EXHIBIT A

MEDIWARE INFORMATION SYSTEMS, INC.
BLOOD BANK DIVISION
MASTER LICENSE AND SERVICES AGREEMENT

This Master License and Services Agreement (the "Agreement") is entered into by and between **Mediware Information Systems, Inc.,** a New York corporation with offices at 11711 West 79th Street, Lenexa, Kansas 66214 ("Mediware"), and the **County of San Mateo**, with offices at 400 County Center, Redwood City, California 94063 ("Customer") contemporaneously with that certain Contractor Agreement executed by and between Mediware and Customer to which this Agreement is attached as Exhibit A (the "Contractor Agreement"), and is effective as of the effective date of the Contractor Agreement (the "Effective Date"). Mediware and Customer may be referred to herein individually as a "Party" and together as the "Parties."

In consideration of the promises, mutual covenants, and agreements set forth herein, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. DEFINITIONS.

1.1. **"Certified Personnel"** means one or more persons who have successfully completed and maintained Mediware's certification to perform Validation of Licensed Software (on a product by product basis--a person may be Certified with respect to one software product but not another).

1.2. **"Concurrent User"** means each Customer workstation able to simultaneously access the System at any given moment, for purposes of updating the System database.

1.3. **"Confidential Information"** means (i) the source and object code of all components of the System, (ii) the Documentation, (iii) the Test Scripts, and (iv) the design and architecture of the database.

1.4. "**Contractor Agreement**" has the meaning given in the Preamble.

1.5. **"Designated Platform"** means the required operating environment for the Licensed Software, including all necessary hardware and software components, specified in Exhibit 2.

1.6. "**Documentation"** means the most recent documentation of the functional operation of the Licensed Software as cleared by the Food and Drug Administration in connection with the FDA Clearance.

1.7. **"Fees"** means License Fees, Service Fees, and Hardware Fees.

1.8. **"FDA Clearance"** means the 510(k) clearance received by Mediware from the Food and Drug Administration that authorizes the commercialization of the Licensed Software and

sets forth the specific parameters of use for the Licensed Software on the Designated Platform.

1.9. **"First Productive Use"** means the day Customer begins using the System in a live production environment.

1.10. **"Hardware"** means any computer hardware (including, as applicable, embedded or bundled third-party software provided as a component of such hardware) identified in a Statement of Work to be purchased by Customer from Mediware.

1.11. **"Hardware Fees"** means the amounts payable for Hardware, if any, set forth in a Statement of Work.

1.12. **"Implementation Workplan"** has the meaning given in Section 5.3.

1.13. **"Installation"** means the installation of the Licensed Software on the Designated Platform.

1.14. **"Intellectual Property"** means any and all intellectual property rights related to the technology, including procedures, designs, inventions, discoveries, know-how, show-how and works of authorship, and all United States and foreign patents issued or issuable thereon, all copyrights and other rights in works of authorship, collections and arrangements of data, mask work rights, trade secrets on a world wide basis, trademarks, trade names, and other forms of corporate or product identification, and any division, continuation, modification, enhancement, derivative work or license of any of the foregoing.

1.15. **"License Fees"** means the amounts set forth for license of any software or test scripts as specified in a Statement of Work.

1.16. **"Licensed Software"** means the object code version of Mediware's computer programs identified on a Statement of Work, including Updates and any other modifications, enhancements or supplements to such programs furnished to Customer by Mediware pursuant to this Agreement, but excluding the Sublicensed Software.

1.17. **"Program Error"** means an error or bug preventing the Licensed Software from operating in accordance with the Documentation in all material respects.

1.18. "**Self-Help Code"** means any back door, time bomb, or drop-dead device or other routine designed by Mediware or its licensors to disable a computer program with the passage of time or under the positive control of a person or party other than Customer.

1.19. **"Service Fees"** means all amounts payable for the Services to be provided for as specified in a Statement of Work.

1.20. **"Services"** means any implementation, installation, data conversion, validation, support or training services provided by Mediware under or in connection with this Agreement.

1.21. **"Site"** means each of the Customer facilities specified in a Statement of Work.

