracle Sales Analytics, Fusion Edition; Oracle Partner Analytics, Fusion Edition; Oracle Supply Chain and Order Management Analytics; Oracle Financial Analytics, Fusion Edition; Oracle Procurement and Spend Analytics, Fusion Edition; Oracle Human Resources Analytics, Fusion Edition and Oracle Project Analytics. Any use of limited use Programs containing "for Oracle Applications" by other Oracle applications or third party applications is not permitted.
- Oracle BPEL Process Manager Option for Oracle Applications may be used only to enable business processes, workflow interactions and approvals within eligible Oracle Applications. Workflow interactions between eligible Oracle Applications and, other Oracle Applications or third party applications are allowed as long as they are enabled/initiated within the eligible Oracle Applications. Business Processes defined in BPEL are allowed as long as at least one of the services invoked from within the Business Process access an eligible Oracle Application either natively (via Web Services) or via an adapter.
- Oracle Business Intelligence Foundation for Oracle Applications may be used only to perform query, reporting and analysis against a transaction database, data warehouse or an Essbase OLAP cube if: (i) the transaction database is an eligible Oracle Applications transaction database itself or an extraction, in whole or in part, of an eligible Oracle Applications transaction database, without transformation (query, reporting and analysis against a transaction database that is not an eligible Oracle Applications transaction database requires a full use license of Oracle Business Intelligence Foundation Suite); or (ii) the data warehouse is a pre-packaged eligible Oracle Applications data warehouse, with any customizations necessary to reflect customizations made in the eligible Oracle Applications, and restricted only to the eligible Oracle Applications sources (query, reporting and analysis against extensions to the data warehouse drawn from source systems not supported by the pre-packaged data warehouses require a full use license of Oracle Business Intelligence Foundation Suite); or (iii) the dimensions of each Essbase OLAP Cube are sourced from eligible Oracle Applications.
- Oracle WebLogic Suite for Oracle Applications may be used only as an embedded runtime for eligible Oracle Applications or to deploy customizations to an eligible Oracle Application. The WebLogic global datasource or one of the WebLogic application datasources must be configured to access the schema of an eligible Oracle Application.
- Data Integrator Enterprise Edition for Oracle Applications may only be used with the Oracle supplied data integration jobs and customization of the supplied jobs is allowed. For the avoidance of doubt, examples of

uses that are not permitted include, but are not limited to, the following: adding new jobs that support different applications, new schemas, or previously unsupported application modules.

- Oracle SOA Suite for Oracle Applications may be used only to enable integration, business processes, workflow interactions and approvals within eligible Oracle Applications. Workflow interactions between eligible Oracle Applications and other non-eligible Oracle Applications or third party applications are allowed as long as they are either initiated or terminated within eligible Oracle Applications. Usage of SOA composites (including but not limited to Rules, Mediator, XSLT transforms, BPEL processes, Spring components, Workflow services and OWSM security policies) is allowed as long as at least one of the services invoked from within each composite accesses an eligible Oracle Application either natively (via Web services) or via an adapter and the invocation is part of a flow that is either initiated or terminated within eligible Oracle Applications. Oracle Service Bus (OSB) usage is allowed as long as each service deployed accesses an eligible Oracle Application either natively (via Web services) or via an adapter.
- Oracle WebCenter Portal for Oracle Applications may be used only to surface eligible Oracle Application(s) and custom applications (collectively, "eligible applications"). Surfacing any third-party applications, including other applications from Oracle, requires a license for Oracle WebCenter Portal. Multiple eligible applications may be surfaced in a single portal instance provided that a WebCenter Portal for Oracle Applications license exists for each eligible application surfaced in the portal. WebCenter Portal for Oracle Applications may be used to integrate the various WebCenter services (e.g., wikis, blogs, and discussions) into an application context, as well as to build out custom workflows and notifications between the eligible application and WebCenter Portal components. The content management features of the Oracle WebCenter Portal for Oracle Applications Program may be used to store and manage documents created outside of the eligible application provided that such documents are related to the eligible application or to the application context.
- Oracle WebCenter Imaging for Oracle Applications may be used to create and modify imaging searches, to modify pre-packaged imaging application document types, and to create and modify input mappings to imaging applications. Oracle WebCenter Imaging for Oracle Applications may also be used to invoke web service application programming interfaces (API's) from Oracle Application workflows. A license for WebCenter Imaging for Oracle Applications is required to define new document types for the management of images unrelated to a pre-packaged Oracle Applications integration, to develop custom workflows, and to invoke APIs from custom workflows or custom application integrations.
- Oracle Identity and Access Management Suite Plus for Oracle Applications may be used only to perform associated actions for users of and within the eligible Oracle Applications. The Programs may be used to do the following: (1) add, delete, modify, and manage user identities and roles in the eligible Oracle Applications; (2) provide web access management and single sign-on into eligible Oracle Applications; (3) provide data storage or virtualization to data storage of user identities and user identity related information or authentication and authorization policies for eligible Oracle Applications; (4) provide federated single sign-on to eligible Oracle Applications
- Oracle Coherence Enterprise Edition for Oracle Applications may only be used within the same Java Virtual Machine as the eligible Oracle Application components.
- Oracle GoldenGate for Oracle Applications may only be used with the Oracle supplied integration jobs. Customization of the Oracle supplied integration jobs is allowed if necessitated by (i) customizations of the source application or of the target application or (ii) for performance tuning of the GoldenGate configuration. Oracle GoldenGate for Oracle Applications may not be used (i) for data replication to non-Oracle databases or (ii) by other Oracle applications or (iii) by third party applications for any type of data integration or replication purposes. For the avoidance of doubt, examples of other uses that are not permitted include, but are not limited to, the following: replicating data to non-Oracle databases (including MySQL), adding new source or target schemas, adding unsupported application modules to source or target schemas, supporting other replication topologies (e.g., active-active or multi-master) or adding anything not supplied by Oracle.
- The number of Hyperion Program option licenses must match the number of licenses of the associated Hyperion Program.
- The license for the Hyperion Planning Plus Program includes a limited use license for the Oracle Essbase Plus, Hyperion Financial Reporting and Hyperion Web Analysis Programs. Such limited use license means that the Oracle Essbase Plus, Hyperion Financial Reporting and Hyperion Web Analysis Programs may only be used to access data from the Hyperion Planning Plus Program. The Oracle Data Integrator for Oracle Business Intelligence Program may be used to load data from any data source provided that the target database is the Hyperion Planning Plus Program. Specifically, the Oracle Essbase Plus Program cannot be used to create Essbase cubes that do not contain data used by the Hyperion Planning Plus Program and the Aggregate Storage option component of the Oracle Essbase Plus Program may not be used.
- The license for the Hyperion Profitability and Cost Management Program includes a limited use license for the Oracle Essbase Plus, Hyperion Financial Reporting, Hyperion Web Analysis and Oracle Data Integrator for Business Intelligence Programs. Such limited use license means that the Oracle Essbase Plus, Hyperion Financial Reporting, Hyperion Web Analysis and Oracle Data Integrator for Business Intelligence Programs may only be used to access data from the Hyperion Profitability and Cost Management Program. Specifically,

the Oracle Essbase Plus Program cannot be used to create Essbase cubes that do not contain data used by the Hyperion Profitability and Cost Management Program and the Aggregate Storage option component of the Oracle Essbase Plus Program may not be used.

If You purchase Named User Plus licenses for the Programs listed below, You must maintain the following user minimums and user maximums:

Program	Named User Plus Minimum
Oracle Database Enterprise Edition	25 Named Users Plus per Processor
NoSQL Database Enterprise Edition	25 Named Users Plus per Processor
Times Ten In-Memory Database	25 Named Users Plus per Processor
Rdb Enterprise Edition	25 Named Users Plus per Processor
CODASYL DBMS	25 Named Users Plus per Processor
Data Integrator Enterprise Edition	25 Named Users Plus per Processor
GoldenGate	25 Named Users Plus per Processor
GoldenGate for Non Oracle Database	25 Named Users Plus per Processor
GoldenGate for Mainframe	25 Named Users Plus per Processor
GoldenGate Veridata	25 Named Users Plus per Processor
GoldenGate for Teradata Replication Services	25 Named Users Plus per Processor
Data Integrator Enterprise Edition for Oracle Applications	25 Named Users Plus per Processor
GoldenGate for Oracle Applications	25 Named Users Plus per Processor
Endeca Discovery Foundation for Oracle Applications	25 Named Users Plus per Processor
Java SE Advanced	10 Named Users Plus per Processor
Java SE Suite	10 Named Users Plus per Processor
WebLogic Server Standard Edition	10 Named Users Plus per Processor
WebLogic Server Enterprise Edition	10 Named Users Plus per Processor
WebLogic Suite	10 Named Users Plus per Processor
Web Tier	10 Named Users Plus per Processor
Coherence Standard Edition One	10 Named Users Plus per Processor
Coherence Enterprise Edition	10 Named Users Plus per Processor
Coherence Grid Edition	10 Named Users Plus per Processor
TopLink and Application Development Framework	10 Named Users Plus per Processor

GlassFish Server	10 Named Users Plus per Processor
Internet Application Server Standard Edition	10 Named Users Plus per Processor*
Internet Application Server Enterprise Edition	10 Named Users Plus per Processor*
API Gateway	10 Named Users Plus per Processor
BPEL Process Manager	10 Named Users Plus per Processor
WebLogic Integration	10 Named Users Plus per Processor
Service Registry	10 Named Users Plus per Processor
Enterprise Repository	10 Named Users Plus per Processor
Forms and Reports	10 Named Users Plus per Processor
Managed File Transfer	10 Named Users Plus per Processor
Tuxedo	10 Named Users Plus per Processor
Event Processing	10 Named Users Plus per Processor
SOA Suite for Non Oracle Middleware	10 Named Users Plus per Processor
Unified Business Process Management Suite for Non Oracle Middleware	10 Named Users Plus per Processor
Business Process Management Standard Edition	10 Named Users Plus per Processor
Application Adapters	10 Named Users Plus per Processor
Oracle E-Business Suite Adapter	10 Named Users Plus per Processor
Integration Adapter for SAP R/3	10 Named Users Plus per Processor
Integration Adapter for JD Edwards World	10 Named Users Plus per Processor
Integration Adapter for Siebel	10 Named Users Plus per Processor
Cloud Adapters	10 Named Users Plus per Processor
B2B for RosettaNet	10 Named Users Plus per Processor
B2B for EDI	10 Named Users Plus per Processor
Healthcare Adapter	10 Named Users Plus per Processor
B2B for ebXML	10 Named Users Plus per Processor
WebCenter Suite Plus	10 Named Users Plus per Processor
WebCenter Portal	10 Named Users Plus per Processor
WebCenter Content	10 Named Users Plus per Processor

WebCenter Sites	10 Named Users Plus per Processor
WebCenter Sites Satellite Server	10 Named Users Plus per Processor
WebCenter Universal Content Management	10 Named Users Plus per Processor
WebCenter Imaging	10 Named Users Plus per Processor
WebCenter Forms Recognition	10 Named Users Plus per Processor
WebCenter Enterprise Capture	10 Named Users Plus per Processor
WebCenter Distributed Capture	10 Named Users Plus per Processor
WebCenter Real-Time Collaboration	10 Named Users Plus per Processor
WebCenter Sites Mobile Option	10 Named Users Plus per Processor
Enterprise Identity Services Suite	10 Named Users Plus per Processor
Identity Governance Suite	10 Named Users Plus per Processor
Access Management Suite Plus	10 Named Users Plus per Processor
Entitlements Server	10 Named Users Plus per Processor
Entitlements Server Security Module	10 Named Users Plus per Processor
Beehive Enterprise Collaboration Server	10 Named Users Plus per Processor

*The Named User Plus Minimum does not apply if the Program is installed on a one-processor machine that allows for a maximum of one user per Program.

Program	Named User Plus Maximum
Personal Edition	1 Named User Plus per database
Business Intelligence Standard Edition One	50 Named Users Plus

If licensing by Named User Plus, the number of licenses for the Programs listed below in column A must match the number of licenses of the associated Program listed in column B. In the case where the minimum number of Named User Plus licenses are/were purchased, the number of licenses may not match due to variance in core factors between the time the respective Programs were licensed. If licensing by Processor, the number of licenses for the Programs listed below in column A must match the number of licenses of the associated Program listed in column B. In the case where the Programs are licensed at different times, the number of licenses may not match due to variance in core factors between the time the respective Programs were licensed; in that case the number of cores used to determine the number of licensed processors for the Programs listed below in column A must match the number of cores used to determine the number of licensed processors of the associated Program listed in Column B. Associated Programs are those Programs being used in conjunction with the Program in Column A.

Column A	Column B
Database Enterprise Edition Options*- Multitenant, Real Application Clusters, Real Application Clusters One Node,	Oracle Database Enterprise Edition

Partitioning, OLAP, Spatial and Graph, Advanced Security, Label Security, Database Vault, Active Data Guard, Real Application Testing, Advanced Compression, Advanced Analytics, Database In-Memory, Retail Data Model, Communications Data Model, Airlines Data Model, Utilities Data Model Database Enterprise Management* - Diagnostics Pack, Tuning Pack, Database Lifecycle Management Pack, Cloud Management Pack for Oracle Database	
RDB Server Options* - TRACE	Rdb Enterprise Edition, CODASYL DBMS
WebLogic Suite Options** - BPEL Process Manager Option, Service Bus, SOA Suite for Oracle Middleware, Unified Business Process Management Suite, WebLogic Coherence Grid Edition Option	WebLogic Suite
WebLogic Server Enterprise Edition and WebLogic Suite Options** - WebLogic Server Multitenant, WebLogic Server Continuous Availability	Associated application server Program being managed by the Program in Column A.
SOA Suite for Oracle Middleware Options**- Integration Continuous Availability	SOA Suite for Oracle Middleware
Application Server Enterprise Management** - WebLogic Server Management Pack Enterprise Edition, SOA Management Pack Enterprise Edition, Cloud Management Pack for Oracle Fusion Middleware, Management Pack for Oracle Data Integrator	Associated application server Program being managed by the Program in Column A.
Management Pack for Oracle Coherence**	Coherence Enterprise Edition, Coherence Grid Edition
Management Pack for Oracle GoldenGate*	GoldenGate, GoldenGate for Non Oracle Database, GoldenGate for Mainframe
Tuxedo Advanced Performance Pack**	Tuxedo
Business Intelligence Server Enterprise Edition Options - Interactive Dashboard, Delivers, Answers, Office Plug-in, Reporting and Publishing	Business Intelligence Server Enterprise Edition
Business Intelligence Suite Enterprise Edition Plus Option - Business Intelligence Management Pack	Business Intelligence Suite Enterprise Edition Plus
Beehive Platform Options - Beehive Messaging, Beehive Team Collaboration, Beehive Synchronous Collaboration, Beehive Voicemail	Beehive Platform
Management Pack for Oracle Data Integrator	Data Integrator Enterprise Edition, Data Integrator and Application Adapter for Data Integration, or Oracle Data Integrator Enterprise Edition for Oracle Applications
Hyperion Financial Data Quality Management Options -	Hyperion Financial Data Quality

Hyperion Financial Data Quality Management Adapter for Financial Management, Hyperion Financial Data Quality Management Adapter Suite, Hyperion Financial Data Quality Management Adapter for SAP	Management
Hyperion Financial Data Quality Management for Hyperion Enterprise Option- Hyperion Financial Data Quality Management Enterprise Edition Adapter for Financial Management, Hyperion Financial Data Quality Management – Enterprise Edition Adapter Suite, Hyperion Financial Data Quality Management – Enterprise Edition ERP Source Adapter for SAP	Hyperion Financial Data Quality Management for Hyperion Enterprise

*If licensing by Named User Plus You must maintain, at a minimum, 25 Named Users Plus per Processor per associated Program.

