

**AGREEMENT BETWEEN THE COUNTY OF SAN MATEO AND  
ALLIANCE IMAGING, INC.**

THIS AGREEMENT, entered into this 25th day of August, 2003, by and between the COUNTY OF SAN MATEO, hereinafter called "County," and Alliance Imaging, Inc., hereinafter called "Contractor";

W I T N E S S E T H:

WHEREAS, pursuant to Government Code, Section 31000, County may contract with independent contractors for the furnishing of such services to or for County or any Department thereof;

WHEREAS, it is necessary and desirable that Contractor be retained for the purpose of magnetic resonance imaging (MRI) services.

**NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES HERETO AS FOLLOWS:**

**1. Exhibits.**

The following exhibits are attached hereto and incorporated by reference herein:

Exhibit A—Services

Exhibit B—Payments and rates

Attachment H—HIPAA Business Associate requirements

Attachment I—§ 504 Compliance

**2. Services to be performed by Contractor.**

In consideration of the payments set forth herein and in Exhibit "B," Contractor shall perform services for County in accordance with the terms, conditions and specifications set forth herein and in Exhibit "A."

**3. Payments.**

In consideration of the services provided by Contractor in accordance with all terms, conditions and specifications set forth herein and in Exhibit "A," County shall make payment to Contractor based on the rates and in the manner specified in Exhibit "B."

**4. Term and Termination.**

Subject to compliance with all terms and conditions, the term of this Agreement shall be as set forth on Exhibit B hereto.

In the event of termination, all finished or unfinished documents, data, studies, maps, photographs, reports, and materials (hereafter referred to as materials) prepared by Contractor under this Agreement shall become the property of the County and shall be promptly delivered to the County. Upon termination, the Contractor may make and retain a copy of such materials. Subject to availability of funding, Contractor shall be entitled to receive payment for work/services provided prior to termination of the Agreement. Such payment shall be that portion of the full payment which is determined by comparing the work/services completed to the work/services required by the Agreement.

**5. Availability of Funds.**

The County may terminate this Agreement or a portion of the services referenced in the Attachments and Exhibits based upon unavailability of Federal, State, or County funds, by providing written notice to Contractor as soon as is reasonably possible after the county learns of said unavailability of outside funding.

**6. Relationship of Parties.**

Contractor agrees and understands that the work/services performed under this Agreement are performed as an independent Contractor and not as an employee of the County and that Contractor acquires none of the rights, privileges, powers, or advantages of County employees.

**7. Hold Harmless.**

Contractor shall indemnify and save harmless County, its officers, agents, employees, and servants from all claims, suits, or actions of every name, kind, and description, brought for, or on account of: (A) injuries to or death of any person, including Contractor, or (B) damage to any property of any kind whatsoever and to whomsoever belonging, (C) any sanctions, penalties, or claims of damages resulting from Contractor's failure to comply with the requirements set forth in the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and all Federal regulations promulgated thereunder, as amended, or (D) any other loss or cost, including but not limited to that caused by the concurrent active or passive negligence of County, its officers, agents, employees, or servants, resulting from the performance of any work required of Contractor or payments made pursuant to this Agreement, provided that this shall not apply to injuries or damage for which County has been found in a court of competent jurisdiction to be solely liable by reason of its own negligence or willful misconduct.

The duty of Contractor to indemnify and save harmless as set forth herein, shall include the duty to defend as set forth in Section 2778 of the California Civil Code.

**8. Assignability and Subcontracting.**

Contractor shall not assign this Agreement or any portion thereof to a third party or subcontract with a third party to provide services required by contractor under this Agreement without the prior written consent of County. Any such assignment or subcontract without the County's prior written consent shall give County the right to automatically and immediately terminate this Agreement.

**9. Insurance.**

The Contractor shall not commence work or be required to commence work under this Agreement unless and until all insurance required under this paragraph has been obtained and such insurance has been approved by Risk Management, and Contractor shall use diligence to obtain such issuance and to obtain such approval. The Contractor shall furnish the Department/Division with certificates of insurance evidencing the required coverage, and there shall be a specific contractual liability endorsement extending the Contractor's coverage to include the contractual liability assumed by the Contractor pursuant to this Agreement. These certificates shall specify or be endorsed to provide that thirty (30) days' notice must be given, in writing, to the Department/Division of any pending change in the limits of liability or of any cancellation or modification of the policy.

- (1) **Worker's Compensation and Employer's Liability Insurance.** The Contractor shall have in effect during the entire life of this Agreement Workers' Compensation and Employer's Liability Insurance providing full statutory coverage. In signing this Agreement, the Contractor certifies, as required by Section 1861 of the California Labor Code, that it is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of the Code, and will comply with such provisions before commencing the performance of the work of this Agreement.
  