1.22. **"Statement of Work"** means a work authorization which may be agreed to by the Parties from time to time including the Statements of Work attached hereto. The work authorization may specify software to be licensed, services to be performed, hardware to be purchased, or other agreements between the Parties.

1.23. **"Support Services"** shall mean the Services specified in the Software Support Addendum attached as a schedule hereto.

1.24. **"Sublicensed Software"** shall mean those programs provided to Mediware by a third party, which Mediware sublicenses to Customer hereunder, for use with the Licensed Software, as specified on a Statement of Work, and any Updates thereto provided to Customer by Mediware under the terms of this Agreement.

1.25. **"System"** shall mean the Licensed Software (all or less than all of the Licensed Software) and Sublicensed Software, if any, and any Updates thereto.

1.26. **"Test Scripts"** means Mediware's test scripts designed by Mediware to assist in Customer's Validation of the Licensed Software.

1.27. **"Update"** means any interim release of the Licensed Software incorporating error corrections, bug fixes, or new features, which is officially released by Mediware to its customers of the Licensed Software entitled to receive Support Services. Updates do not include modules or software that Mediware prices or markets separately.

1.28. **"Validation"** means the procedure that must be taken by Customer to validate the Software pursuant to certain rules and regulations promulgated by the Food and Drug Administration.

2. SOFTWARE LICENSES.

2.1. Licensed Software. As may be specified in the Statement of Work attached hereto, and subject to Customer's compliance with the terms and conditions of this Agreement, including, without limitation, payment in full of all applicable License Fees, Mediware shall grant to Customer, and Customer shall accept, a limited, perpetual, personal, non-exclusive, non-transferable, non-assignable, non-sublicensable license under Mediware's Intellectual Property Rights to use the Licensed Software in object code form on the Designated Platform at the Customer Site(s), and for the number of Concurrent Users specified on a Statement of Work.

2.2. Regulatory Compliance. The Parties agree that so long as the Licensed Software is a medical device regulated by the Food and Drug Administration ("Regulated Licensed Software"), the license granted in this Section 2 is conditioned on Customer's Validation and use of the Licensed Software on the Designated Platform in conformance with the FDA Clearance. In addition, any Updates to Regulated Licensed Software must be installed and Validated on the Designated Platform within the earlier of six (6) months (180 days) or the compliance date mandated by the FDA, if the Update was made to maintain compliance with the FDA, and within twelve (12) months of their release for all other Updates. In addition to its other remedies, Mediware may suspend or terminate the license to Regulated

Licensed Software upon written notice if Customer fails to comply with the foregoing condition.

2.3. Sublicensed Software. As may be specified in a Statement of Work and subject to Customer's compliance with the terms and conditions of this Agreement, including, without limitation, payment in full of all applicable License Fees, Mediware shall grant to Customer, and Customer shall accept, a limited, personal, non-exclusive, non-transferable, non-sublicensable license under Mediware's or its licensors' Intellectual Property Rights to use the Sublicensed Software in object code form integrated with the Licensed Software on the Designated Platform at the Customer Site(s), and for the number of Concurrent Users, specified in a Statement of Work.

2.4. Additional Users. Customer acknowledges and agrees that certain components of the Licensed Software and Sublicensed Software or third party software may be priced based on the number of Concurrent Users as identified on a Statement of Work, and that Customer may only expand its use of the System to additional Concurrent Users upon payment of additional License and Service Fees for the Licensed Software and Sublicensed Software (and, if applicable, third party software) at the then current rate. If Customer expands its use of the System, additional License, Sublicense and Services fees will be immediately due and payable at Mediware's then current rates. Support Fees for such additional Licensed Software licenses and additional Sublicensed Software licenses shall be equal to the then current rates. The Licensed Software may include a device that counts the number of Concurrent Users, or otherwise confirms compliance with the terms and conditions of this Agreement.

2.5. Test Script License. As may be specified in a Statement of Work and subject to Customer's compliance with the terms and conditions of this Agreement including without limitation, payment in full of all applicable Fees, Mediware shall grant to Customer, and Customer shall accept, a limited, personal, non-exclusive, non-transferable, non-assignable, non-sublicensable license under Mediware's Intellectual Property rights to use the Test Scripts solely in connection with Validation of the specified version of the Licensed Software at the Sites.