** If licensing by Named User Plus You must maintain, at a minimum, 10 Named Users Plus per Processor per associated Program.

10.4 Licensing Rules for Applications

- You are responsible for ensuring compliance with the application licensing prerequisites as specified in the Applications Licensing Table, which may be accessed at <http://oracle.com/contracts>.

10.5 Licensing Rules for ATG Applications

- The Oracle ATG Web Commerce Business Intelligence Program and the Oracle ATG Web Commerce Business Intelligence Administrator Program may only be used in conjunction with either the Oracle ATG Web Commerce Program and/or the Oracle ATG Web Knowledge Manager Program. You may, however, expand Your data model to include other information provided the additional information supplements information is already included in the Oracle ATG Web Commerce Program or in the Oracle ATG Knowledge Manager Program.
- The Cognos BI Consumer Bundle is included in the Oracle ATG Web Commerce Business Intelligence Program and is comprised of (a) one (1) reporting engine for anonymous viewers consisting of no more than two (2) processors and four (4) total cores, (b) unlimited anonymous report viewer seat licenses, (c) one (1) Named BI Web Administrator seat license and one (1) Named BI Professional Report Author seat license. Any additional seat licenses must be licensed separately by purchase of Oracle ATG Web Commerce BI Administrator seat licenses at an additional cost and are not included in any enterprise-wide or similar license.

10.6 Licensing Rules for JD Edwards Applications

- The Programs include GNU libgmp library; copyright 1991 Free Software Foundation, Inc. This library is free software that can be modified and redistributed under the terms of the GNU Library General Public License contained in the Programs. The Programs may also contain other third party products.
- Your license for the Program(s) may include additional license rights. Please review the additional license rights listed on the PeopleSoft / JD Edwards Program table located at <http://oracle.com/contracts> for additional information.
- The Foundation Program contains the development foundation environment/toolkit. You understand and acknowledge that any software Program developed with the functionality of the development foundation environment/toolkit is subject to the terms and conditions of this agreement. You will defend and indemnify Oracle against any claims by third parties for damages (including, without limitation, reasonable legal fees) arising out of any computer Programs generated by You utilizing the development tools included in the Programs. ORACLE DISCLAIMS ANY WARRANTY THAT THE DEVELOPMENT TOOLS INCLUDED IN THE PROGRAMS WILL GENERATE COMPUTER PROGRAMS WITH THE CHARACTERISTICS OR

SPECIFICATIONS DESIRED BY YOU OR THAT SUCH GENERATED COMPUTER PROGRAMS WILL BE ERROR FREE

10.7 Licensing Rules for Oracle E-Business Suite Applications

- The option Activity Hub B2B is only available with the Siebel Customer Universal Master component of the Customer Hub B2B Program.
- The option Field Service Hub B2B is only available with the Siebel Customer Universal Master component of the Customer Hub B2B Program.
- The option Marketing Hub B2B is only available with the Siebel Customer Universal Master component of the Customer Hub B2B Program.
- The option Sales Hub B2B is only available with the Siebel Customer Universal Master component of the Customer Hub B2B Program.
- The option Service Hub B2B is only available with the Siebel Customer Universal Master component of the Customer Hub B2B Program
- The option Activity Hub B2C is only available with the Siebel Customer Universal Master component of the Customer Hub B2C Program.
- The option Field Service Hub B2C is only available with the Siebel Customer Universal Master component of the Customer Hub B2C Program.
- The option Marketing Hub B2C is only available with the Siebel Customer Universal Master component of the Customer Hub B2C Program.
- The option Privacy Management Policy Hub B2C is only available with the Siebel Customer Universal Master component of the Customer Hub B2C Program.
- The option Sales Hub B2C is only available with the Siebel Customer Universal Master component of the Customer Hub B2C Program.
- The option Service Hub B2C is only available with the Siebel Customer Universal Master component of the Customer Hub B2C Program.

10.8 Licensing Rules for Oracle Hospitality Cruise Applications

- The Oracle Hospitality Data Foundation for Cruise Program may only be used with Oracle Hospitality Cruise Programs. New reports or customizations of the included reports are allowed. Integration to third party systems is allowed via the Oracle Hospitality Cruise Interface Programs only. You may not add new schemas or unsupported applications.

10.9 Licensing Rules for Oracle Hospitality Food and Beverage Applications

- The Oracle Hospitality Technology Foundation for Food and Beverage Program may only be used with the Oracle Hospitality Symphony Point-of-Sale, Oracle Hospitality Symphony Transaction Services, Oracle Hospitality Symphony First Edition Point-of-Sale, Oracle Hospitality Symphony First Edition Transaction Services, Oracle Hospitality Reporting and Analytics, and Oracle Hospitality 9700 Foundation Programs. New reports or customizations of the included reports are allowed. Integration to third party systems is allowed via the Oracle Hospitality Interface Programs only. You may not add new schemas or unsupported applications.
- For the Oracle XBRi Loss Prevention for Food and Beverage Program, You acknowledge that there are MicroStrategy, Inc. products (the "MicroStrategy Products") included with that Program and the MicroStrategy Products are subject to the following terms and conditions.

All terms and conditions of the order under which You license the Oracle XBRi Loss Prevention for Food and Beverage Program (the "Order") that are not expressly modified, supplemented, or deleted by these terms shall remain in force but these terms shall supersede any contradictory terms or conditions in the Order.

- a. You acknowledge that the Oracle XBRi Loss Prevention for Food and Beverage Program contains copyrighted and proprietary products and materials of MicroStrategy, Inc., which are obtained under a license from MicroStrategy, Inc.
- b. Your use of the MicroStrategy Products is restricted solely to use in combination with the Oracle XBRi Loss Prevention for Food and Beverage Program as included therein and limited to the number of named user licenses purchased on the Order.

- c. You are prohibited from changing or expanding the data models and You are limited to accessing data only from the data models provided by Oracle.
- d. You are expressly prohibited from reverse engineering, disassembling or decompiling the MicroStrategy Products.
- e. You acknowledge that You are being granted a sublicense to the MicroStrategy Products only, and in no event shall any title or ownership to the MicroStrategy Products pass or transfer to You.
- f. Oracle and MicroStrategy disclaim any warranty of any kind directly to You for the MicroStrategy Products, including a warranty of performance, merchantability, fitness for a particular purpose, title and non-infringement. ORACLE DOES NOT GUARANTEE THAT THE MICROSTRATEGY PRODUCTS WILL PERFORM ERROR-FREE OR UNINTERRUPTED, OR THAT ORACLE OR MICROSTRATEGY CAN OR WILL CORRECT ALL PROGRAM ERRORS. ORACLE DISCLAIMS, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, ORACLE AND MICROSTRATEGY'S LIABILITY FOR ANY DAMAGES, WHETHER DIRECT, INDIRECT, INCIDENTAL, OR CONSEQUENTIAL, AND ANY LOSS OF PROFITS, REVENUE, DATA, OR DATA USE, ARISING FROM THE USE OF THE MICROSTRATEGY PRODUCTS OR ARISING IN CONNECTION WITH THE ORDER.
- g. You are expressly prohibited from written and oral disclosure to any third party of any result of any benchmark tests.
- h. If You export the MicroStrategy Products, You are required to comply fully with all relevant export laws and regulations of the United States to ensure that neither the MicroStrategy Products nor any direct product thereof, are exported, directly or indirectly, in violation of United States law.
- i. You are expressly prohibited from using the MicroStrategy Products in any manner that violates any individual's privacy right under the applicable law.
- j. In addition to Oracle's audit rights under the Master Agreement, upon Oracle's request, You agree to run a license manager report utilizing the license manager functionality included in any MicroStrategy products. You shall provide Oracle with a license manager report within ten (10) days of receiving a request from Oracle. You understand and agree that Oracle may share license manager report(s) with MicroStrategy.

10.10 Licensing Rules for Oracle Hospitality Hotels Applications

- The Oracle Hospitality OPERA 5 Property Standard Program is limited to 55 functions as defined in the Program Documentation.
- The Oracle Hospitality OPERA 5 Property Lite Program is limited to 30 functions as defined in the Program Documentation.
- The following Programs may only be used with the Oracle Hospitality OPERA Programs: Oracle Hospitality Technology Foundation for Hotel Property Systems – OPERA 5 Premium, Oracle Hospitality Technology Foundation for Hotel Property Systems – OPERA 5 Standard, Oracle Hospitality Technology Foundation for Hotel Property Systems – OPERA 5 Lite and Oracle Hospitality Technology Foundation for Hotel Central Office Systems. New reports or customizations of the included reports are allowed. Integration to third party systems is allowed via the Oracle Hospitality Interface Programs only. You may not add new schemas or unsupported applications.

The number of licenses for the Oracle Hospitality Hotels Programs listed below in column A must match the number of licenses of the associated Oracle Hospitality Hotels Program listed in column B.

Column A	Column B
<p>Oracle Hospitality OPERA Property Add-on Modules -</p> <p>Oracle Hospitality OPERA Mobile, Oracle Hospitality Multiproperty Cross Profiles and Configurations, Oracle Hospitality OPERA Multiproperty Cross Reservation, Oracle Hospitality OPERA Multiproperty</p>	<p>Oracle Hospitality OPERA Property Premium, Oracle Hospitality OPERA Property Standard, OR Oracle Hospitality OPERA Property Lite</p>

<p>Cross Postings, Oracle Hospitality OPERA Commission Handling, Oracle Hospitality OPERA Membership for Frequent Guest and Flyer, Oracle Hospitality OPERA Web Self Service, Oracle Hospitality OPERA Campaign Management</p>	
<p>Oracle Hospitality OPERA Sales and Catering Add-Ons for Hotels – Oracle Hospitality OPERA Sales and Catering for Hotels – Multi-Property Base, Oracle Hospitality OPERA Sales and Catering for Hotels – Multiproperty Group Room Control and Function Diary, Oracle Hospitality OPERA Sales and Catering Account Management</p>	<p>Oracle Hospitality OPERA Sales and Catering Premium OR Oracle Hospitality OPERA Sales and Catering Standard</p>
<p>Oracle Hospitality OPERA Sales and Catering for Conference Centers – Oracle Hospitality OPERA Sales and Catering for Conference Centers - Multiproperty Base, Oracle Hospitality OPERA Sales and Catering for Conference Centers - Multiproperty Group Room Control and Function Diary, Oracle Hospitality OPERA Sales and Catering Account Management for Conference Centers</p>	<p>Oracle Hospitality OPERA Sales and Catering Base for Conference Centers</p>

10.11 Licensing Rules for PeopleSoft Applications

- Your license for the Program(s) may include additional license rights. Please review the additional license rights listed on the PeopleSoft / JD Edwards Program table located at <http://oracle.com/contracts> for additional information.
- The Programs listed below include a license to use Business Analysis Modeler – Restricted Development to develop interfaces and modifications, including creation of new application data tables, only to the PeopleSoft Programs You have licensed. Oracle will deliver this Program to You per the delivery terms in Your order. Integrated FieldService, Marketing, Mobile Sales, Online Marketing, Order Capture, Order Capture Self Service, Sales, Support for Customer Self Service.
- Your use of the Campus Self Service Program is subject to the additional terms and conditions set forth in the INAS Software Supplement located at <http://oracle.com/contracts>.
- PeopleTools - Enterprise Development shall be used solely to develop applications for Your internal data processing operations. In no event shall You market or distribute such applications. Notwithstanding anything to the contrary, You shall not have the right to use the functionality currently referred to as Verity search engine provided as part of this Program for the purpose of developing applications.
- Each PeopleTools - Enterprise Development Starter Kit Program shall be used solely by 5 application users to develop applications containing no more than a total of 20 components (as defined in the Program Documentation) for Your internal data processing operations. In no event shall You market or distribute such applications. Notwithstanding anything to the contrary, You shall not have the right to use the functionality currently referred to as Verity search engine provided as part of this Program for the purpose of developing applications.
- You may use PeopleTools – Restricted Development to develop interfaces and modifications, including creation of new application data tables, only to the PeopleSoft Enterprise Programs You have licensed. Oracle will deliver this Program to You per the delivery terms in Your order
- The Process Modeler Client Program may only be used with PeopleSoft Enterprise or JD Edwards EnterpriseOne Programs You have licensed from Oracle. You shall not use this Program with any other software.

- The license for the Student Administration Program includes a limited use license for the Human Resources, Benefits Administration and the Payroll for North America Programs. Such limited use license means that the Human Resources, Benefits Administration and the Payroll for North America Software modules shall only be used in order to access the features and functions of the Student Administration Program. Your use of the Student Administration Program is subject to the additional terms and conditions set forth in the INAS Software Supplement located at <http://oracle.com/contracts>.