- (2) **Liability Insurance.** The Contractor shall take out and maintain during the life of this Agreement such Bodily Injury Liability and Property Damage Liability Insurance as shall protect him/her while performing work covered by this Agreement from any and all claims for damages for bodily injury, including accidental death, as well as any and all claims for property damage which may arise from contractors operations under this Agreement, whether such operations be by himself/herself or by any sub-contractor or by anyone directly or indirectly employed by either of them. Such insurance shall be combined single limit bodily injury and property damage for each occurrence and shall be not less than the amount specified below.

Such insurance shall include:

- (a) Comprehensive General Liability . . . . . \$1,000,000
- (b) Motor Vehicle Liability Insurance . . . . . \$1,000,000
- (c) Professional Liability . . . . . \$1,000,000

County and its officers, agents, employees and servants shall be named as additional insured on any such policies of insurance, which shall also contain a provision that the insurance afforded thereby to the County, its officers, agents, employees and servants shall be primary insurance to the full limits of liability of the policy, and that if the County or its officers and employees have other insurance against the loss covered by such a policy, such other insurance shall be excess insurance only.

In the event of the breach of any provision of this section, or in the event any notice is received which indicates any required insurance coverage will be diminished or canceled, the County of San Mateo at its option, may, notwithstanding any other provision of this Agreement to the contrary, immediately declare a material breach of this Agreement and suspend all further work pursuant to this Agreement.

**10. Compliance with laws; payment of Permits/Licenses.**

All services to be performed by Contractor pursuant to this Agreement shall be performed in accordance with all applicable Federal, State, County, and municipal laws, ordinances and regulations, including, but not limited to, the Health Insurance Portability and Accountability Act of 1996 (HIPAA), and the Federal Regulations promulgated thereunder, as amended, and will comply with the Business Associate requirements set forth in Attachment "H," and the Americans with Disabilities Act of 1990, as amended, and Section 504 of the Rehabilitation Act of 1973, as amended and attached hereto and incorporated by reference herein as Attachment "I," which prohibits discrimination on the basis of handicap in programs and activities receiving any Federal or County financial assistance. Such services shall also be performed in accordance with all applicable ordinances and regulations, including, but not limited to, appropriate licensure, certification regulations, provisions pertaining to confidentiality of records, and applicable quality assurance regulations. In the event of a conflict between the terms of this Agreement and State, Federal, County, or municipal law or regulations, the requirements of the applicable law will take precedence over the requirements set forth in this Agreement.

Contractor will timely and accurately complete, sign, and submit all necessary documentation of compliance.

**11. Non-Discrimination.**

A. *Section 504 applies only to Contractors who are providing services to members of the public.* Contractor shall comply with § 504 of the Rehabilitation Act of 1973, which provides that no otherwise qualified handicapped individual shall, solely by reason of a disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination in the performance of this Agreement.

- B. *General non-discrimination.* No person shall, on the grounds of race, color, religion, ancestry, gender, age (over 40), national origin, medical condition (cancer), physical or mental disability, sexual orientation, pregnancy, childbirth or related medical condition, marital status, or political affiliation be denied any benefits or subject to discrimination under this Agreement.
- C. *Equal employment opportunity.* Contractor shall ensure equal employment opportunity based on objective standards of recruitment, classification, selection, promotion, compensation, performance evaluation, and management relations for all employees under this Agreement. Contractor's equal employment policies shall be made available to County of San Mateo upon request.
- D. *Violation of Non-discrimination provisions.* Violation of the non-discrimination provisions of this Agreement shall be considered a breach of this Agreement and subject the Contractor to penalties, to be determined by the County Manager, including but not limited to
  - i) termination of this Agreement;
  - ii) disqualification of the Contractor from bidding on or being awarded a County contract for a period of up to 3 years;
  - iii) liquidated damages of \$2,500 per violation;
  - iv) imposition of other appropriate contractual and civil remedies and sanctions, as determined by the County Manager.

To effectuate the provisions of this section, the County Manager shall have the authority to examine Contractor's employment records with respect to compliance with this paragraph and/or to set off all or any portion of the amount described in this paragraph against amounts due to Contractor under the Contract or any other Contract between Contractor and County.

Contractor shall report to the County Manager the filing by any person which provides services under this Agreement in any court of any complaint of discrimination or the filing by any person of any and all charges with the Equal Employment Opportunity Commission, the Fair Employment and Housing Commission or any other entity charged with the investigation of allegations within 30 days of such filing, provided that within such 30 days such entity has not notified Contractor that such charges are dismissed or otherwise unfounded. Such notification shall include the name of the complainant, a copy of such complaint, and a description of the circumstance. Contractor shall provide County with a copy of their response to the Complaint when filed.

- E. *Compliance with Equal Benefits Ordinance.* With respect to the provision of employee benefits which provides services under this Agreement, Contractor shall comply with the County Ordinance which prohibits contractors from discriminating in the provision of employee benefits between an employee with a domestic partner and an employee with a spouse.
- F. The Contractor shall comply fully with the non-discrimination requirements required by 41 CFR 60-741.5(a), which is incorporated herein as if fully set forth.