2.6. Prohibitions. Regulated Licensed Software may only be Validated by Certified Personnel. Customer shall not disassemble, decompile, or otherwise reverse engineer any component of the System. Except as may be expressly authorized in this Agreement, Customer may not use any component of the System to provide services to third parties as a service bureau or data processor. Except as expressly provided in a Statement of Work, Customer may not allow any unlicensed third party to access the System.

2.7. No Copies. Customer shall make no copies or duplicates of the System, or any component thereof, for any purpose whatsoever without the prior written consent of Mediware, except that Customer may make copies of System components as reasonably necessary for back-up, internal training and archival purposes only.

2.8. Third Party Software. As may be specified on a Statement of Work, Mediware may provide third party software to Customer strictly as a reseller and not as licensor or sublicensor, and

Mediware agrees to cause the third party licensor of such software to grant a license or licenses to Customer in accordance with the specifications for the use of such third party software set forth on the Statement of Work attached hereto.

3. HARDWARE AND THIRD PARTY SOFTWARE.

3.1. Hardware and Third Party Software. In the event any Hardware or third party software is identified for purchase by Customer from Mediware in a Statement of Work, Customer agrees to purchase such Hardware or third party software on the terms set forth in the Statement of Work. Mediware reserves the right to replace or substitute any or all of the Hardware or third party software with equivalent components, should such Hardware or software no longer be manufactured or available at the time the order is placed. In the event substitute or replacement Hardware or third party software is required due to causes beyond Mediware's control, then Customer shall reimburse Mediware for any such substitute or replacement Hardware or third party software.

3.2. Security Interest. Until all Fees payable under this Agreement for Hardware have been paid in full, Mediware retains, and Customer hereby grants Mediware, a security interest in such Hardware.

3.3. Reseller Only. Customer acknowledges and agrees that Mediware provides all Hardware and third party software only as a reseller of products manufactured by third parties, and that except as provided in a Statement of Work the only warranties provided as to Hardware or third party software shall be as set forth in Section 8.3 below.

4. PROPRIETARY RIGHTS.

4.1. Ownership. Customer acknowledges and agrees that: (i) Mediware or its licensor retains all right, title, and interest in the Licensed Software, the Sublicensed Software, the Test Scripts, the Documentation, any work product resulting from the performance of the Services, and all Intellectual Property Rights therein, and (ii) Mediware is not Customer's employee, and none of the foregoing materials are works made for hire. Mediware retains the exclusive right to reproduce, publish, sell, and license the Licensed Software and Test Scripts. At no time during the term of this Agreement or any time thereafter shall Customer challenge the validity of Mediware's copyright in the Licensed Software or Test Scripts. Customer further acknowledges that ownership and use of the Licensed Software and Test Scripts by Mediware has substantial commercial value to Mediware.

4.2. Legend. Customer will not alter or remove any copyright notice, trademark notice, legend, marking or other notice from any copies of the Licensed Software, Sublicensed Software, Documentation or other materials provided to Customer by Mediware.

5. SERVICES.

5.1. Work Authorization. From time to time, Customer may choose to license software or Test Scripts and/or purchase Services and/or hardware from Mediware. Specifications, prices, payment terms, delivery dates and special warranties or requirements shall be specified on a Statement of Work. Each Statement of Work, once fully executed, shall become binding

upon the Parties and shall be fully incorporated in this Agreement. Any terms proposed in Customer's acceptance of a quotation which add to, vary from, or conflict with the terms herein or in the quotation are hereby objected to. Any such proposed terms shall be void and the terms herein shall constitute the complete and exclusive statement of the terms and conditions of the contract between the parties and may hereafter be modified only by written instrument executed by a duly authorized representative of both Parties. If a quotation is issued by Mediware in response to an offer and if any of the terms herein are additional to or different from any terms of such offer, then the execution of a Statement of Work shall constitute an acceptance of such offer subject to the express conditions that the Customer assents to such additional and different terms herein and acknowledges that this Agreement, along with the Statement of Work, constitutes the entire agreement between Customer and Mediware with respect to the subject matter hereof and the subject matter of such offer and Customer shall be deemed to have assented.