10.12 Licensing Rules for Primavera Applications

- For the purposes of the following Primavera Programs: Earned Value Management, Evolve, SureTrak, Contractor and P3 Project Planner, You acknowledge that You have both read and understand the limited Software Update License & Support services that are available for these Programs, as described in Oracle's Technical Support Policies.
- For purposes of the Primavera SureTrak and Primavera P3 Project Planner Programs, You acknowledge that the agreement delivered to You with these Programs, and not the end user license agreement contained in the product installation, governs the end user's use of these Programs
- For the purposes of the following Programs: Primavera P6 Enterprise Project Portfolio Management and Primavera P6 Enterprise Project Portfolio Management Web Services, developers and/or users (i) who are not already licensed for the Primavera P6 Enterprise Project Portfolio Management Program and (ii) who access (including through Access Points) applications, must be licensed for the Primavera P6 Enterprise Project Portfolio Management Web Services Program. "Access Points" includes, but is not limited to, third party, Oracle or custom versions of the following: interfaces, API's, web services and database links.
- For the purposes of the following Programs: Primavera Contract Management Web Services and Primavera Contract Management, developers and/or users (i) who are not already licensed for the Primavera Contract Management Program and (ii) who access (including through Access Points) applications, must be licensed for the Primavera Contract Management Web Services Program. "Access Points" includes, but is not limited to, third party, Oracle or custom versions of the following: interfaces, API's, web services and database links.

10.13 Licensing Rules for Retail Programs

- The Oracle Retail Technology Foundation for Store Applications Program may only be used with the Oracle Retail Point of Service Program, the Oracle Retail Back Office Program, the Oracle Retail XStore Point of Service Program and the Oracle Retail XStore Office Program. Any use of the Oracle Retail Technology Foundation for Store Applications Program by other Oracle Programs or third party programs is not permitted.

10.14 Licensing Rules for Siebel Applications

- For the Siebel Branch Teller Services Program, Siebel Internet Banking Services Program, Siebel Retail Finance Foundation Services Program and the Siebel Financial Transactions Workbench Program, You may use third party tools to (a) create materials or (b) modify the materials identified as Sample Screen Code and Process Templates in the Program Documentation, all in accordance with the Program Documentation, and provided that such materials or modified materials shall be used solely with Your licensed use of such Programs. You shall not limit in any way Oracle's right to develop, use, license, create derivative works of, or otherwise freely exploit the Programs, ancillary Programs, Program Documentation, or any other materials provided by Oracle, or to permit third parties to do so.
- The Siebel Details Program includes a license for 20 Concurrent Users that authorizes You to use the Program on only one Computer for a maximum of 20 Concurrent Users at any given time.
- The Siebel Marketing Server Program is licensed on a Computer basis together with the number of unique Customer Records that You may access using the Program.
- The Siebel Pharma Marketing Server is licensed on the basis of the number of unique Customer Records that You may access using the Program together with the number of Brands that You may manage using the Program.
- The Siebel Pricing Claims Server-Up to 20 Application Users is licensed on a Computer basis with a limitation on the number of Application Users.
- The users or processors of the Siebel Web Channel Program may access a maximum of 15 Objects. An "Object" is defined as each data entity within the Business Object Layer of the Programs that is defined in the Siebel Tools Program.

- The Siebel Data Quality License may only be used with Oracle Master Data Management or Oracle CRM deployments.

10.15 Licensing Rules for Programs Licensed per UPK Module

- Oracle grants to You a non-exclusive, nontransferable license for Your UPK Developer(s) to: (i) use those User Productivity Kit ("UPK") Programs licensed as UPK modules (collectively referred to as "UPK content") only as necessary to create and provide training solely for Employee and/or Application Users to use the underlying Programs for Your benefit; (ii) make an unlimited number of copies of the UPK content only as necessary to create and provide training solely to Employees and/or Application Users to use the underlying Programs for Your benefit; and (iii) develop modifications and customizations to the UPK content, if applicable, all subject to the terms and conditions set forth in this agreement, provided all copyright notices are reproduced as provided on the original. You represent and warrant that You have a valid license for the underlying Program(s). You are prohibited from reselling or distributing the UPK content to any other party or using the UPK content other than as explicitly permitted in this agreement. Oracle represents that the UPK content and any content created by You using the UPK content contains valuable proprietary information. Oracle retains title to all portions of the UPK content and any copies thereof. You shall use UPK content modifications created by You solely for Your internal use in accordance with the terms of this agreement. You may provide access to and use of the UPK content only to those third parties that are licensed as Application Users and that: (a) provide services to You concerning Your use of the UPK content; (b) have a need to use and access the UPK content; and (c) have agreed to substantially similar non-disclosure obligations imposed by You as those contained in this agreement. Application and Employee User(s) of UPK Programs may view and interact with simulations and documentation but may not create or modify simulations or documentation.

10.16 Licensing Rules for MySQL Programs

- The MySQL Programs may contain third party technology. Oracle may provide certain notices to You in Program Documentation, "readme" files or the installation details in connection with such third party technology. Third party technology will be licensed to You either under the terms of the agreement, or if specified in the Program Documentation, "readme" files, or the installation details, under separate license terms ("separate terms") and not under the terms of the agreement ("separately licensed third party technology"). Your rights to use such separately licensed third party technology under the separate terms are not restricted in any way by the agreement.



**BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

July 20, 2016

SUBJECT: Proposed Resolution Authorizing Counsel for the Kern County Hospital Authority to settle claims pursuant to Government Code Section 935.4

Required Action: Approve; Adopt Resolution

Summary:

This is to request your Board adopt the attached resolution authorizing Counsel for the hospital authority to settle claims pursuant to Government Code section 935.4. Government Code section 935.4 permits the governing body of a local public agency by resolution to delegate certain authority with respect to the handling of claims including the compromise or settlement of a claim against the local public agency in an amount not to exceed \$50,000. The proposed resolution would authorize Counsel for the Hospital Authority to reject any claims or to compromise, allow, or settle any claims up to \$50,000, which pertain to Workers' Compensation, and to reject any claims or to compromise, allow, or settle any claims up to \$20,000, which pertain to all other claims including medical malpractice. The settlement, allowance, or compromise of all claims in excess of the dollar thresholds described above shall continue to be submitted to your Board for final disposition. Counsel will report to your Board from time to time on claims settled in accordance with the authority conferred by the resolution.

Therefore, it is recommended that your Board approve and adopt the attached resolution authorizing Counsel for the hospital authority to settle claims in the amounts listed in the resolution.

**BEFORE THE BOARD OF GOVERNORS
OF THE KERN COUNTY HOSPITAL AUTHORITY**

In the matter of:

Resolution No. _____

**AUTHORIZING COUNSEL FOR THE
KERN COUNTY HOSPITAL AUTHORITY
TO SETTLE CLAIMS**

I, RAQUEL D. FORE, Authority Board Coordinator for the Kern County Hospital Authority, hereby certify that the following Resolution, on motion of Director _____, seconded by Director _____, was duly and regularly adopted by the Board of Governors the Kern County Hospital Authority at an official meeting thereof on the 20th day of July, 2016, by the following vote, and that a copy of the Resolution has been delivered to the Chairman of the Board of Governors.

AYES:

NOES:

ABSENT:

RAQUEL D. FORE
Authority Board Coordinator
Kern County Hospital Authority

Raquel D. Fore

RESOLUTION

Section 1. WHEREAS:

(a) Government Code section 935.4 permits the governing body of a local public agency by resolution to delegate certain authority with respect to the handling of claims including the compromise or settlement of a claim against the local public agency in an amount not to exceed \$50,000; and

(b) A cost efficient and professional administration of claims requires that Counsel for the Kern County Hospital Authority ("Hospital Authority") have the authority to settle or reject certain claims up to the maximum \$50,000 allowed by Government Code section 935.4;

Section 2. NOW, THEREFORE, IT IS HEREBY RESOLVED by the Board of Governors of the Kern County Hospital Authority, as follows:

1. This Board finds the facts recited herein are true, and further finds that this Board has jurisdiction to consider, approve, and adopt the subject of this Resolution.

2. Counsel for the Hospital Authority is hereby authorized to reject any claims or to compromise, allow, or settle any claims up to \$50,000, against the Hospital Authority or Kern Medical Center, which pertain to Workers' Compensation, and, upon the written order of Counsel, the Chief Executive Officer or his designee shall cause a warrant to issue in the amount for which the claim has been allowed, settled, or compromised, for claims up to \$50,000.

3. Counsel for the Hospital Authority is hereby authorized to reject any claims or to compromise, allow, or settle any claims up to \$20,000, against the Hospital Authority or Kern Medical Center, which pertain to all other claims including medical malpractice, and, upon the written order of Counsel, the Chief Executive Officer or his designee shall cause a warrant to issue in the amount for which the claim has been allowed, settled, or compromised, for claims up to \$20,000.

4. The settlement authority described herein shall in no way limit any reasonable costs or expenses associated with litigation, the legal defense, or administrative processing of said claim. In addition, this settlement authority shall apply to each separate claim involving the Hospital Authority or Kern Medical Center that is filed by a claimant. In situations where multiple claims arise out of the same or related incidents involving multiple claimants, the aggregate settlement sum shall not exceed the settlement authority limits set forth herein.

5. In accordance with this authority to reject, settle, compromise, or allow claims, Counsel for the Hospital Authority shall maintain all records and files on each claim and shall give all notices required by law with regard to the handling of said claims.

6. The settlement, allowance, or compromise of all claims relating to the Hospital Authority or Kern Medical Center in excess of the dollar thresholds set forth herein shall continue to be submitted to this Board for final disposition.

7. Counsel for the Hospital Authority shall report to this Board from time to time on claims settled in accordance with the authority conferred by this Resolution.

8. The Authority Board Coordinator shall provide copies of this Resolution to the following:

Office of County Counsel
Kern Medical Center
Tristar Risk Management



**BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

July 20, 2016

SUBJECT: Proposed Agreement with Mission Linen Supply for Laundry Services.

Required Action: Approve; Authorize Chairman to sign

Summary:

The proposed Agreement with Mission Linen Supply, an independent contractor, for provision of laundry services for linens, scrubs, employee uniforms, and floor mats. Kern Medical has had an agreement with Mission on the same pricing terms since 2010 for linen and scrubs. This new Agreement adds uniforms and floor mats.

The proposed Agreement is effective August 1, 2016 through July 31, 2018, in an amount not to exceed \$1,880,000.



RENTAL AGREEMENT

This AGREEMENT is made this _____, 2016 by and between MISSION LINEN SUPPLY (“Supplier”) and the KERN COUNTY HOSPITAL AUTHORITY, a county hospital authority which owns and operates KERN MEDICAL CENTER (“Customer”).

The parties agree as follows:

SCOPE OF SERVICES

1. SUPPLIER agrees to furnish and CUSTOMER agrees to rent and use the linen supply items listed herein, in accordance with the conditions and terms set forth below (See Attachment “A”). Initial linens provided by SUPPLIER shall be new or like new condition.
2. Except as may be provided herein, all linen items and garments supplied shall remain the property of, and be processed exclusively by, SUPPLIER. Alterations to rental items by CUSTOMER are not allowed. (a) Supplier will implement a defined lost linen maintenance program in conjunction with department heads of CUSTOMER.
3. Additional services may be provided under this Agreement upon mutual agreement between SUPPLIER and CUSTOMER, and shall then be expressed and identified by a written Addendum. Upon signed acceptance by both SUPPLIER and CUSTOMER, this Addendum shall become a part of this Agreement.
4. At time of delivery an invoice will be given, or sent electronically, reflecting the individual item counts. If there is a discrepancy in the count, it will be brought to the attention of SUPPLIER’S service department promptly and will be addressed immediately. All clean linens will be billed by invoice at the contracted price per item. (See attachment “A”). A monthly report will break out the calibrated weight of items provided.

AGREEMENT TERM

5. This AGREEMENT is effective as of August 1, 2016, and shall remain in effect for a period of twenty four (24) months thereafter. This agreement may be renewed by written agreement between the parties not less than thirty (30) days and not more than sixty (60) days in advance of the expiration date of the then current term. This agreement shall not be binding upon SUPPLIER until it has been accepted by its District Manager or General Manager.

SERVICE DELIVERY PERFORMANCE

6. Deliveries and pick-ups will be made by SUPPLIER on a regular scheduled basis at a time mutually agreed upon by both parties. At no additional cost to CUSTOMER, an answering service will be provided 24 hours a day.

- a. During normal business hours (8:00 am to 5:00 pm, M-F), there are office staff available to take all calls. All calls are given to the respective manager for response.
 - b. All other hours are handled by our answering service. They have mobile numbers for all management. Response would be within 1 hour.
 - c. Additionally, Mission shall provide a phone directory listing for all management personnel and service personnel, which includes their mobile access numbers.
7. As often as necessary, with a minimum 24 hour notice, it is agreed that SUPPLIER shall have access to CUSTOMER'S place of business during normal business hours to check or inventory any or all of the linen items furnished by SUPPLIER.
 8. CUSTOMER shall provide an area which SUPPLIER can deliver clean product to CUSTOMER'S facility/facilities, as agreed to by all parties. All clean linen products shall be delivered by SUPPLIER in covered containers with a manifest specifying the content of each cart. In addition, CUSTOMER shall also provide a secured area in which soiled linen carts shall be stored for pick-up by SUPPLIER.
 9. CUSTOMER shall agree to make sure that all soiled textile products which may be wet, are sealed and secured within plastic bags that prevent leakage, which could result in contamination of the environment during collection, transportation, and storage prior to processing. CUSTOMER also agrees that selected bags must not tear when filled to capacity and are capable of being securely closed to prevent textiles from falling out.
 10. CUSTOMER agrees to utilize red bags to contain soiled textiles known to be contaminated. Red bags will be identified with bio-hazard symbol and shall not be put in with regular soiled linen. All other soiled textiles shall be put in standardized dark blue or black containment bags.
 11. SUPPLIER shall provide all transport carts required for service to CUSTOMER'S facility locations.
 12. SUPPLIER shall maintain and clean all carts that have been used to transport soiled linen in accordance with all requirements as stated in our Policies and Procedures documents. In addition, SUPPLIER shall insure the separation of clean and soiled linen in transport from CUSTOMER facilities to SUPPLIER service facilities.

PRODUCT PERFORMANCE

13. Except as may be provided herein, all linen items and garments supplied shall remain the property of, and be processed exclusively by, SUPPLIER. All linen items shall be standardized in accordance to SUPPLIERS specifications and product line. All products will be folded as per standard SUPPLIER specifications. Custom folding or bundling requested by CUSTOMER may require additional cost at SUPPLIERS discretion. Any specialty items requested by CUSTOMER, must be approved by both parties, and may result in pricing adjustments. Alterations to rental items by CUSTOMER are not allowed. SUPPLIER will implement a defined lost linen maintenance program in conjunction with department heads of CUSTOMER (See Exhibit "A"). On no less than a quarterly basis, a physical inventory of the below listed medical items will be taken in concert with SUPPLIER and CUSTOMER. In the event of loss, damage, misuse or abuse to such items, normal wear and tear excluded, CUSTOMER shall pay to SUPPLIER, the then current replacement rate. This replacement rate may vary depending upon the material goods market.