**12. Retention of Records.**

Contractor shall maintain all required records for three (3) years after the County makes final payment and all other pending matters are closed, and shall be subject to the examination and/or audit of the County, a Federal grantor agency, and the State of California.

**13. Merger Clause.**

This Agreement, including the Exhibits attached hereto and incorporated herein by reference, constitutes the sole Agreement of the parties hereto and correctly states the rights, duties, and obligations of each party as of this document's date. Any prior agreement, promises, negotiations, or representations between the parties not expressly stated in this document are not binding. All subsequent modifications shall be in writing and signed by the parties.

**14. Controlling Law.**

The validity of this Agreement and of its terms or provisions, as well as the rights and duties of the parties hereunder, the interpretation, and performance of this Agreement shall be governed by the laws of the State of California.

**15. Notices.**

Any notice, request, demand, or other communication required or permitted hereunder shall be deemed to be properly given when deposited in the United State mail, postage prepaid, or when deposited with a public telegraph company for transmittal, charges prepaid, addressed to:

**In the case of County, to:**

San Mateo Medical Center  
222 W. 39<sup>th</sup> Avenue  
San Mateo, California 94403  
ATTN: Contracts Manager

**In the case of Contractor, to:**

Alliance Imaging, Inc.  
1900 South State College Blvd., Suite 600  
Anaheim, California 92806  
ATTN: Contracts Department

With copies to:

Alliance Imaging, Inc.  
1990 North California Blvd., Suite 1070  
Walnut Creek, California 94596  
ATTN: Vice President

IN WITNESS WHEREOF, the parties hereto, by their duly authorized representatives, have affixed their hands.

COUNTY OF SAN MATEO

By: \_\_\_\_\_  
Rose Jacobs Gibson, President  
Board of Supervisors, San Mateo County

Date: \_\_\_\_\_

ATTEST:

By: \_\_\_\_\_  
Clerk of Said Board

**ALLIANCE IMAGING, INC.**

  
\_\_\_\_\_  
Contractor's Signature

Russell D. Phillips, Jr.  
Executive Vice President, General Counsel, Secretary

Date: 8/22/03

## Exhibit "A"

In consideration of the payments set forth in Exhibit "B", Contractor shall provide the following services:

### 1. EQUIPMENT AND SERVICES.

1.1 **The Unit.** Contractor will provide a Magnetic Resonance Imaging ("MRI") system described in Exhibit B of this Agreement (the "Unit") to remain stationary at County's site.

1.2 **Personnel.** Contractor will provide the services of technical personnel to operate the Unit for three (3) days per week, eight (8) hours per day. Should County require Contractor staffing after-hours, County will be responsible for an overtime charge of \$85.00 per additional hour. Staffing coverage may be increased if County's volume supports additional volume. County agrees not to hire or contract with any Contractor employee during the term of this Agreement, including renewals, and for a period of one (1) year after MRI services cease, without Contractor's prior written consent.

1.3 **Maintenance.** Contractor will use reasonable efforts to cause the Unit to be maintained in good operating condition. Contractor may do so through the purchase of a maintenance contract from the MRI Unit manufacturer or otherwise, in its discretion. Contractor will provide cryogenics.

### 2. SCANNING ACTIVITIES.

2.1 **Siting.** County will prepare and maintain a safe and suitable site for the Unit which complies with the manufacturer's specifications (which will be provided by Contractor) and applicable laws and regulations. All site costs (for example, costs of tractor/trailer access and egress, power and telephone expenses) are County's responsibility.

a) **Site Improvements.** Contractor will reimburse the County's cost up to a maximum of \$20,000 for site improvement (development of a concrete pad plus power outlet additions). County must provide Contractor with documentation (i.e., receipts) as to the actual cost of site improvement. However, if the County terminates this Agreement, with or without cause, the County will reimburse Contractor the full amount paid to County by Contractor. Full payment shall be due and payable upon the last day of service.

2.2 **Power.** County will provide electrical power, including a dedicated power line with 200 amps and 480 volts of three-phase power. County will promptly report any problems with power (for example, sags or surges) to Contractor. County will provide the power line, a lockable disconnect box and receptacle within twenty-five (25) feet of the electrical receptacle on the Unit. County is responsible for damage to the Unit due to power that does not meet specification.

2.3 **Phone.** County will provide the Unit with a voice telephone line and a dedicated fax compatible telephone line.

2.4 **Operation.** The Unit will be operated only by employees or subcontractors of Contractor.

2.5 **Medical Director.** County will appoint a qualified and licensed physician to act as Medical Director hereunder, along with another such physician to act in his absence (the "Medical Director"). County will be solely responsible for all activities which constitute the practice of medicine (for example, providing medical advice to patients in connection with MRI scans and the injection of contrast agents). County will obtain any written consents from patients that are required by the USFDA, state or local law or prudent medical practice. County will have full responsibility for all medical care and advice provided to patients. All medical care will be provided under the ultimate supervision of the Medical Director.