5.2. Software Support. Concurrently with the execution of a Statement of Work under which Licensed Software is licensed, Mediware and Customer shall enter into an agreement for the support of the System in the form attached hereto as Statement of Work 2.

5.3. Implementation Workplan. If Implementation Services are included in a Statement of Work, Customer and Mediware shall use commercially reasonable efforts to develop an Implementation Workplan within thirty (30) days following the effective date of the applicable Statement of Work, to be agreed to in writing by each Party and incorporated by reference as a part of this Agreement. If specified in an Exhibit that Implementation Services are to be provided on a "fixed fee" basis, such "fixed fee" is based on the total cost of the project as of the execution of the Exhibit and is not a line by line item "fixed fee." If Mediware completes the project for less than the time associated with the "fixed fee," Customer will nonetheless pay the full "fixed fee."

5.4. Software Installation. Following execution of the Implementation Workplan, Mediware will use commercially reasonable efforts to complete all installation and implementation Services (the "Implementation Services") in accordance with the Implementation Workplan, subject to Customer's compliance with its obligations hereunder or thereunder. To the extent Mediware is unable to complete Implementation Services in accordance with the Implementation Workplan because of Customer's failure to fulfill its obligations in a timely manner, Customer shall pay Mediware for additional Services required to complete Implementation Services which are not included in the Implementation Workplan at Mediware's then-current rates.

5.5. Customer's Obligations. Customer shall fulfill all of its obligations set forth in an Implementation Workplan and shall fully cooperate with Mediware, including, without limitation, providing access to Customer's facilities, personnel, equipment, and data; moving equipment from Customer's loading dock to the installation location; providing a suitable location and appropriate environmental conditions (e.g., electrical power, controlled temperature) as may be prescribed by the equipment manufacturers; installing all workstations and printers at their appropriate locations; providing and installing all necessary cabling; providing an experienced employee to perform system administration functions and providing personnel and facilities appropriate for training activities.

Additionally, any implementation or Validation of the Licensed Software performed by Customer shall be performed only by Certified Personnel.

5.6. Additional Services. Mediware will not be obligated to provide any services requested by Customer which are not included in the Implementation Workplan or a Statement of Work, and any changes to the same, unless the Parties are able to negotiate and agree to an amendment or supplement to the Implementation Plan or Statement of Work setting forth mutually-agreeable terms for the provision of such services.

6. CUSTOMER OBLIGATIONS

6.1. Designated Platform Installation. In the event Customer licenses Licensed Software, Customer shall install all components of the Designated Platform, and complete all necessary diagnostic tests to ensure such installation is complete and successful, prior to Installation of the Licensed Software.

6.2. Validation. If any software licensed hereunder is Regulated Licensed Software, Customer shall fulfill all of its obligations under federal law with respect to Validation of such Regulated Licensed Software and Updates thereto. Customer, not Mediware, is responsible for the control, management, testing, validation, compliance and supervision of Customer's use of the System, notwithstanding any anticipation, assistance or suggestions of Mediware personnel in the form of suggested/published validation procedures and/or verbal discussions regarding the System's capabilities, functions, performance or validation. Customer shall ensure that proper controls are in place to validate data, outcomes and results obtained through its use. Customer is also solely responsible for (a) the running of sufficient validation tests of the System in the configuration with the appropriate frequency, and under the conditions of the Customer facilities, the System and Hardware to assume compliance with such validation requirements in terms of policy, protocol, assumptions and expectations, (b) the adequacy of those requirements, and (c) compliance of Customer's use of the System with all regulations and agency requirements.

6.3. Work Authorization. In connection with Mediware's provision of the Services, Customer shall perform those tasks and assume those responsibilities specified in the applicable Statement of Work and/or Implementation Workplan (the "Customer Responsibilities"). The Statement of Work shall also contain assumptions related to the Services. Customer understands that Mediware's performance is dependent on Customer's timely and effective satisfaction of Customer responsibilities and timely decisions and approvals by Customer. Mediware shall be entitled to rely on all decisions and approvals of the Customer.