14. All weighing of clean linens will be conducted at the SUPPLIER'S plant. At time of delivery, an invoice will be given or sent electronically. If there is a discrepancy in the delivery item amounts, it will be brought to the attention of SUPPLIER'S service department promptly and will be addressed immediately. All clean linens will be billed by invoice at the contracted unit price. (See Exhibit "A").
15. SUPPLIER will establish an on-site quality control program to ensure that linen meets CUSTOMER standards of quality. Quality issues will be reviewed on a quarterly basis or at the request of CUSTOMER. CUSTOMER may reject any linen that they feel does not meet their quality standards. All rejected items must be kept separately and returned to SUPPLIER for credit.

TERMINATION

16. In the event of cancellation of this Agreement for any reason, CUSTOMER agrees to:
 - (a) Purchase the entire inventory of any and all Non-Standard items in service or otherwise held for CUSTOMER'S use at the then current replacement cost.
 - (b) Pay all outstanding amounts owed to SUPPLIER.
17. Should CUSTOMER believe that SUPPLIER has failed to provide service in accordance with the standard and quality comparable to that of other commercial laundries rendering like service in the same area, it shall notify SUPPLIER in writing by certified mail, setting forth the specific nature of the complaint. Should SUPPLIER in its discretion find such complaint to be valid but then fail to remedy the complaint within (30) days, CUSTOMER may terminate this Agreement by giving (60) days' written notice to SUPPLIER and by purchasing all special items in issue and/or in inventory at the then current replacement value.
18. **Non-appropriation.** CUSTOMER reserves the right to terminate this Agreement in the event insufficient funds are appropriated or budgeted for this Agreement in any fiscal year. Upon such termination, CUSTOMER will be released from any further financial obligation to SUPPLIER, except for services performed prior to the date of termination or any liability due to any default existing at the time this clause is exercised. SUPPLIER will be given 30 days' prior written notice in the event that CUSTOMER requires such an action.

PRICING

19. SUPPLIER shall provide the services and products as established and agreed upon as per the pricing listed in Exhibit "A".
20. SUPPLIER shall have the right to, and be entitled to a price increase on each anniversary date of this Agreement. The amount of this increase shall be in accordance with the percentage increase of the Consumer Price Index (CPI), for the Kern County, California area for the prior 12-month period. The amount of increase shall not exceed five percent (5%) per year.
21. This Agreement and its pricing is based on the quality and quantity mix of all products being requested by CUSTOMER and provided by SUPPLIER at the time of this Agreement. Should CUSTOMER substantially change product selection or delete product provision from the program, SUPPLIER may need to adjust pricing for services. Both CUSTOMER and SUPPLIER must mutually agree to the changes, and a signed Addendum by both parties shall become part of this Agreement.

22. SUPPLIER will guarantee this contract price for twelve (12) months from date of installation. In the event of unexpected market conditions which significantly change and increase cost of services to CUSTOMER, SUPPLIER can impose additional charges above the annual increase stated in paragraph twenty (20) of this agreement. SUPPLIER shall send written notice and meet with CUSTOMER no less than thirty (30) days before the implementation of any such increase. SUPPLIER shall discuss with CUSTOMER the conditions which necessitate such action with the intent of reaching mutual agreement. If after both parties have met and discussed any rate or charge increases, and an agreement has not been reached which results in an impasse, SUPPLIER may cancel this agreement by giving CUSTOMER one hundred twenty (120) days written notice and fulfilling all requirements of paragraph nineteen (19) of this agreement. SUPPLIER shall not include any "energy charge", "environmental charge", "service charge", or any other ancillary charge as described in paragraph twenty-three (23) without the mutual agreement of CUSTOMER.

PAYMENT

23. All invoices of SUPPLIER shall be deemed to be true and correct, and unless an objection to an invoice is made by the CUSTOMER in writing on or before the due date, or unless the account is C.O.D. etc., all charges are due and payable by the 10th of the month following service. In the event CUSTOMER charges are not paid in a timely manner, SUPPLIER has the option to place CUSTOMER on a C.O.D. basis. SUPPLIER shall apply any payment received toward the current bills first and any balance against past due bills until CUSTOMER is again current.

24. This statement describes the billing policies and practices of Mission Linen Supply regarding charges that will appear on your invoice. Please read it carefully. Like many companies, SUPPLIER'S price for the goods it rents and the services it provides is made up of several components. The goods and services are referred to on the CUSTOMER invoice by descriptive words such as "bar towel" or "shop towel." The basic price charged is determined by multiplying the number of goods rented or the quantity of services provided by a price per item of such goods or services called the "unit price." The unit price will be the amount determined by the agreement with Mission. The result will be the basic price and will be entered as a dollar amount on one line of the CUSTOMER invoice. Mission reserves the right to charge amounts in addition to the basic unit prices based on its costs and market conditions. Such additional charges will be described on the CUSTOMER invoice variously as "environmental charge," "ancillary charge," "fuel charge," "energy charge," "service charge," or "additional charge." Some CUSTOMER invoices will have charges added and others will not. Charges may be temporary and will be collected for less than the full term of the agreement. Others may be permanent and will be collected over the entire term of the agreement. The method of calculation will vary but usually will be either a flat charge or a percentage of the total invoice amount. In unusual situations the charge may be based on circumstances unique to a particular CUSTOMER. Generally, there will be no exact correlation between the charge assessed and any specific cost or expense incurred by Mission. Instead, the charges are intended to recover Mission's costs associated with energy, gasoline, environmental compliance, wastewater and related expenses on a company wide basis but the amount charged to a particular CUSTOMER will not bear an exact relationship to actual costs incurred on behalf of that CUSTOMER. Other charges shown on a CUSTOMER invoice may be related to actual CUSTOMER experience. Those charges will be described variously as an "abuse charge," "loss charge," "loss and abuse charge," "inventory maintenance charge," "replacement charge," or "linen maintenance charge." Typically they will be assessed on a percent of invoice basis but may be based on another method. These charges may be collected in addition to or in lieu of other charges. The addition or omission of such charges, the amount and method of calculation, and the determination of whether charges are temporary or

permanent, are all matters within the discretion of SUPPLIER and may not be applied in the same way for all CUSTOMERS or in all locations because of variations in costs, the needs of different CUSTOMERS and the effects of competition in different markets. Unit prices and additional charges may vary according to locale. If charges are added the amount charged and the method of calculation will be separately reflected on the CUSTOMER invoice in addition to the unit price.

25. The maximum payable under this Agreement will not exceed \$940,000 per year of this Agreement or \$1,880,000 over the two (2) year term of this Agreement.

FORCE MAJEURE

26. In the event of strikes, lockouts, riots, fire, war, government acts, acts of God, and other conditions beyond the control of SUPPLIER or CUSTOMER, either party may be excused to the extent that such things as mentioned prevent the performance of services described within this Agreement. SUPPLIER has a contingency plan on file to service CUSTOMER without interruption. This plan provides for management intervention and involvement to insure the delivery of goods. Please see Exhibit "D" for further clarification as to this contingency plan.

SHARPS/MEDICAL WASTE

27. CUSTOMER agrees and acknowledges that "sharps" or contaminated Red Bio-Bag medical waste must not be mixed with soiled linens. Should sharps be found in soiled linen returned from the hospital to the laundry, each item shall be documented and notice made to the CUSTOMER'S Infectious Control Nurse (ICN). After the third such occurrence, SUPPLIER will assess a handling fee of \$250 for each subsequent incident. SUPPLIER will request a written plan that demonstrates the measures CUSTOMER is taking to ensure that potentially dangerous instruments do not become mixed with soiled linens. Additionally, CUSTOMER will be responsible for the disposal costs of medical waste received at the laundry mixed with soiled linens.

MISCELLANEOUS

28. In the event of sale, disposal, or closing of any or all CUSTOMER'S business or locations, CUSTOMER shall immediately notify SUPPLIER in writing and shall be liable to SUPPLIER for all linen items and garment furnished, until such notice is given.
29. CUSTOMER warrants that the execution of this agreement will not constitute a breach or violation of any existing contract to which CUSTOMER is a party.
30. CUSTOMER acknowledges that the items furnished under this agreement are for general purposes, and are not designated or recommended for use in areas of flammability risk or where contact with hazardous materials or ignition sources is possible.
31. CUSTOMER covenants that it is in compliance with the U.S. Department of Labor, Occupational Safety and Health Administration's standards covering exposure to blood-borne pathogens as published in the Federal Registrar on December 6, 1991, and will consistently maintain compliance with that standard.

32. SUPPLIER shall comply with local, state, federal laws and regulations and the Joint Commission Accreditation of Health Care Organizations which apply to occupational exposure to blood or other potentially infectious materials and performing their duties and obligations hereunder. Additionally, SUPPLIER shall comply with all requirements of California Code of Regulations, Title 22, §70825 and §70827. Notwithstanding the content of §11(1)(a), failure to comply with the foregoing shall be grounds for the immediate termination of this Agreement.
33. In the event a lawsuit is instituted by either party to this AGREEMENT, the prevailing party shall recover all court costs, reasonable attorney fees, and other expenditures incurred as a result of such lawsuit.
34. Equal Opportunity Employer—it is the policy of SUPPLIER to provide equal employment opportunity to all of its applicants and employees. SUPPLIER does not unlawfully discriminate on the basis of race, color, religion, sex, national origin, ancestry, age, medical condition, handicap, veteran's status, marital status, or sexual orientation. SUPPLIER also makes reasonable accommodations for handicapped and disabled employees. This policy applies to all areas of employment including recruitment, hiring, training, promotion, compensation, benefits, transfer and social and recreational programs.
35. The CUSTOMER shall assume the liability for and shall indemnify, defend and hold harmless SUPPLIER and its officers, agents and employees, and each of the foregoing, with respect to any and all liability, losses, claims, suits, damages, taxes, charges and demand of any kind and nature whatsoever by any party which any of them may incur or suffer as a result of any negligent act or omission by CUSTOMER.
36. The liabilities or obligations of CUSTOMER with respect to its activities pursuant to this Agreement shall be the liabilities or obligations solely of CUSTOMER and shall not be or become the liabilities or obligations of the County of Kern or any other entity, including the state of California.
37. The SUPPLIER shall indemnify, defend and hold harmless the CUSTOMER and its officers, agents and employees, and each of the foregoing with respect to any and all liability, losses, claims, suits, proceedings, damages, taxes, charges and demands of any kind and nature whatsoever by any party which any of them may incur or suffer as a result of any action relating to or arising out of any negligent act or omission of SUPPLIER, its agents, or its employees.
38. **Federal Eligibility.** SUPPLIER represents and warrants to CUSTOMER that during the term of this Agreement, that SUPPLIER and all of its owners, officers, directors and managing employees shall not have been (a) suspended or excluded from participation in any federal or state health care program (including, without limitation, Medicare, Medi-Cal, or CHAMPUS/Tricare), or (b) convicted of any criminal offense related to the delivery of any good or service paid for by a federal or state health care program or to the neglect or abuse of patients, or (c) suspended, excluded or sanctioned under any other federal program, including the Department of Defense, the Department of Veterans Affairs. SUPPLIER shall notify CUSTOMER immediately if any event occurs which would make the foregoing representation untrue. Breach of this provision shall be grounds for immediate termination of this Agreement.
39. **Compliance with Medicare Books and Records Access Law:** Until the expiration of four (4) years after the furnishing of the services provided under this contract, SUPPLIER shall cooperate fully with CUSTOMER by maintaining and making available all necessary records, or by executing any

agreements, in order to assure that CUSTOMER will be able to meet all requirements for participation and payment associated with public or private third party payment programs including, but not limited to, the Federal Medicare program. Consistent with the foregoing, SUPPLIER agrees to comply with § 1861(v)(1)(I) of the Social Security Act, as amended, and any regulations promulgated pursuant thereto, under which SUPPLIER agrees to maintain its books, documents and records that are necessary to certify the nature and extent of such services and payments under this Agreement and to furnish such books, documents and records, upon written request to the Secretary of Health and Human Services or to the Comptroller General, or any of their duly authorized representatives. If SUPPLIER is requested to disclose books, documents or records pursuant to this Section for purpose of an audit, SUPPLIER shall notify CUSTOMER of the nature and scope of such request and SUPPLIER shall make available, upon written request of CUSTOMER, all such books, documents or records, during regular business hours of SUPPLIER.

If SUPPLIER carries out the duties of the contract through a subcontract worth \$10,000.00 or more over a twelve (12) month period with a related organization, the subcontract will also contain an access clause to permit access by the Secretary of Health and Human Services or to the Comptroller General, or any of their duly authorized representatives to the related organization's books and records.

40. **Insurance.** SUPPLIER shall maintain adequate general public liability, property damage and workers compensation insurance against any claim or claims which might or could arise as a result of this Agreement. Upon execution of the Agreement and when requested by CUSTOMER, an insurance certificate indicating the foregoing coverage, issued by an insurance company licensed to do business in the relevant state or states and signed by an authorized agent, shall be furnished.
41. **Governing Law; Venue.** The parties agree that this Agreement shall be deemed as having been executed in the offices of CUSTOMER. This Agreement will be governed by and construed in accordance with the laws of the State of California. The venue for any litigation arising out of this Agreement shall be a state or federal court of competent jurisdiction in Kern County, California.
42. This agreement contains entire agreement between the parties and any terms or conditions not set forth herein are null and void. If any term or provision of this agreement or the application thereof to any person or circumstance is held to be void or unenforceable to any extent, then the remaining provisions of this agreement shall continue in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this AGREEMENT to be executed as of the date and year first above written.