2.6 **Medical Supplies; Emergency Care.** County will provide all medical supplies which may be required (including film and film processing, gowns, medications and contrast agents) and will ensure the immediate availability at all times of equipment and personnel to treat patients who require emergency or other medical care (including a cardiac monitor, a fresh oxygen supply, an aspirator and a defibrillator).

2.7 **Patient Handling.** County and Contractor will be responsible for the prompt and orderly pick up and delivery of patients to and from their rooms or other designated areas.

2.8 **Patient Log.** Contractor will maintain a log of all scans performed on the Unit. County will be provided with copies of the log upon request.

2.9 **Modifications.** County will not modify or alter the Unit without Contractor's prior written consent. County will not allow any portion of the Unit to become permanently attached to real property. County agrees to execute any documents evidencing a first priority security interest or mortgage or assignment in favor of any party providing financing for the Unit.

2.10 **Scheduling.** County will use all reasonable efforts to schedule its patients consecutively from the beginning of each service day to minimize unutilized scanning time and to prescreen patients for conditions unsuitable for MRI examination. Contractor reserves the right, with prior notice, to modify the provision of services on a day in which less than five (5) patients are scheduled. In addition, Contractor reserves the right to release its technical personnel and/or Unit from County's facility after the completion of the last scheduled exam on any given service day in which no more patients are scheduled provided the technologist(s) have confirmed with the County that no additional patients will be added to the schedule for that particular service day.

2.11 **Notification of Physicians; Use of Service.** County will notify its staff of physicians of the availability of the Unit and will use all reasonable efforts to encourage physicians to utilize the Unit for their patients' needs.

2.12 **Exclusivity.** County agrees to use Contractor solely for all of its MRI needs, except for an emergency where the use of Contractor's service is impractical. County on behalf of itself, its subsidiaries and/or corporate affiliates agree during the term of this Agreement, not to own, permit, lease, manage, or invest in any MRI systems or engage the services of any other MRI imaging entity which would compete with the services provided by Contractor under this Agreement.

2.13 **Document Retention.** Contractor and County agree to retain books, documents and records required under the Omnibus Reconciliation Act of 1980 and other applicable laws and regulations governing governmental reimbursement of medical care expense, in all cases for the periods specified in such laws and regulations.



2.14 **Licenses.** County will obtain and maintain all required licenses and regulatory approvals necessary to operate the Unit at County's premises. Contractor will reasonably cooperate to assist County to obtain such licenses and approvals.

2.15 **Taxes.** All taxes, if any (for example, sales, use or similar taxes), on the services hereunder shall be the responsibility of County.

2.16 **Managed Care.** County agrees to allow Contractor to perform scans on patients under Contractor's managed care contracts. Contractor shall pay County a fee of \$50.00 for each such patient for which County shall provide the services and supplies as described under the terms of this Agreement. Contractor will provide contrast agents as required by Contractor patient exams. Contractor will contract with the radiology group employed by County, or other radiologists approved by County, for professional reading of such scans. The information contained in this Item, and throughout this Agreement, is highly confidential and is further clarified in **Item 7.7. Confidentiality.**

3. **FEES AND BILLING.** County will pay Contractor fees in accordance with Exhibit B. All fees for a billing period will be due and payable within thirty (30) days of the last day of such period. Contractor will invoice County twice each month. County will pay a late fee of one and one-quarter percent (1-1/4%) or the maximum legal rate, whichever is less, on all balances outstanding more than fifteen (15) days beyond the due date. Fees may be adjusted on each anniversary of the Commencement Date by the percentage increase for the Medical Care Services component of the Consumer Price Index for all Urban Consumers (CPI-U) as recorded by the Department of Labor Index for the then most recently available twelve month period. County shall be responsible for all billings to patients and/or third party payors for MRI exams performed on the Unit. County's obligation to pay Contractor compensation in accordance with the provisions of Exhibit B shall not be dependent upon County's billing and collection of patient and/or third party payor accounts receivable. Contractor shall not bill, and Contractor shall not cause bills to be submitted to, any patient or third party payor for MRI exams performed on the Unit. Both parties agree that Contractor is providing its services set forth on this Agreement "under arrangement" with County, such that upon County's receipt of payment from the Medicare program for MRI exams performed in the Unit, the liability of the beneficiary or any other person to pay for such services shall be fully discharged.

4. **TERM.** The term of this Agreement shall be as specified on Exhibit B.

5. **SCHEDULING.** Contractor will make the Unit available to County according to the schedule specified in Exhibit B or as mutually agreed by County and Contractor. On each day of service, Contractor will make the Unit available from 7:00 a.m. local time (or another time mutually agreed upon) or until the completion of the daily scan schedule.