7. PAYMENTS BY CUSTOMER.

7.1. Fees. In consideration for the Services, System, Hardware and other valuable consideration provided by Mediware to Customer hereunder, Customer shall pay Mediware the Fees as set forth in a Statement of Work, if any. Except as expressly provided otherwise on a Statement of Work, Services shall be performed on a time and materials basis at Mediware's then-standard rates.

7.2. Invoices. Mediware shall invoice Customer for all Fees in accordance with the payment terms specified in the applicable Statement of Work. If not otherwise specified in a Statement of Work, fees for Services are incurred as performed and payment of all Fees shall be due and payable by Customer net thirty (30) days following the date of the invoice. Invoices not paid within ten (10) days of written notification shall be subject to the lesser of a one and one-half percent (1.5%) interest charge per month or the highest interest rate allowed by law.

7.3. Expenses. Unless expressly provided otherwise in the applicable Statement of Work, the Fees are exclusive of expenses. Customer shall reimburse Mediware for all reasonable pre-approved Customer-related travel, lodging and out-of-pocket expenses incurred in the performance of the Services.

7.4. Shipping Fees, Taxes. Customer shall pay all shipping charges for materials shipped by Mediware under this Agreement, as well as any taxes, duties, licenses, fees or tariffs imposed by any state or governmental body or agency for storage, licensing, sale, transportation, import, export or use of the System or any component thereof. Mediware shall be responsible for all taxes based on its net income.

7.5. Delivery/Risk of Loss. All materials provided by Mediware to Customer hereunder are shipped FOB Mediware's carrier.

7.6. Audit. Mediware reserves the right to audit Customer's installation and use of the Licensed Software and Sublicensed Software for compliance with the terms of this Agreement at any mutually agreeable time during Customer's normal business hours. If Customer's use of the Licensed Software or Sublicensed Software is found to be greater than contracted for, Customer will be invoiced for the additional Concurrent Users, and the unpaid license fees shall be payable in accordance with this Agreement. If any increase in the license and support fees is required, Customer will pay the expenses associated with such audit in addition to the additional license and support fees.

8. LIMITED WARRANTIES AND COVENANTS.

8.1. Licensed Software Warranty. Mediware represents and warrants to Customer that (a) the Licensed Software has received 510(k) clearance from the Food and Drug Administration (FDA) as blood establishment computer software; and (b) for a period of six (6) months following the date hereof, the Licensed Software will perform the functions set forth in the FDA Clearance in all material respects.

8.2. Services Warranty. Mediware warrants that the Services will be performed by qualified personnel in a workmanlike manner.

8.3. Third-Party Materials. Customer acknowledges and agrees that the manufacturers or licensors of Hardware, Sublicensed Software and third party software may provide certain warranties and other terms and conditions with respect to the Hardware, Sublicensed Software and third party software supplied to Customer under this Agreement. Except for the foregoing third-party manufacturers' or licensors' warranties, all Hardware, Sublicensed

Software, and third party software which may be provided to Customer shall be provided "AS IS," without warranty of any kind from Mediware.

8.4. Remedy. Customer's sole and exclusive remedy for any breach of the warranties set forth in Sections 8.1-8.3 shall be to notify Mediware of the applicable non-conformity, in which case Mediware shall use commercially reasonable efforts to correct such non-conformity and redeliver the Licensed Software. Customer will provide Mediware timely access to any technical support, facilities, hardware, software or information necessary for Mediware to complete such work. Notwithstanding the foregoing, in no event shall Mediware be responsible for any non-conformity to any of the foregoing warranties which arises as a result of (i) any act or omission of Customer, including a failure to Validate or use the System in conformance with the Validation; (ii) any person (other than Mediware) making revisions or modifications to the Licensed Software; or (iii) any failure of any component of the Hardware, Designated Platform, Sublicensed Software, or any Customer-supplied software or equipment or other third-party materials.

8.5. Disclaimer. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS ARTICLE 8, MEDIWARE MAKES NO REPRESENTATIONS OR WARRANTIES REGARDING THE SYSTEM, THE SERVICES, THE HARDWARE, THE DESIGNATED PLATFORM OR ANY OTHER MATTER UNDER THIS AGREEMENT, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE, MERCHANTABILITY, OR NON-INFRINGEMENT, OR ANY WARRANTIES ARISING FROM TRADE PRACTICE OR COURSE OF DEALING.