MISSION LINEN SUPPLY

720 20th Street
Bakersfield, CA. 93301-2907

Signature: _____
(Authorized Representative)

Accepted by
DM/GM: _____
(Signature)

Date: _____

KERN COUNTY HOSPITAL AUTHORITY

1700 Mt Vernon Ave
Bakersfield, CA 93306

Authorized Representative: _____
(Please Print)

Signature: _____

Title: _____

Date: _____

APPROVE AS TO CONTENT:
Kern Medical Center

Signature: _____

Title: Chief Operating Officer

Date: _____

APPROVE AS TO FORM:
Office of County Counsel

Signature: _____

Title: Deputy

Date: _____



**ATTACHMENT "A"
SCHEDULE OF CHARGES
RENTAL LINEN PROCESSING**

PRICING/ FEE SCHEDULE

PATIENT & NON-SPECIALTY ITEMS

Mission Linen Supply will place into service, pick-up soiled, process, and deliver all linen requirements for Kern Medical. The items quoted here are agreed upon standard items or items that have been reviewed, approved and may be special for Kern Medical. Any items required outside this agreement will be priced according to mutual agreement between the two parties.

Poundage Pricing

Finished goods will be bundled and stacked in clean delivery carts only. They will then be weighed as "Clean dry weight" by scale, and not by product count and pre-calibrated weight.

The weight of the cart is subtracted from the gross weight, and the net weight is then billed per this schedule. Quarterly calibration and certification of our scale will be done to insure accuracy. All clean transportation carts will be of uniform size, and reflect their actual empty net weight on the side.

Standard Patient Linen

The following list of items will be charged at a price of \$.45 per clean delivered pound.

Sheet, hosptial Std	Blanket, baby rec	Gown, patient blue
Sheet, OR	Blanket, thermal	Cape, mammography
Sheet, birthing	Towel, bath	Gown, pedi
Sheet, contour fitted	Towel, blue	T-shirt, baby
Pillow slip	Washcloth	
Blanket, spread	Pad, bed under quilted	
Blanket, bath	Gown, patient (IV)	

A five percent (5%) Linen Maintenance will be applied to all invoices to help defray the cost of linen Replacement for the items listed above.

Staff Apparel, Specialty Items & Floor Care

The following list of items will be charged at the unit prices reflected here.

DESCRIPTION	UNIT PRICES
White 52X114 Table Cloth	\$5.00
White Mens Workshirt	\$0.28
Black Work Pant	\$0.28
Black Work Shirt	\$0.28
Black Chef Pant with String	\$0.28
Black Chef Coat	\$0.46
Khaki WorkShirt	\$0.28
FR Khaki Shirt	\$0.98
FR Navy Workpant	\$0.98
Lt Blue Work Shirt	\$0.28
Lab Coat White	\$0.44
Cargo scrub bottom	\$0.60
Scrub top	\$0.60
3X4 Mat Graphic	\$1.28
4X6 Mat Graphic	\$2.25
3X10 Mat Graphic	\$2.98
3X5 Scraper mat	\$1.45
4X6 Scraper Mat	\$1.95
Terry Towel	\$0.10
Bib Apron	\$0.18
Grill Pad	\$0.11
Wet Mop 24 oz	\$0.78
Wet Mop 16 oz	\$0.72
Dust Mop 18 oz	\$0.78
Microfiber Towel	\$0.15
Microfiber Mop 18 Wet	\$0.34

Microfiber Mop 18 Dry	\$0.34
Cubicle Curtains	\$5.00

All garment charges are based on a predetermined percentage rate amount based on the stated weekly inventory requirements.

Non patient linen items and identified special items, are inventoried on a quarterly basis. Lost inventory is replaced and charged at the then current replacement rate.

REPLACEMENT PROGRAM

The following replacement program is designed to provide for mutual involvement in the maintenance and Continuation of a quality linen supply program. Normal replacement of standard patient linen is a continuous process. A large part of this replacement is generated by premature retirement of product through abuse or loss. In order to facilitate a genuine partnership in this program, Mission Linen Supply will apply a five percent (5%) linen maintenance charge on all standard patient linen. This is calculated on the amount of the poundage invoice total.

The following items represent the amount by which actual replacements exceed standard replacement by pieces used and are factored by the following rates.

Item:	Maintenance Charge:	Replacement Charge:
Sheet, fitted	2.50%	\$16.64
Pillowslip	2.50%	\$2.49
Sheet, hospital Stnd	2.50%	\$8.93
Blanket, Baby	2.77%	\$3.47
Gown, patient blue	1.21%	\$8.76
Blanket, flannel	2.50%	\$17.85
Gown, pedi	2.62%	\$6.65
Pad, Bed under-quilt	2.46%	\$9.51
Towel, bath	2.50%	\$3.93
Washcloth	7.00%	\$.51
Towel, blue	3.00%	\$2.74
T-shirt, baby	1.90%	\$2.47
Scrub Top	0%	\$11.50
Scrub Bottom	0%	\$12.50

Replacement charges are not to exceed 3%

Both SUPPLIER and CUSTOMER realize that linen loss and abuse is a major contributor to cost. SUPPLIER has provided a cost program to address and account for the common conditions of loss And early mortality of the textile products provided for and supplied to CUSTOMER. An area of Loss not accounted for within this program is the loss of linen which is allowed to go out of the Hospital via transfer patients to other facilities (i.e. Skilled Nursing, Long Term Care, Rehabilitation, Other hospitals...) and linen taken by Emergency Response Units through the ER.

SUPPLIER shall incorporate a program of tracking and monitoring of a soil to clean variance. This

Program will track the amount of soil linen returned to the amount of clean linen delivered. The base Line for soil to clean shall be ten percent (10%) per month. Amounts less than this can indicate a Significant amount of linen may be leaving CUSTOMER's facility.

CUSTOMER agrees that should the variance drop below a nine percent (9%) threshold of soil to clean variance, it will immediately enact procedures to resolve. SUPPLIER and CUSTOMER shall work together to correct and eliminate the loss conditions through the development of a written action plan.

COG (Customer Owned Goods) ITEMS

The following Customer Owned Goods shall be laundered at the following unit price.

Cubicle Curtain	\$7.25
Table Cloth	\$10.00
Pillows	\$3.89



**BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

July 20, 2016

**SUBJECT: Proposed retroactive Agreement with Best Electric for C & B wing
Emergency power distribution upgrade and construction**

Recommended Action: Approve; Authorize Chairman to sign.

Summary:

The proposed retroactive Agreement with Best Electric, an independent contractor, to provide all labor, material and equipment necessary for the construction of Emergency power distribution upgrades on both C & B wings at Kern Medical, effective July 1, 2016, in an amount not to exceed \$669,800.

DOCUMENT 00500

AGREEMENT

THIS AGREEMENT, dated this _____ day of July 2016 is by and between **Best Electric** whose place of business is located at **15305 S. Normandie Avenue, Gardena, CA 90247** ("Contractor"), and the KERN COUNTY HSOPITAL AUTHORITY, a county hospital authority, which owns and operates Kern Medical Center (hereinafter "Owner"), acting under and by virtue of the authority vested in Owner by the laws of the State of California

WHEREAS, in consideration for the promises and payment to be made and performed by Authority, and under the conditions expressed in the incorporated Bid Proposal (Bid), bonds and related papers, Contractor agrees to do all the work and furnish all the materials at the expense of Contractor (except such as the Specifications state will be furnished by Authority) necessary to construct and complete in a good and workmanlike manner to the satisfaction of the Chief Executive Officer of the Kern County Hospital Authority all the work shown and described in the plans and specifications for the project known as:

Kern Medical Emergency Power Distribution Upgrade

WHEREAS, all reference to County of Kern or County as the Owner in the Contract Documents, outlined in Article 4, shall be revised to read Kern County Hospital Authority.

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth, Contractor and Owner agree as follows:

ARTICLE 1 - SCOPE OF WORK OF THE CONTRACT

1.01 Work of the Contract

- A. Contractor shall complete all Work specified in the Contract Documents, in accordance with the Specifications, Drawings, and all other terms and conditions of the Contract Documents (**Work**).

1.02 Price for Completion of the Work

- A. Owner shall pay Contractor the following Contract Sum (**Contract Sum**) for completion of Work in accordance with Contract Documents as set forth in Contractor's Bid, attached hereto.

ARTICLE 2 - COMMENCEMENT AND COMPLETION OF WORK

2.01 Commencement of Work

- A. Contractor shall commence Work on the date established in the Notice to Proceed (**Commencement Date**).
- B. Owner reserves the right to modify or alter the Commencement Date.

2.02 Completion of Work

- A. Contractor shall achieve Final Completion of the entire Work **120 Working Days** from the Commencement Date.

ARTICLE 3 - LIQUIDATED DAMAGES FOR DELAY IN COMPLETION OF WORK

3.01 Liquidated Damage Amounts

- A. As liquidated damages for delay Contractor shall pay Owner one thousand dollars (\$1,000.00) for each Calendar Day that expires after the time specified herein for Contractor to achieve Final Completion of the entire Work, until achieved.

3.02 Scope of Liquidated Damages

- A. Measures of liquidated damages shall apply cumulatively.
- B. Limitations and stipulations regarding liquidated damages are set forth in Document 00700 (General Conditions).

ARTICLE 4 - CONTRACT DOCUMENTS

- 4.01** Contract Documents consist of the following documents, including all changes, Addenda, and Modifications thereto:

Document 00001	Title Page
Document 00100	Notice to Contractors
Document 00200	Instruction to Bidders
Document 00300	Geotechnical Data and Existing Conditions
Document 00410	Bid Form
Document 00412	Bidder Registration Form
Document 00431	Subcontractors List
Document 00452	Non-Collusion Declaration
Document 00455	Bidder Certifications
Document 00500	Agreement
Document 00501	Proposed Contract Documents Transmittal
Document 00601	Construction Performance Bond
Document 00602	Construction Labor and Material Payment Bond
Document 00603	Guaranty
Document 00590	Release of Claims
Document 00620	Withheld Contract Funds Certification
Document 00700	General Conditions
Document 00738	Apprenticeship Programs
Document 00800	Supplementary Conditions – Insurance
Master Specifications	Divisions 1 through 16
Drawings	

- 4.02** There are no Contract Documents other than those listed above. The Contract Documents may only be amended, modified or supplemented as provided in Document 00700 (General Conditions).

ARTICLE 5 - LIABILITY OF AUTHORITY

The liabilities or obligations of Authority with respect to its activities pursuant to this Agreement shall be the liabilities or obligations solely of Authority and shall not be or become the liabilities or obligations of the County of kern or any other entity, including the State of California.

ARTICLE 6 - MISCELLANEOUS

- 6.01** Terms and abbreviations used in this Agreement are defined in Document 00700 (General Conditions) and Section 01422 (Definitions) and will have the meaning indicated therein.
- 6.02** It is understood and agreed that in no instance are the persons signing this Agreement for or on behalf of Owner or acting as an employee, agent, or representative of Owner, liable on this Agreement or any of the Contract Documents, or upon any warranty of authority, or otherwise, and it is further understood and agreed that liability of Owner is limited and confined to such liability as authorized or imposed by the Contract Documents or applicable law.
- 6.03** Contractor or Subcontractor offers and agrees to assign to the awarding body all rights, title and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C.

§15) or under the Cartwright Act (Chapter 2 (commencing with §16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, services or materials. This assignment shall be made and become effective at the time Owner tenders final payment to Contractor, without further acknowledgment by the parties-

- 6.04** Copies of the general prevailing rates of per diem wages for each craft, classification, or type of worker needed to execute the Contract, as determined by Director of the State of California Department of Industrial Relations, are deemed included in the Contract Documents and on file at Owner's Office, and shall be made available to any interested party on request. Pursuant to California Labor Code §§ 1860 and 1861, in accordance with the provisions of Section 3700 of the Labor Code, every contractor will be required to secure the payment of compensation to his employees. Contractor represents that it is aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that Code, and Contractor shall comply with such provisions before commencing the performance of the Work of the Contract Documents.
- 6.05** This Agreement and the Contract Documents shall be deemed to have been entered into in the County of Kern, State of California, and governed in all respects by California law (excluding choice of law rules). The exclusive venue for all disputes or litigation hereunder shall be in the Superior Court for the County of Kern.

IN WITNESS WHEREOF the parties have executed seven original Agreements on the day and year first above written.

RECOMMENDED AND APPROVED
AS TO CONTENT:
KERN MEDICAL HOSPITAL

KERN COUNTY HOSPITAL AUTHORITY
BOARD OF GOVERNORS

By _____
Russell Judd
Chief Executive Officer

By _____
Chairman, Board of Governors
"AUTHORITY"

APPROVED AS TO FORM:
OFFICE OF THE COUNTY COUNSEL

BEST ELECTRIC

Type of Entity
(corporation, partnership, sole proprietorship)

By _____
Shannon Hochstein, Deputy County
Counsel

By _____
Signature

Typed Name

Title of Individual Executing Document on
behalf of Firm
"CONTRACTOR"

NOTICE: CONTRACTORS ARE REQUIRED BY LAW TO BE LICENSED AND ARE REGULATED BY CONTRACTORS' STATE LICENSE BOARD. QUESTIONS CONCERNING A CONTRACTOR MAY BE REFERRED TO THE REGISTRAR OF THAT BOARD, WHOSE ADDRESS IS: CONTRACTORS' STATE LICENSE BOARD, 1020 "N" STREET, SACRAMENTO, CALIFORNIA 95814.

END OF DOCUMENT

DOCUMENT 00601

CONSTRUCTION PERFORMANCE BOND

KNOW ALL PERSONS BY THESE PRESENTS:

1.01 THAT WHEREAS, the KERN COUNTY HOSPITAL AUTHORITY (hereinafter "**Owner**"), a county hospital authority, which owns and operates Kern Medical Center, has awarded to **Best Electric** as Principal, a contract dated the 20th day of July, 2016 (the "**Contract**"), in the amount of \$ TBD. The Contract is by this reference made a part hereof, for the work of the following project:

Kern Medical Emergency Power Distribution System Upgrade – C Wing

1.02 AND WHEREAS, Principal is required to furnish a bond in connection with the Contract, guaranteeing the faithful performance thereof;

1.03 NOW, THEREFORE, we, the undersigned Principal and _____ as Surety are held and firmly bound unto Owner in the sum of 100% OF THE CONTRACT PRICE to be paid to Owner or its successors and assigns; for which payment, well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

1.04 THE CONDITION OF THIS OBLIGATION IS SUCH, that if Principal, or its heirs, executors, administrators, successors, or assigns approved by Owner, shall promptly and faithfully perform the covenants, conditions, and agreements of the Contract during the original term and any extensions thereof as may be granted by Owner, with or without notice to Surety, and during the period of any guarantees or warranties required under the Contract, and shall also promptly and faithfully perform all the covenants, conditions, and agreements of any alteration of the Contract made as therein provided, notice of which alterations to Surety being hereby waived, on Principal's part to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify, defend, protect, and hold harmless Owner as stipulated in the Contract, then this obligation shall become and be null and void; otherwise it shall be and remain in full force and effect.