6. **INSURANCE, INDEMNITY.**

6.1 **Insurance.**

a) **County.** County will maintain comprehensive general and professional liability insurance covering the County, its employees, staff and physicians and will require the Medical Director and other physicians who interpret or report on procedures performed on the Unit to maintain professional liability insurance. All such insurance will be in amounts and with deductibles that are customary in the industry. County shall bear the risk of loss or damage to the Unit from County's negligent actions or omissions.

7. **GENERAL.**

7.1 **Remedies.** Contractor will not be responsible for failure to provide services as a result of conditions caused by County. Contractor shall not be liable for consequential or special damages under any circumstances or any damages caused by conditions not within Contractor's reasonable control.

7.2 **Waiver.** Waiver of any breach will not be deemed a waiver of the same provision in the future or the waiver of any other provision.

7.3 **Successors and Assigns.** County agrees that this Agreement may be performed, in whole or part, by a subsidiary of Contractor and further consent shall not be required. Contractor may also assign the proceeds of this Agreement. County shall require any successor (whether direct or indirect, by purchase, merger, reorganization, consolidation, sale of property or stock, liquidation, or otherwise) to all or a substantial portion of its assets, by agreement in form and substance reasonably satisfactory to Contractor, to expressly assume and agree to perform this Agreement.

7.4 **Third Parties.** This Agreement does not convey any rights to any third parties.

7.5 **Attorney Fees.** In any dispute arising out of this Agreement (whether litigation is involved or not) or in the event that either party must sue to collect fees or enforce rights, the prevailing party will be entitled to reimbursement of its expenses, including court expenses and lawyers' fees.

7.6 **Certain Events.** Neither party will be deemed in breach if its failure to perform under this Agreement is caused by conditions beyond its reasonable control (for example, fire, natural disaster, labor strikes, and so on).

7.7 **Confidentiality.** County acknowledges and agrees that this Agreement is highly confidential and proprietary to Contractor and County agrees that it, nor any of its employees, physicians or representatives, shall disclose in any manner the terms, provisions, pricing or any other information contained in this Agreement (or any related proposal) to any third party.

7.8 **Accreditation.** Contractor and County agree to set standards of care and quality that comply with the Joint Commission on the Accreditation of Healthcare Organizations (JCAHO) and the American College of Radiology (ACR). Contractor and County mutually will cooperate in all phases of applying, scheduling, preparing and executing surveys or inspections by the JCAHO and ACR, as needed. Both parties agree to work cooperatively to implement changes, correct deficiencies or establish policies required and/or recommended by the inspecting agencies.

8. **TERMINATION.**

8.1 **Termination.**

a) **Default.** Contractor or County may terminate this Agreement if the other materially defaults in the performance of any covenant, term or provision of this Agreement, and the default is not cured within sixty (60) days following provision of notice to the defaulting party.

8.2 **Termination, Contractor.** Contractor may terminate this Agreement or suspend service if:

a) **Payment Default.** County fails to make any payment to Contractor when due and such failure continues for ten (10) days following provision notice to County. In the case of any payment default, Contractor may, without notice, cease providing services hereunder after three (3) days following a payment due date should it feel insecure with respect to County's ability or willingness to make payment.

b) **Profitability.** Contractor is unable to realize a profit on the services provided hereunder, provided that the parties have negotiated in good faith to modify the terms of this Agreement to eliminate such condition and a period of sixty (60) days has elapsed since Contractor originally notified County of such condition. In lieu of termination, Contractor may reduce the number of days of service provided. As referenced in Item 2.1 a), all costs of site improvement will be reimbursed to Contractor if County terminates this Agreement, with or without cause. Full payment shall be due and payable upon the last day of service.

c) **Bankruptcy.** County commits or suffers (voluntarily or involuntarily) an act of bankruptcy, receivership, liquidation or similar event.

8.3 **County's Default.** Upon County's default, Contractor may: (i) declare the entire balance of all fees and other amounts due including the sum of all fees and other amounts payable during the balance of the term of this Agreement, or (ii) take any action at law or in equity to collect payments then due and to become due, or to enforce performance of specific obligations.

The foregoing remedies are in addition to any provided by law. Neither party shall have obligation to exercise any remedy and the exercise of the remedy shall not release the parties for any obligation hereunder. All remedies shall be cumulative, and action on one shall not constitute an election or waiver of any other right to which either party may be entitled. In addition, the defaulting party shall pay the other parties reasonable attorney's fees together with an amount equal to all expenses paid or incurred in the enforcement of any rights or privileges hereunder.

Exhibit "B"

In consideration of the services provided by Contractor in Exhibit "A", County shall pay Contractor based on the following fee schedule:

1. **UNIT DESCRIPTION.** General Electric 1.0T RP mobile MRI system. If the Unit described above is deemed to be unavailable, in Contractor's sole discretion, a reasonably comparable Unit may be substituted.