1.05 No extension of time, change, alteration, modification, or addition to the Contract, or of the work required thereunder, or work or actions by Owner to mitigate the damages resulting from any breach in performance by Contractor, shall release or exonerate Surety on this bond or in any way affect the obligation of this bond; and Surety does hereby waive notice of any such extension of time, change, alteration, modification, or addition.

1.06 Whenever Principal shall be and declared by Owner in default under the Contract, Surety shall promptly remedy the default, or shall promptly, and in no event later than thirty (30) days from notice:

A. Undertake through its agents or independent contractors (but having qualifications and experience reasonably acceptable to Owner), to complete the Contract in accordance with its terms and conditions and to pay and perform all obligations of Principal under the Contract, including without limitation, all obligations with respect to warranties, guarantees, indemnities, and the payment of liquidated damages; or

B. Obtain a bid or bids for completing the Contract in accordance with its terms and conditions, and, upon determination by Owner of the lowest responsible bidder, arrange for a contract between

such bidder and Owner and make available as work progresses (even though there should be a default or a succession of defaults under the contract or contracts of completion arranged under this paragraph) sufficient funds to pay the cost of completion less the balance of the Contract Sum, and to pay and perform all obligations of Principal under the Contract, including, without limitation, all obligations with respect to warranties, guarantees, and the payment of liquidated damages; but, in any event, Surety's total obligations hereunder shall not exceed the amount set forth in the third paragraph hereof. The term "balance of the Contract Sum," as used in this paragraph, shall mean the total amount payable by Owner to the Principal under the Contract and any amendments thereto, less the amount paid by Owner to Principal.

- 1.07** Surety's obligations hereunder are independent of the obligations of any other surety for the performance of the Contract, and suit may be brought against Surety and such other sureties, jointly and severally, or against any one or more of them, or against less than all of them without impairing Owner's rights against the others. If suit is brought upon this bond the Surety shall pay reasonable costs and attorney's fees to be fixed by the court.
- 1.08** Surety may not use Contractor to complete the Contract absent Owner's Consent. Owner shall have the right in its sole discretion to continue the work of the Contract, as necessary following a default and/or termination, as necessary to prevent risks of personal injury, property damage or delay to the Project.
- 1.09** No right of action shall accrue on this bond to or for the use of any person or corporation other than Owner or its successors or assigns.
- 1.10** Surety shall join in any proceedings brought under the Contract upon Owner's demand, and shall be bound by any judgment.
- 1.11** Correspondence or claims relating to this bond shall be sent to Surety at the address set forth below.

IN WITNESS WHEREOF, we have hereunto set our hands this _____ day of _____, 20____.

CONTRACTOR AS PRINCIPAL
(Corp. Seal)

SURETY
(Corp. Seal)

Company

Company

Signature

Signature

Name & Title

Name & Title

Address

Address

City, State, Zip Code

City, State, Zip Code

Phone

END OF DOCUMENT

DOCUMENT 00602

CONSTRUCTION LABOR AND MATERIAL PAYMENT BOND

KNOW ALL PERSONS BY THESE PRESENTS:

1.01 THAT WHEREAS, the KERN COUNTY HOSPITAL AUTHORITY (hereinafter "Owner"), a county hospital authority, which owns and operates Kern Medical Center, has awarded to **Best Electric** as Principal, a contract dated the 20th day of July 2016 (the "Contract"), in the amount of \$ TBD. The Contract is by this reference made a part hereof, for the work of the following project:

Kern Medical Emergency Power Distribution System Upgrade C Wing

- A. AND WHEREAS, Principal is required to furnish a bond in connection with the Contract to secure the payment of claims of laborers, mechanics, material suppliers, and other persons as provided by law;
- B. NOW, THEREFORE, we, the undersigned Principal and _____, as Surety, are held and firmly bound unto Owner in the sum of 100% OF THE CONTRACT PRICE (\$ TBD), for which payment well and truly to be made we bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.
- C. THE CONDITION OF THIS OBLIGATION IS SUCH, that if Principal, or its executors, administrators, successors, or assigns approved by Owner, or its subcontractors shall fail to pay any of the persons named in California Civil Code §9100, or amounts due under the State of California Unemployment Insurance Code with respect to work or labor performed under the Contract, or for any amounts required to be deducted, withheld, and paid over to the State of California Employment Development Department from the wages of employees of Principal and subcontractors pursuant to Section 13020 of the State of California Unemployment Insurance Code with respect to such work and labor, that Surety will pay for the same in an amount not exceeding the sum specified in this bond, plus reasonable attorneys' fees, otherwise the above obligation shall become and be null and void.
- D. This bond shall inure to the benefit of any of the persons named in California Civil Code §9100, as to give a right of action to such persons or their assigns in any suit brought upon this bond. The intent of this bond is to comply with the California Mechanic's Lien Law.
- E. Surety, for value received, hereby expressly agrees that no extension of time, change, modification, alteration, or addition to the undertakings, covenants, terms, conditions, and agreements of the Contract, or to the work to be performed thereunder, shall in any way affect the obligation of this bond; and it does hereby waive notice of any such extension of time, change, modification, alteration, or addition to the undertakings, covenants, terms, conditions, and agreements of the Contract, or to the work to be performed thereunder.
- F. Surety's obligations hereunder are independent of the obligations of any other surety for the payment of claims of laborers, mechanics, material suppliers, and other persons in connection with Contract; and suit may be brought against Surety and such other sureties, jointly and severally, or against any one or more of them, or against less than all of them without impairing Owner's rights against the other. If suit is brought upon this bond the Surety shall pay reasonable costs and attorney's fees to be fixed by the court.

G. Correspondence or claims relating to this bond shall be sent to Surety at the address set forth below.

IN WITNESS WHEREOF, we have hereunto set our hands this _ day of _____, 20____.

CONTRACTOR AS PRINCIPAL

(Corp. Seal)

SURETY

(Corp. Seal)

Company

Company

Signature

Signature

Name & Title

Name & Title

Address

Address

City, State, Zip Code

City, State, Zip Code

Phone

END OF DOCUMENT

DOCUMENT 00603

GUARANTY

TO: THE KERN COUNTY HOSPITAL AUTHORITY (hereinafter "Owner"), for construction of **Kern Medical Emergency Power Distribution System Upgrade – C Wing** located at **1700 Mt. Vernon Avenue, Bakersfield, CA 93305.**

The undersigned guarantees all construction performed on this Project and also guarantees all material and equipment incorporated therein.

Contractor hereby grants to Owner for a period of one year following the date of Final Acceptance of the Work completed, or such longer period specified in the Contract Documents, its unconditional warranty of the quality and adequacy of all of the Work including, without limitation, all labor, materials and equipment provided by Contractor and its Subcontractors of all tiers in connection with the Work.

Neither final payment nor use nor occupancy of the Work performed by the Contractor shall constitute an acceptance of Work not done in accordance with this Guaranty or relieve Contractor of liability in respect to any express warranties or responsibilities for faulty materials or workmanship. Contractor shall remedy any defects in the Work and pay for any damage resulting therefrom, which shall appear within one year, or longer if specified, from the date of Final Acceptance of the Work completed.

If within one year after the date of Final Acceptance of the Work completed, or such longer period of time as may be prescribed by laws or regulations, or by the terms of Contract Documents, any Work is found to be Defective, Contractor shall promptly, without cost to Owner and in accordance with Owner's written instructions, correct such Defective Work. Contractor shall remove any Defective Work rejected by Owner and replace it with Work that is not Defective, and satisfactorily correct or remove and replace any damage to other Work or the work of others resulting therefrom. If Contractor fails to promptly comply with the terms of such instructions, or in an emergency where delay would cause serious risk of loss or damage, Owner may have the Defective Work corrected or the rejected Work removed and replaced. Contractor shall pay for all claims, costs, losses and damages caused by or resulting from such removal and replacement. Where Contractor fails to correct Defective Work, or defects are discovered outside the correction period, Owner shall have all rights and remedies granted by law.

Inspection of the Work shall not relieve Contractor of any of its obligations under the Contract Documents. Even though equipment, materials, or Work required to be provided under the Contract Documents have been inspected, accepted, and estimated for payment, Contractor shall, at its own expense, replace or repair any such equipment, material, or Work found to be Defective or otherwise not to comply with the requirements of the Contract Documents up to the end of the guaranty period.

All abbreviations and definitions of terms used in this Agreement shall have the meanings set forth in the Contract Documents.

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The foregoing Guaranty is in addition to any other warranties of Contractor contained in the Contract Documents, and not in lieu of, any and all other liability imposed on Contractor under the Contract Documents and at law with respect to Contractor's duties, obligations, and performance under the Contract Documents. In the event of any conflict or inconsistency between the terms of this Guaranty and any warranty or obligation of the Contractor under the Contract Documents or at law, such inconsistency or conflict shall be resolved in favor of the higher level of obligation of the Contractor.

Date

Name/Title

Contractor

Signature

For maintenance, repair or replacement service contact:

Name

Telephone

Address

Alt. Telephone

City, State, and Zip

END OF DOCUMENT

DOCUMENT 00620

WITHHELD CONTRACT FUNDS CERTIFICATION

Kern Medical Emergency Power Distribution System Upgrade – C Wing

- [] I do not intend to substitute securities for monies withheld and thereby avail myself of the process and rights provided in Public Contract Code Section §22300.
- [] I do intend to exercise my option as specified in Public Contract Code Section §22300 and hereby agree to the following:
1. I will establish an escrow agreement satisfactory to the County, with a state or federally chartered bank, which shall contain at a minimum provisions governing inter alia:
 - a. The amount of securities to be deposited;
 - b. The type of securities to be deposited, (eligible securities for deposit are described in Government Code Section 16430);
 - c. The providing of powers of attorney or other documents necessary for the transfer of the securities deposited;
 - d. The terms and conditions of conversion to cash to provide funds to meet defaults by the Contractor including, but not limited to termination of the Contractor's control over the work, stop notices filed pursuant to law, assessment of liquidated damages or other amounts to be kept or retained under the provisions of the contract;
 - e. The decrease in value of securities on deposit; and
 - f. The termination of the escrow agreement upon completion of the contract and acceptance by the County.
 2. I will obtain written consent of the surety to any such agreement; and
 3. I will attach to each progress payment submitted a notarized copy of escrow instructions executed by agents thereof and on bank letterhead as proof that such an account has been established. Such instructions will set forth that securities deposited shall not be withdrawn for any purpose (with contractor's complete and unreserved agreement) without prior written approval by the County of Kern with respect to the project herein above referenced.

Signature of Bidder

END OF DOCUMENT



**BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

July 20, 2016

SUBJECT: Kern County Hospital Authority, Chief Executive Officer Report

Required Action: Receive and File.

Summary:

Chief Executive Officer will provide an update on hospital operations.

Volume Indicators:

- During the month of May, Kern Medical experienced an unfavorable variance in patient volume when compared to the previous month of April, and an unfavorable variance for the month. Kern Medical's Average Daily Census for May was 138 compared to a budget of 141.
- Emergency Room (ER) visits had a favorable variance for the month of May. Actual ER visits were 4,041 compared to a budget of 3,602 visits, which represents a 12.2% favorable variance.
- Kern Medical is continuing to experience increased Outpatient Clinic visits compared to budget. For the month of May, actual Outpatient Clinic visits were 10,082 compared to a budget of 8,834 visits, a favorable variance of 14.1%.

PATIENT VOLUMES – TREND ANALYSIS

PATIENT VOLUME STATISTICS		ACTUAL	ACTUAL	BUDGET	YTD ACTUAL	YTD BUDGET	YTD ACTUAL	
		Apr-16	May-16	May-16	FY 2016	FY 2016	FY 2015	
1	ADMISSIONS	757	814	755	8,415	7,885	8,071	1
2	ADJUSTED ADMISSIONS	1,411	1,595	1,289	15,507	14,365	14,016	2
3	PATIENT DAYS (EXCLUDING NEWBORNS)	4,191	4,263	4,357	44,675	45,520	44,352	3
4	ADJUSTED PATIENT DAYS	7,810	8,352	7,438	82,326	77,704	77,023	4
5	AVERAGE DAILY CENSUS	140	138	141	133	135	132	5
6	EMERGENCY ROOM VISITS	3,716	4,041	3,602	39,898	37,625	37,557	6
7	EMERGENCY ROOM ADMITS	443	428	426	4,436	4,014	4,014	7
8	OUTPATIENT CLINIC VISITS	9,748	10,082	8,834	103,783	83,927	96,677	8
9	DELIVERIES	191	195	260	2,336	2,709	2,321	9
10	SURGERIES	503	511	497	5,319	5,185	5,170	10
11	TOTAL PAID FTE*	1,364	1,361	1,353	1,375	1,355	1,346	11

*Total Paid FTE count includes all Kern Medical paid personnel (employed and contracted) excluding physicians and medical residents.



**BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

July 20, 2016

SUBJECT: Kern County Hospital Authority, Chief Financial Officer report

Required Action: Receive and File.

Summary:

Kern County's Hospital Authority Chief Financial officer will provide a report.

Operating Revenue:

- The results of Net Patient Revenue for the month of May were favorable compared to budget by \$2,610,724 or 19.0%. The favorable variance in Net Patient Revenue is due to continued improvement and increased efficiency in Kern Medical's revenue cycle, which has led to better than expected patient billings and improved patient cash collection rates.
- For the month of May, Kern Medical reports a favorable variance in its governmental revenue (Indigent Patient Care Funding Revenue). Adjustments were made in May to true-up Correctional Medicine revenue per agreements with the County of Kern. Correctional Medicine revenue is currently reported within the governmental revenue section of the Kern Medical income statement. For May, Kern Medical reports actual governmental revenue of \$14,521,006 compared to a budget of \$9,687,025, or a 49.9% favorable variance.

Operating Expenses:

- The Salaries, Benefits, and Registry expense category yields a favorable variance compared to budget on both a month-to-date and year-to-date basis. The actual expenses for the month of \$16,408,830 are 12.4% under budget. The year-to-date expenses of \$176,679,793 are 5.8% under budget. It should be noted that some of the savings Kern Medical shows for salaries are being used to cover other operating expenses.



- For Other Professional Fees, Kern Medical experienced an unfavorable variance of 129.4% compared to budget for the month of May. The unfavorable budget-to-actual variance is due in part to additional accrued expenses for consultants regarding the transition to the Hospital Authority. Also, many employee positions have now been moved to this expense category for Meridian Healthcare Partners and Cantu Management.
- For the Supplies expense category, Kern Medical experienced an unfavorable variance of 10.2% for the month of May compared to budget. The unfavorable variance is due mainly because of additional expense accrued for potential liability for the 340b Drug Program, as well as some increases in supply costs due to Kern Medical's new urology services.
- Overall, Kern Medical's Total Operating Expenses are over budget for the month of May by 3.9%.

Earnings before Interest, Depreciation, and Amortization:

- Kern Medical's Earnings before Interest, Depreciation, and Amortization (EBIDA) for May is a gain of \$6,804,002 as compared to a budgeted loss of \$201,493, a 3,476.8% favorable variance compared to budget. The better than expected EBIDA results are primarily due to the favorable variances in Net Patient Revenue as discussed above. The large increase for May is mainly due to the true-up for Correctional Medicine revenue discussed above. Accordingly, the result is improved EBIDA compared to budget.

Projections for the month of June 2016:

- Expect similar levels of patient volume (Average Daily Census) compared to May.
- Expect a similar level of Outpatient Clinic visits from May to June.
- Expect continued improvement in contractual adjustments (deductions from revenue) compared to budget as a result of overall revenue cycle improvements.
- Goal is to produce a break-even or higher result in the area of EBIDA.



**BOARD OF GOVERNORS' FINANCIAL REPORT:
KERN MEDICAL – MAY 2016**

JULY 20, 2016

PROFIT & LOSS – ACTUAL TO BUDGET

	MONTH TO DATE			MAY 2016	YEAR TO DATE			
	ACTUAL	BUDGET	VAR%		ACTUAL	BUDGET	VAR%	
1	\$ 71,750,628	\$ 63,068,610	13.8%	PATIENT REVENUE	\$ 681,650,327	\$ 658,670,051	3.5%	1
2	55,432,757	49,361,463	12.3%	DEDUCTIONS FROM REVENUE	510,913,730	519,119,167	-1.6%	2
3	16,317,871	13,707,147	19.0%	NET PATIENT REVENUE	170,736,597	139,550,884	22.3%	3
4	14,521,006	9,687,025	49.9%	INDIGENT PATIENT CARE FUNDING REVENUE	98,837,940	104,994,846	-5.9%	4
5	1,750,000	1,043,000	0.0%	CAPITATION PREMIUM REVENUE	12,250,000	11,473,000	0.0%	5
6	1,226,602	1,358,000	-9.7%	OTHER OPERATING REVENUE	11,948,998	14,719,003	-18.8%	6
7	33,815,479	25,795,172	31.1%	NET OPERATING REVENUE	293,773,535	270,737,734	8.5%	7
				OPERATING EXPENSES				
8	16,408,830	17,935,068	-8.5%	SALARIES, BENEFITS & REGISTRY	176,679,793	187,461,332	-5.8%	8
9	1,338,300	1,190,953	12.4%	MEDICAL FEES	14,011,079	12,437,952	12.6%	9
10	1,945,798	848,167	129.4%	OTHER PROFESSIONAL FEES	16,765,591	9,193,070	82.4%	10
11	4,069,895	3,693,625	10.2%	SUPPLIES	45,188,690	38,575,255	17.1%	11
12	1,465,156	945,529	55.0%	PURCHASED SERVICES	13,113,284	10,248,473	28.0%	12
13	1,783,498	1,383,323	28.9%	OTHER EXPENSES	14,764,807	14,993,895	-1.5%	13
14	27,011,477	25,996,665	3.9%	TOTAL OPERATING EXPENSES	280,523,244	272,909,977	2.8%	14
15	6,804,002	(201,493)	3476.8%	EBIDA (OPERATING INCOME)	13,250,291	(2,172,243)	710.0%	15
16	(213,227)	(428,710)	-50.3%	NON-OPERATING REVENUE & EXPENSE, NET	(3,965,728)	(4,646,660)	14.7%	16
17	6,590,775	(630,203)	1145.8%	NET INCOME/(LOSS)	9,284,563	(6,818,903)	236.2%	17
18	-	-	0.0%	COUNTY CONTRIBUTION-CAPITAL	-	-	0.0%	18
19	631,415	631,415	0.0%	COUNTY CONTRIBUTION	6,843,716	6,843,721	0.0%	19
20	\$ 7,222,190	\$ 1,212	595696.2%	GAIN/(LOSS) WITH COUNTY CONTRIBUTION	\$ 16,128,279	\$ 24,818	-64885.3%	20
21	44.26%	0.01%	500373.8%	OPERATING INCOME (LOSS) MARGIN %	9.45%	0.02%	53015.5%	21
22	41.70%	-1.47%	2936.5%	EBIDA MARGIN %	7.76%	-1.56%	598.6%	22

KEY RATIOS – TREND ANALYSIS

KEY RATIOS	ACTUAL	ACTUAL	BUDGET	YTD ACTUAL	YTD BUDGET	YTD ACTUAL
	Apr-16	May-16	May-16	FY 2016	FY 2016	FY 2015
LABOR METRICS						
1 LABOR COSTS (INCL. BENEFITS & REGISTRY) AS % OF TOTAL OPERATING REVENUE	55%	49%	70%	60%	69%	66%
2 BENEFITS AS % OF LABOR EXPENSE (EXCLUDING REGISTRY NURSES)	35%	34%	33%	34%	33%	34%
OPERATING EXPENSE METRICS						
3 SUPPLY EXPENSE AS % OF NET PATIENT REVENUE	29.9%	24.9%	26.9%	26.5%	27.6%	28.3%
4 TOTAL OPERATING EXPENSES PER ADJUSTED ADMISSION	\$18,928	\$17,072	\$20,504	\$ 18,346	\$ 19,322	\$ 18,656
5 NON-CAPITAL COST PER ADJUSTED ADMISSION	\$18,810	\$16,938	\$20,171	\$ 18,090	\$ 18,999	\$ 18,338
WORKING CAPITAL INDICATORS						
6 CASH COLLECTIONS AS A % OF NET PATIENT REVENUE	102.6%	123.4%	100.0%	105.9%	100.0%	119.9%
7 GROSS DAYS IN A/R	85.6	79.7	76.0	84.5	76.0	74.8

CASH POSITION

<u>Actual</u>		<u>Projection</u>	
July 1, 2016	July 14, 2016	Original July 14, 2016	Revised July 31, 2016
\$29,983,721	\$20,144,833	\$10,750,415	\$33,026,317



**BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

July 20, 2016

SUBJECT: Proposed retroactive Agreement with Kapsis Investments, Inc. dba Kapsis Technical Services

Recommended Action: Approve; Authorize Chairman to sign; Authorize Chief Financial Officer to sign Statements of Work

Summary:

Proposed retroactive Agreement with Kapsis Investments, Inc., doing business as Kapsis Technical Services, an independent contractor, for temporary staffing of Information Technology personnel. Kern Medical requires Information Technology and Services staffing of approximately 35 employees to support safe, efficient, and successful operations. There are 16 employees currently staffed in this department. Kern Medical requires a vendor partnership to provide staff and rapidly close this gap.

Kern Medical has evaluated three vendors and recommends KAPSIS Inc. as the most capable.

- Kapsis has a full understanding of the needs of Kern Medical
- Kapsis has a full understanding of the area and culture within which Kern Medical operates
- Kapsis provides competitive pricing for each position
- Kapsis brings technical and healthcare knowledge to bear on Kern Medical information system challenges

The proposed retroactive Agreement with Kapsis Technical Services is effective July 1, 2016 through June 30, 2017, in an amount not to exceed \$1,650,000.



**BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

July 20, 2016

SUBJECT: Proposed Premium Finance Agreement with IPFS Corporation of California, dba IPFS Corporation

Required Action: Approve. Authorize Chairman to Sign

Summary:

The proposed Premium Finance Agreement with IPFS Corporation of California, doing business as IPFS Corporation, an independent contractor, for financing of insurance premiums. Kern County Hospital Authority is financing their insurance premiums for the following lines of coverage: Hospital Professional and General Liability, Directors and Officers Liability, Employment Practices Liability, Helipad Liability, Automobile Liability, Pollution Liability, and Underground Storage Tank.

The proposed Premium Finance Agreement is effective August 1, 2016, in an amount not to exceed \$778,268.

49 STEVENSON STREET
 SUITE 1275
 SAN FRANCISCO, CA 94105
 (877)687-9826 FAX: (415)796-6156
 CUSTOMER SERVICE: (800)774-8282

PREMIUM FINANCE AGREEMENT
License # 973 9750

IPFS CORPORATION

A	CASH PRICE (TOTAL PREMIUMS)	\$1,023,672.46
B	CASH DOWN PAYMENT	\$256,000.00
C	PRINCIPAL BALANCE (A MINUS B)	\$767,672.46

AGENT (Name & Place of business) ALLIANT INSURANCE SERVICES INC 100 PINE ST STE 1100 SAN FRANCISCO, CA 94111-5113 (415)403-1400 FAX: (415)403-0773	INSURED (Name & Residence or business) Kern County Hospital Authority 1700 Mount Vernon Ave Bakersfield, CA 93306-4018
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Commercial

Account #: _____

LOAN DISCLOSURE
 Additional Policies Scheduled on Page 3

Quote Number: 5190759

ANNUAL PERCENTAGE RATE The cost of your credit as a yearly rate. 3.000%	FINANCE CHARGE The dollar amount the credit will cost you. \$10,595.04	AMOUNT FINANCED The amount of credit provided to you or on your behalf. \$767,672.46	TOTAL OF PAYMENTS The amount you will have paid after you have made all payments as scheduled \$778,267.50
------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------

YOUR PAYMENT SCHEDULE WILL BE

Number Of Payments 10	Amount Of Payments \$77,826.75	When Payments Are Due Beginning: MONTHLY 08/01/2016
-------------------------------------	----------------------------------------------	----------------------------------------------------------------------

ITEMIZATION OF THE AMOUNT FINANCED: THE AMOUNT FINANCED IS FOR APPLICATION TO THE PREMIUMS SET FORTH IN THE SCHEDULE OF POLICIES UNLESS OTHERWISE NOTED.

Security: Refer to paragraph 1 below for a description of the collateral assigned to Lender to secure this loan.

Late Charges: A late charge will be imposed on any installment in default 10 days or more. This late charge will be 5.00% of the installment due.

Prepayment: If you pay your account off early, you may be entitled to a refund of a portion of the finance charge computed as provided in Sec. 18635, California Statute or as otherwise allowed by law. The finance charge includes a predetermined interest rate plus a non-refundable service/origination fee of \$25.00. See the terms below and on the next page for additional information about nonpayment, default and penalties.

POLICY PREFIX AND NUMBER	EFFECTIVE DATE OF POLICY	SCHEDULE OF POLICIES INSURANCE COMPANY AND GENERAL AGENT	COVERAGE	MINIMUM EARNED PERCENT	POL TERM	PREMIUM
PENDING	07/01/2016	COLUMBIA CASUALTY CO	GENERAL LIABILITY	25.00%	12	797,400.00 Fee: 1,594.80 Tax: 23,922.00
					Broker Fee:	\$0.00
					TOTAL:	\$1,023,672.46

The undersigned insured directs IPFS Corporation of California d/b/a/ IPFS Corporation (herein, "Lender") to pay the premiums on the policies described on the Schedule of Policies. In consideration of such premium payments, subject to the provisions set forth herein, the insured agrees to pay Lender at the branch office address shown above, or as otherwise directed by Lender, the amount stated as Total of Payments in accordance with the Payment Schedule, in each case as shown in the above Loan Disclosure. The named insured(s), on a joint and several basis if more than one, hereby agree to the following provisions set forth on pages 1 and 2 of this Agreement: **1. SECURITY:** To secure payment of all amounts due under this Agreement, insured assigns Lender a security interest in all right, title and interest to the scheduled policies, including (but only to the extent permitted by applicable law): (a) all money that is or may be due insured because of a loss under any such policy that reduces the unearned premiums (subject to the interest of any applicable mortgagee or loss payee), (b) any unearned premium under each such policy, (c) dividends which may become due insured in connection with any such policy and (d) interests arising under a state guarantee fund. **2. POWER OF ATTORNEY:** Insured irrevocably appoints Lender attorney-in-fact with full power of substitution and full authority upon default to cancel all policies above identified, receive all sums assigned to its Lender or in which it has granted Lender a security interest and to execute and deliver on behalf of the insured documents, instruments, forms and notices relating to the listed insurance policies in furtherance of this Agreement. **3. POLICY EFFECTIVE DATES:** The finance charge begins to accrue as of the earliest policy effective date.

NOTICE: A. Do not sign this agreement before you read it or if it contains any blank space. B. You are entitled to a completely filled in copy of this agreement. C. Under the law, you have the right to pay in advance the full amount due and under certain conditions to obtain a partial refund of the finance charge. D. Keep your copy of this agreement to protect your legal rights.

**FOR INFORMATION CONTACT THE
 DEPARTMENT OF FINANCIAL INSTITUTIONS,
 STATE OF CALIFORNIA**

The undersigned hereby warrants and agrees to Agent's Representations set forth herein.