2. **FEES.**

**FEE PER EXAM. Exams will be performed on a per procedure basis, based upon the prices listed below.**

Single area of interest exam. Exams shall be defined as any one (1) anatomical region of interest, such as head, neck, MRA, abdomen, l-spine, t-spine, c-spine, knee, shoulder, etc.

<u>EXAMS PER DAY</u>	<u>FEE PER EXAM</u>
Inpatient exam(*)	\$350.00
MediCal and County-Well Program exam(*)	\$350.00
Other Non-Contrast exam	\$426.00
Other with and without Contrast exam	\$495.00
Hourly staffing overtime after eight (8) hours per day of service	\$ 85.00

(\*)**In-Patient, MediCal, and County-Well Program Examinations.** County will identify In-Patient, MediCal, and County-Well Program examinations and provide the appropriate paperwork to Contractor at the time of the exam. If the County does not provide the appropriate paperwork at the time of the exam, the County will be charged the all other per examination fee as specified above.

County shall have a one time option upon sixty (60) days written notice to convert to a flat monthly fee of \$38,000.00 for an unstaffed unit.

3. **SCHEDULING.** The Unit will remain stationary at the County's site and Contractor will initially provide staffing for the Unit for three (3) days per week as referenced in Item 1.2 Personnel. Both County and Contractor agree that eight (8) MRI exams per day of service is a benchmark for maintaining the number of days of service scheduled. In the event County's exam volume is below this level and joint marketing efforts by County and Contractor fail to improve the volumes, Contractor may reduce the number of days of service provided with fourteen (14) days prior written notice.

4. **TERM.** The initial term of this Agreement will be for thirty-six (36) months commencing on the date on which services begin (the "Commencement Date") expected to be on or about October \_\_\_\_\_, 2003. If delivery of the Unit is delayed notwithstanding Contractor using all reasonable efforts to prevent the delay, the Commencement Date will be extended coterminously with the delay. The term of the Agreement shall also be extended coterminously with any period(s) services are suspended pursuant to Section 8.2. With ninety (90) days prior written notice, this Agreement may renew for successive twelve (12) month terms after each term. In the event this Agreement terminates and County continues to accept services, the terms and conditions of this Agreement shall apply to the provision of services.

**Schedule H**  
**Health Insurance Portability and Accountability Act (HIPAA)**  
**Business Associate Requirements**

Definitions

Terms used, but not otherwise defined, in this Schedule shall have the same meaning as those terms are defined in 45 Code of Federal Regulations section 160.103 and 164.501. (All regulatory references in this Schedule are to Title 45 of the Code of Federal Regulations unless otherwise specified.)

- a. *Designated Record Set.* "Designated Record Set" shall have the same meaning as the term "designated record set" in Section 164.501.
- b. *Individual.* "Individual" shall have the same meaning as the term "individual" in Section 164.501 and shall include a person who qualifies as a personal representative in accordance with Section 164.502(g).
- c. *Privacy Rule.* "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 Code of Federal Regulations Part 160 and Part 164, Subparts A and E.
- d. *Protected Health Information.* "Protected Health Information" shall have the same meaning as the term "protected health information" in Section 164.501 and is limited to the information created or received by Contractor from or on behalf of County.
- e. *Required By Law.* "Required by law" shall have the same meaning as the term "required by law" in Section 164.501.
- f. *Secretary.* "Secretary" shall mean the Secretary of the United States Department of Health and Human Services or his or her designee.

Obligations and Activities of Contractor

- a. Contractor agrees to not use or further disclose Protected Health Information other than as permitted or required by the Agreement or as required by law.
- b. Contractor agrees to use appropriate safeguards to prevent the use or disclosure of the Protected Health Information other than as provided for by this Agreement.
- c. Contractor agrees to mitigate, to the extent practicable, any harmful effect that is known to Contractor of a use or disclosure of Protected Health Information by Contractor in violation of the requirements of this Agreement.
- d. Contractor agrees to report to County any use or disclosure of the Protected Health Information not provided for by this Agreement.
- e. Contractor agrees to ensure that any agent, including a subcontractor, to whom it provides Protected Health Information received from, or created or received by Contractor on behalf of County, agrees to the same restrictions and conditions that apply through this Agreement to Contractor with respect to such information.

- f. If Contractor has protected health information in a designated record set, Contractor agrees to provide access, at the request of County, and in the time and manner designated by County, to Protected Health Information in a Designated Record Set, to County or, as directed by County, to an Individual in order to meet the requirements under Section 164.524.
- g. If Contractor has protected health information in a designated record set, Contractor agrees to make any amendment(s) to Protected Health Information in a Designated Record Set that the County directs or agrees to make pursuant to Section 164.526 at the request of County or an Individual, and in the time and manner designed by County.
- h. Contractor agrees to make internal practices, books, and records relating to the use and disclosure of Protected Health Information received from, or created or received by Contractor on behalf of, County available to the County, or at the request of the County to the Secretary, in a time and manner designated by the County or the Secretary, for purposes of the Secretary determining County's compliance with the Privacy Rule.
- i. Contractor agrees to document such disclosures of Protected Health Information and information related to such disclosures as would be required for County to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with Section 164.528.
- j. Contractor agrees to provide to County or an Individual in the time and manner designated by County, information collected in accordance with Section (i) of this Schedule, to permit County to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with Section 164.528.

#### Permitted Uses and Disclosures by Contractor

Except as otherwise limited in this Schedule, Contractor may use or disclose Protected Health Information to perform functions, activities, or services for, or on behalf of, County as specified in the Agreement; provided that such use or disclosure would not violate the Privacy Rule if done by County.

#### Obligations of County

- a. County shall provide Contractor with the notice of privacy practices that County produces in accordance with Section 164.520, as well as any changes to such notice.
- b. County shall provide Contractor with any changes in, or revocation of, permission by Individual to use or disclose Protected Health Information, if such changes affect Contractor's permitted or required uses and disclosures.
- c. County shall notify Contractor of any restriction to the use or disclosure of Protected Health Information that County has agreed to in accordance with Section 164.522.

### Permissible Requests by County

County shall not request Contractor to use or disclose Protected Health Information in any manner that would not be permissible under the Privacy Rule if done by County, unless the Contractor will use or disclose Protected Health Information for, and if the Agreement provides for, data aggregation or management and administrative activities of Contractor.

### Duties Upon Termination of Agreement

- a. Upon termination of the Agreement, for any reason, Contractor shall return or destroy all Protected Health Information received from County, or created or received by Contractor on behalf of County. This provision shall apply to Protected Health Information that is in the possession of subcontractors or agents of Contractor. Contractor shall retain no copies of the Protected Health Information.
- b. In the event that Contractor determines that returning or destroying Protected Health Information is infeasible, Contractor shall provide to County notification of the conditions that make return or destruction infeasible. Upon mutual agreement of the Parties that return or destruction of Protected Health Information is infeasible, Contractor shall extend the protections of the Agreement to such Protected Health Information and limit further uses and disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as Contractor maintains such Protected Health Information.

### Miscellaneous

- a. *Regulatory References.* A reference in this Schedule to a section in the Privacy Rule means the section as in effect or as amended, and for which compliance is required.
- b. *Amendment.* The Parties agree to take such action as is necessary to amend this Schedule from time to time as is necessary for County to comply with the requirements of the Privacy Rule and the Health Insurance Portability and Accountability Act, Public Law 104-191.
- c. *Survival.* The respective rights and obligations of Contractor under this Schedule shall survive the termination of the Agreement.
- d. *Interpretation.* Any ambiguity in this Schedule shall be resolved in favor of a meaning that permits County to comply with the Privacy Rule.

Attachment I

Assurance of Compliance with Section 504 of the  
Rehabilitation Act of 1973, as Amended

The undersigned (hereinafter called the "Contractor(s)") hereby agrees that it will comply with Section 504 of the Rehabilitation Act of 1973, as amended, all requirements imposed by the applicable DHHS regulation, and all guidelines and interpretations issued pursuant thereto.

The Contractor(s) gives/give this assurance in consideration of and for the purpose of obtaining contracts after the date of this assurance. The Contractor(s) recognizes/recognize and agrees/agree that contracts will be extended in reliance on the representations and agreements made in this assurance. This assurance is binding on the Contractor(s), its successors, transferees, and assignees, and the person or persons whose signatures appear below are authorized to sign this assurance on behalf of the Contractor(s).

The Contractor(s): (Check a or b)

- a.  has no employees.
- a.  employs fewer than 15 persons.
- b.  employs 15 or more persons and, pursuant to Section 84.7 (a) of the regulation (45 C.F.R. 84.7 (a)), has designated the following person(s) to coordinate its efforts to comply with the DHHS regulation.

Christie Bauernfeind, Manager of Compensation and Benefits  
Name of 504 Person - Type or Print

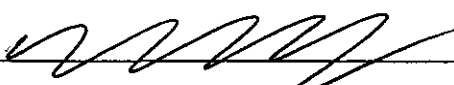
Alliance Imaging, Inc.  
Name of Contractor(s) - Type or Print

1900 S. State College Boulevard  
Street Address or PO Box

Anaheim, CA 92806  
City State Zip Code

I certify that the above information is complete and correct to the best of my knowledge.

8/22/03  
Date



Russell D. Phillips, EVP, General Counsel, Secretary  
Signature and Title of Authorized Official

\*Exception: DHHS regulations state that:

"If a recipient with fewer than 15 employees finds that, after consultation with a handicapped person seeking its services, there is no method of complying with (the facility accessibility regulations)...other than making a significant alteration in its existing facilities, the recipient may, as an alternative, refer the handicapped person to other providers of those services that are accessible."