Signature of Insured or Authorized Agent
 (11/13) Copyright 2013 IPFS Corporation

DATE

Signature of Agent
 Page 1 of 3

DATE
 7/8/2016 Web - CAC

Insured and Lender further agree that: **4. AGREEMENT EFFECTIVE DATE:** This Agreement shall be effective when written acceptance is mailed to the insured by Lender. **5. DEFAULT AND DELINQUENT PAYMENTS:** If any of the following happens insured will be in default: (a) a payment is not made when it is due, (b) a proceeding in bankruptcy, receivership, insolvency or similar proceeding is instituted by or against insured, or (c) insured fails to keep any promise the insured makes in this Agreement; provided, however, that, to the extent required by applicable law, insured may be held to be in default only upon the occurrence of an event described in clause (a) above. The acceptance by Lender of one or more late payments from the insured shall not estop Lender or be a waiver of the rights of Lender to exercise all of its rights hereunder or under applicable law in the event of any subsequent late payment. **6. CANCELLATION:** Lender may cancel the scheduled policies after providing at least 10 days notice of its intent to cancel or any other required statutory notice if the insured does not pay any installment according to the terms of this Agreement or transfers any of the scheduled policies to a third party and the unpaid balance due to Lender shall be immediately due and payable by the insured. Lender at its option may enforce payment of this debt without recourse to the security given to Lender. **7. CANCELLATION CHARGES:** If Lender cancels any insurance policy in accordance with the terms of this Agreement and applicable law, then the insured shall pay Lender a cancellation charge equal to \$15.00 or the maximum amount permitted by law. If cancellation occurs, the insured agrees to pay a finance charge on the outstanding indebtedness at the maximum rate authorized by applicable state law in effect on the date of cancellation until the outstanding indebtedness is paid in full or until such other date as required by law. **8. INSUFFICIENT FUNDS (NSF) CHARGES:** If insured's check or electronic funding is dishonored for any reason, the insured will pay to Lender a fee of \$15.00 or the maximum amount permitted by law. **9. MONEY RECEIVED AFTER CANCELLATION:** Any payments made to Lender after Lender's Notice of Cancellation of the insurance policy(ies) has been mailed may be credited to the insured's account without any obligation on the part of Lender to request reinstatement of any policy. Any money Lender receives from an insurance company shall be credited to the balance due Lender with any surplus refunded to whomever is entitled to the money. In the event that Lender does request a reinstatement of the policy(ies) on behalf of the insured, such a request does not guarantee that coverage under the policy(ies) will be reinstated or continued. Only the insurance company has authority to reinstate the policy(ies). The insured agrees that Lender has no liability to the insured if the policy(ies) is not reinstated and Lender may charge a reinstatement fee where permitted up to the maximum amount allowed by law. **10. ASSIGNMENT:** The insured agrees not to assign this Agreement or any policy listed hereon or any interest therein (except for the interest of mortgagees or loss payees), without the written consent of Lender, and that Lender may sell, transfer and assign its rights hereunder or under any policy without the consent of the insured, and that all agreements made by the insured hereunder and all rights and benefits conferred upon Lender shall inure to the benefit of Lender's successors and assigns (and any assignees thereof). **11. INSURANCE AGENT OR BROKER:** The insured agrees that the insurance agent or broker soliciting the policies or through whom the policies were issued is not the agent of Lender; and the agent or broker named on the front of this Agreement is neither authorized by Lender to receive installment payments under this Agreement nor to make representations, orally or in writing, to the insured on Lender's behalf (except to the extent expressly required by applicable law). As and where permissible by law, Lender may compensate your agent/broker for assisting in arranging the financing of your insurance premiums. If you have any questions about this compensation you should contact your agent/broker. **12. FINANCING NOT A CONDITION:** The law does not require a person to enter into a premium finance agreement as a condition of the purchase of insurance. **13. COLLECTION COSTS:** Insured agrees to pay attorney fees and other collection costs to Lender to the extent permitted by law if this Agreement is referred to an attorney or collection agency who is not a salaried employee of Lender, to collect any money insured owes under this Agreement. **14. LIMITATION OF LIABILITY:** The insured agrees that Lender's liability to the insured, any other person or entity for breach of any of the terms of this Agreement for the wrongful or improper exercise of any of its powers under this Agreement shall be limited to the amount of the principal balance outstanding, except in the event of Lender's gross negligence or willful misconduct. Insured recognizes and agrees that Lender is a lender only and not an insurance company and that in no event does Lender assume any liability as an insurer hereunder or otherwise. **15. CLASSIFICATION AND FORMATION OF AGREEMENT:** This Agreement is and will be a general intangible and not an instrument (as those terms are used in the Uniform Commercial Code) for all purposes. Any electronic signature or electronic record may be used in the formation of this Agreement, and the signatures of the insured and agent and the record of this Agreement may be in electronic form (as those terms are used in the Uniform Electronic Transactions Act). A photocopy, a facsimile or other paper or electronic record of this Agreement shall have the same legal effect as a manually signed copy. **16. REPRESENTATIONS AND WARRANTIES:** The insured represents that (a) the insured is not insolvent or presently the subject of any insolvency proceeding (or if the insured is a debtor of bankruptcy, the bankruptcy court has authorized this transaction), (b) if the insured is not an individual, that the signatory is authorized to sign this Agreement on behalf of the insured, (c) all parties responsible for payment of the premium are named and have signed this Agreement, and (d) there is no term or provision in any of the scheduled policies that would require Lender to notify or get the consent of any third party to effect cancellation of any such policy. **17. PRIVACY:** Our privacy policy may be found at <https://www.ipfs.com/Privacy.aspx>. **18. ENTIRE DOCUMENT / GOVERNING LAW:** This document is the entire Agreement between Lender and the insured and can only be changed in writing and signed by both parties except that the insured authorizes Lender to insert or correct on this Agreement, if omitted or incorrect, the insurer's name and the policy number(s). Lender is also authorized to correct patent errors and omissions in this Agreement. In the event that any provision of this Agreement is found to be illegal or unenforceable, it shall be deemed severed from the remaining provisions, which shall remain in full force and effect. The laws of the State of California will govern this Agreement. **19. AUTHORIZATION:** The insurance company(ies) and their agents, any intermediaries and the agent / broker named in this Agreement and their successors and assigns are hereby authorized and directed by insured to provide Lender with full and complete information regarding all financed insurance policy(ies), including without limitation the status and calculation of unearned premiums, and Lender is authorized and directed to provide such parties with full and complete information and documentation regarding the financing of such insurance policy(ies), including a copy of this Agreement and any related notices. **20. WAIVER OF SOVERIGN IMMUNITY:** The insured expressly waives any sovereign immunity available to the insured, and agrees to be subject to the laws as set forth in this Agreement (and the jurisdiction of federal and/or state courts) for all matters relating to the collection and enforcement of amounts owed under this Agreement and the security interest in the scheduled policies granted hereby.

AGENT/BROKER REPRESENTATIONS

The agent/broker executing this agreement represents, warrants and agrees: (1) installment payments totaling \$0.00 and the down payment indicated in Box "B" on Page 1 has been received from the insured in immediately available funds, (2) the insured has received a copy of this Agreement; if the agent/broker has signed this Agreement on the insured's behalf, the insured has expressly authorized the agent/broker to sign this Agreement on its behalf or, if the insured has signed, to the best of the undersigned's knowledge and belief such signature is genuine, (3) the policies are in full force and effect and the information in the Schedule of Policies including the premium amounts is correct, (4) no direct company bill, audit, or reporting form policies or policies subject to retrospective rating or to minimum earned premium are included, except as indicated, and the deposit of provisional premiums is not less than anticipated premiums to be earned for the full term of the policies, (5) the policies can be cancelled by the insured or Lender (or its successors and assigns) on 10 days notice and the unearned premiums will be computed on the standard short rate or pro rata table except as indicated, (6) there are no bankruptcy, receivership, or insolvency proceedings affecting the insured, (7) to hold Lender, its successors and assigns harmless against any loss or expense (including attorney fees) resulting from these representations or from errors, omissions or inaccuracies of agent/broker in preparing this Agreement, (8) to pay the down payment and any funding amounts received from Lender under this Agreement to the insurance company or general agent (less any commissions where applicable), (9) to hold in trust for Lender or its assigns any payments made or credited to the insured through or to agent/broker directly or indirectly, actually or constructively by the insurance companies and to pay the monies, as well as the unearned commissions to Lender or its assigns upon demand to satisfy the outstanding indebtedness of the insured, (10) all material information concerning the insured and the financed policies necessary for Lender to cancel such policies and receive the unearned premium has been disclosed to Lender, (11) no term or provision of any financed policy requires Lender to notify or get the consent of any third party to effect cancellation of such policy, and (12) to promptly notify Lender in writing if any information on this Agreement becomes inaccurate.

AGENT
 (Name & Place of business)
 ALLIANT INSURANCE SERVICES INC
 100 PINE ST STE 1100
 SAN FRANCISCO, CA 94111-5113
 (415)403-1400 FAX: (415)403-0773

INSURED
 (Name & Residence or business)
 Kern County Hospital Authority
 1700 Mount Vernon Ave
 Bakersfield, CA 93306-4018

Account #: _____

**SCHEDULE OF POLICIES
 (continued)**

Quote Number: 5190759

POLICY PREFIX AND NUMBER	EFFECTIVE DATE OF POLICY	INSURANCE COMPANY AND GENERAL AGENT	COVERAGE	MINIMUM EARNED PERCENT	POL TERM	PREMIUM
06-684-52-71	07/01/2016	AIG SPECIALTY INSURANCE COMPANY	DIRECTORS & OFFICERS	0.000%	12	78,089.00 Fee: 156.18 Tax: 2,342.67
AAP N14413029 001	07/01/2016	ACE PROPERTY & CASUALTY INSURANCE C	LIABILITY	0.000%	12	6,019.00
PENDING	07/01/2016	NATIONAL FIRE & MARINE INS CO MED PRO	GENERAL LIABILITY	25.00%	12	85,400.00 Fee: 170.80 Tax: 2,562.00
PENDING	07/01/2016	PHILADELPHIA INDEMNITY INS CO	AUTOMOBILE	25.00%	12	13,382.00 Fee: 22.88
PENDING	07/01/2016	AIG SPECIALTY INSURANCE COMPANY	POLLUTION	100.0%	12	11,754.00 Fee: 23.51 Tax: 352.62
PENDING	07/01/2016	ACE AMERICAN INSURANCE CO	LIABILITY	0.000%	12	481.00

TOTAL: \$1,023,672.46

**KERN COUNTY HOSPITAL AUTHORITY
BOARD OF GOVERNORS
PUBLIC STATEMENT REGARDING CLOSED SESSION**

Health and Safety Code Section 101855(j)(2)

On the recommendation of the Chief Executive Officer, the Board of Governors will hold a closed session on July 20, 2016, to discharge its responsibility to evaluate and improve the quality of care rendered by health facilities and health practitioners. The closed session involves:

 X Request for Closed Session regarding peer review of health practitioners (Health and Safety Code Section 101855(j)(2)) –

**KERN COUNTY HOSPITAL AUTHORITY
BOARD OF GOVERNORS
PUBLIC STATEMENT REGARDING CLOSED SESSION**

Health and Safety Code Section 101855(j)(2)

On the recommendation of the Chief Executive Officer, the Board of Governors will hold a closed session on July 20, 2016, to discharge its responsibility to evaluate and improve the quality of care rendered by health facilities and health practitioners. The closed session involves:

 X Request for Closed Session regarding peer review of health facilities (Health and Safety Code Section 101855(j)(2)) –

**KERN COUNTY HOSPITAL AUTHORITY
BOARD OF GOVERNORS
PUBLIC STATEMENT REGARDING CLOSED SESSION**

Government Code Section 54956.9

Based on the advice of Counsel, the Board of Governors is holding a closed session on July 20, 2016, to confer with, or receive advice from Counsel regarding pending litigation, because discussion in open session concerning this matter would prejudice the position of the authority in the litigation. The closed session involves:

 X CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION
(Government Code Section 54956.9(d)(1)) Name of case: Bravo v. County of Kern, et al., Kern County Superior Court Case No. S-1500-CV-280293 DRL –

**KERN COUNTY HOSPITAL AUTHORITY
BOARD OF GOVERNORS
PUBLIC STATEMENT REGARDING CLOSED SESSION**

Government Code Section 54956.9

Based on the advice of Counsel, the Board of Governors is holding a closed session on July 20, 2016, to confer with, or receive advice from Counsel regarding pending litigation, because discussion in open session concerning this matter would prejudice the position of the authority in the litigation. The closed session involves:

 X CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION
(Government Code Section 54956.9(d)(1)) Name of case: Winston v. County of Kern, et al., Kern County Superior Court Case No. S-1500-CV-280158 LHB –

**KERN COUNTY HOSPITAL AUTHORITY
BOARD OF GOVERNORS
PUBLIC STATEMENT REGARDING CLOSED SESSION**

Government Code Section 54956.9

Based on the advice of Counsel, the Board of Governors is holding a closed session on July 20, 2016, to confer with, or receive advice from Counsel regarding pending litigation, because discussion in open session concerning this matter would prejudice the position of the authority in the litigation. The closed session involves:

 X CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION
(Government Code Section 54956.9(d)(1)) Name of case: Jackson v. County of Kern, Kern County Superior Court Case No. BCV-15-101497 SPC –

**KERN COUNTY HOSPITAL AUTHORITY
BOARD OF GOVERNORS
PUBLIC STATEMENT REGARDING CLOSED SESSION**

Health and Safety Code Section 101855(e)(1)

On the recommendation of the Chief Executive Officer, the Board of Governors will hold a closed session on July 20, 2016, the premature disclosure of which would create a substantial probability of depriving the authority of a substantial economic benefit or opportunity. The closed session involves:

 X Request for Closed Session for the purpose of discussion or taking action on authority trade secrets (Health and Safety Code Section 101855(e)(1)) –

**KERN COUNTY HOSPITAL AUTHORITY
BOARD OF GOVERNORS
PUBLIC STATEMENT REGARDING CLOSED SESSION**

(Government Code Section 54957.7)

On the recommendation of the Chief Executive Officer, the Board of Governors will hold a closed session on July 20, 2016, to consider:

 PUBLIC EMPLOYEE APPOINTMENT/RECRUITMENT - Title: _____
(Government Code Section 54957)

 X PUBLIC EMPLOYEE PERFORMANCE EVALUATION - Title: Kern County Hospital
Authority Chief Financial Officer (Government Code Section 54957)

 PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE -
(Government Code Section 54957)

 CONFERENCE WITH LABOR NEGOTIATORS - _____
(Government Code Section 54957.6)

**KERN COUNTY HOSPITAL AUTHORITY
BOARD OF GOVERNORS
PUBLIC STATEMENT REGARDING CLOSED SESSION**

On the recommendation of the Chief Executive Officer, the Board of Governors will hold a closed session on July 20, 2016, to consider:

 PUBLIC EMPLOYEE APPOINTMENT/RECRUITMENT - Title: _____
(Government Code Section 54957)

 PUBLIC EMPLOYEE PERFORMANCE EVALUATION - Title: _____
(Government Code Section 54957)

 PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE -
(Government Code Section 54957)

 X CONFERENCE WITH LABOR NEGOTIATORS - Agency designated representatives:
Chief Executive Officer Russell V. Judd and designated staff – Unrepresented
Employee: Kern County Hospital Authority Chief Financial Officer (Government Code
Section 54957.6)