### COUNTY OF SAN MATEO

### Equal Benefits Compliance Declaration Form

#### I Vendor Identification

Name of Contractor: Alliance Imaging, Inc.  
 Contact Person: Christine Bauernfeind  
 Address: 1900 South State College Blvd., Suite 600  
Anaheim, CA 92806  
 Phone Number: 714/688-7100  
 Fax Number: 714/688-7111

#### II Employees

Does the Contractor have any employees?  Yes  No  
 Does the Contractor provide benefits to spouses of employees?  Yes  No

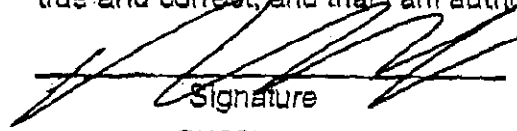
\*If the answer to one or both of the above is no, please skip to Section IV.\*

#### III Equal Benefits Compliance (Check one)

- Yes, the Contractor complies by offering equal benefits, as defined by Chapter 2.93, to its employees with spouses and its employees with domestic partners.
- Yes, the Contractor complies by offering a cash equivalent payment to eligible employees in lieu of equal benefits.
- No, the Contractor does not comply.
- The Contractor is under a collective bargaining agreement which began on \_\_\_\_\_ (date) and expires on \_\_\_\_\_ (date).

#### IV Declaration

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that I am authorized to bind this entity contractually.

  
 Signature  
**RUSSELL D. PHILLIPS, JR.**  
**EXECUTIVE VICE PRESIDENT**  
**GENERAL COUNSEL/SECRETARY**

**RUSSELL D. PHILLIPS, JR.**  
**EXECUTIVE VICE PRESIDENT**  
 Name **GENERAL COUNSEL/SECRETARY**  
9/8/03  
 Date



# ACORD CERTIFICATE OF LIABILITY INSURANCE

Page 1 of 2

DATE  
09/12/2003

<b>PRODUCER</b> 877-559-6769 Willis North America, Inc. - Regional Cert Center 11201 N. Tatum Boulevard Suite 300 Phoenix, AZ 85028		THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.
<b>INSURED</b> Alliance Imaging, Inc. 1900 S. State College Blvd., Suite 600 Anaheim, CA 92806		
<b>INSURERS AFFORDING COVERAGE</b>		
		INSURERA: Executive Risk Indemnity Inc. 35181-001
		INSURERB: Royal Ins. Co. of America 26980-001
		INSURERC: Royal Indemnity Co. 24678-001
		INSURERD:
		INSURERE:

**COVERAGES**

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

INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY	81654281	4/1/2003	4/1/2004	EACH OCCURRENCE \$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				FIRE DAMAGE (Any one fire) \$ 100,000
	<input type="checkbox"/> CLAIMSMADE <input checked="" type="checkbox"/> OCCUR				MED EXP (Any one person) \$ 5,000
	<input checked="" type="checkbox"/> Professional Liab.				PERSONAL & ADV INJURY \$ 1,000,000
					GENERAL AGGREGATE \$ 3,000,000
					PRODUCTS - COMPOP AGG \$
					GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC
B	AUTOMOBILE LIABILITY	P2TT465498	4/1/2003	4/1/2004	COMBINED SINGLE LIMIT (Ea accident) \$ 2,000,000
	<input checked="" type="checkbox"/> ANY AUTO				BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	<input checked="" type="checkbox"/> HIRED AUTOS				PROPERTY DAMAGE (Per accident) \$
<input checked="" type="checkbox"/> NON-OWNED AUTOS					
	GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT \$
	<input type="checkbox"/> ANY AUTO				OTHER THAN EA ACC \$
					AUTO ONLY: AGG \$
	EXCESS LIABILITY				EACH OCCURRENCE \$
	<input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE				AGGREGATE \$
	<input type="checkbox"/> DEDUCTIBLE				\$
	<input type="checkbox"/> RETENTION \$				\$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	R2T0465501	4/1/2003	4/1/2004	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTH-ER
					EL EACH ACCIDENT \$ 1,000,000
					EL DISEASE - EA EMPLOYEE \$ 1,000,000
	OTHER				EL DISEASE - POLICY LIMIT \$ 1,000,000

**DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS**

Professional Liability is per Claims Made.

County of San Mateo, CA, its officers, agents, employees and servants are Additional Insureds on the General/Professional and Automobile Liability policies, as required by written contract. If required by written contract the General Liability policy will apply as primary insurance and any other insurance issued to the additional insured shall apply as excess and non-contributory insurance.

<b>CERTIFICATE HOLDER</b>	<b>ADDITIONAL INSURED; INSURER LETTER:</b>	<b>CANCELLATION</b> NonPayment/Statutory
County of San Mateo c/o San Mateo Medical Center Attn: Cesar Calderan 222 West 39th Avenue San Mateo, CA 94403		SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES. AUTHORIZED REPRESENTATIVE 