8.6. Customer Warranty. CUSTOMER HEREBY WARRANTS THAT (a) CUSTOMER HAS THE POWER TO ENTER INTO THIS AGREEMENT; (b) CUSTOMER SHALL USE ITS BEST EFFORTS TO PROTECT THE SECURITY OF THE LICENSED SOFTWARE; AND (c) CUSTOMER HAS SUFFICIENT FUNDS AVAILABLE AS OF THE EFFECTIVE DATE TO PAY MEDIWARE ALL FEES PAYABLE BY CUSTOMER DURING THE TERM OF THIS AGREEMENT.

9. LIMITATION OF LIABILITY.

9.1. Limitation of Liability. MEDIWARE'S LIABILITY FOR DAMAGES TO CUSTOMER FOR ANY CAUSE WHATSOEVER ARISING UNDER OR RELATED TO THIS AGREEMENT, REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT OR TORT, INCLUDING NEGLIGENCE, SHALL NOT EXCEED THE TOTAL LICENSE FEES PAID UNDER THE STATEMENT OF WORK IN WHICH THE LIABILITY ARISES DEPRECIATED OVER A FIVE YEAR USEFUL LIFE BEGINNING UPON THE APPLICABLE STATEMENT OF WORK EFFECTIVE DATE. IN NO EVENT WILL MEDIWARE OR ITS LICENSORS BE LIABLE FOR ANY LOST PROFITS OR OTHER CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY OR PUNITIVE DAMAGES, EVEN IF MEDIWARE HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, OR FOR ANY CLAIM BY A THIRD PARTY AGAINST CUSTOMER. In no event shall Mediware be deemed to be engaged, directly or indirectly, in the practice of medicine or the dispensing of medical services, nor shall it be responsible or liable for the use, application or interpretation of any information, results or

product generated by or resulting from the Licensed Software or any part of the Licensed Software or arising from the Customer's use of the Licensed Software.

9.2. Allocation of Risks. The Parties agree that the provisions of this Agreement allocate the risks between Mediware and Customer. Mediware's pricing reflects this allocation of risk and the limitation of liability specified herein.

10. INDEMNIFICATION.

10.1. Indemnities.

10.1.1 By Mediware. Mediware shall defend, indemnify and hold Customer harmless from and against any claims, suits or actions against Customer arising out of any claim that the Licensed Software infringes any United States patent or copyright, or misappropriates any trade secret, of any third party. If any licensed use of the Licensed Software is finally enjoined, Mediware shall, at its sole option and expense, in its sole discretion, and as Customer's sole remedy, either: (a) secure for Customer the right to continue to use such software; (b) replace, modify or correct such software to avoid such infringement, provided that any such replaced, modified or corrected software shall perform substantially the same functions as the Licensed Software and Mediware's obligations with respect to the Licensed Software under this Agreement shall apply to any such replaced, modified or corrected software or (c) terminate the Agreement and refund to Customer a pro rata portion of the License Fees amortized over a five (5) year useful life. Mediware shall have no liability for any claim of infringement based on (i) modifications of the Licensed Software by Customer or third parties; (ii) use of the Licensed Software with non-Mediware software or equipment; (iii) use of the Licensed Software other than as expressly allowed under the terms of this Agreement, applicable law, and in conformance with the Validation; or (iv) use of anything other than the most current release of the Licensed Software if the infringement could be avoided by use of the current release. THE FOREGOING PARAGRAPH STATES THE ENTIRE LIABILITY OF MEDIWARE AND THE EXCLUSIVE REMEDIES OF CUSTOMER WITH RESPECT TO INFRINGEMENT OF PROPRIETARY RIGHTS.

10.1.2 By Customer. Customer shall defend, indemnify and hold Mediware harmless from and against any claim, suit or action by any third party against Mediware relating to, arising out of or resulting from Customer's use of the Licensed Software, any claim by any party receiving services from Customer in connection with the Licensed Software, or any claim arising out of Customer's use of the Test Scripts.

10.2. Indemnification Procedures.

10.2.1 Defense. Promptly after any Party entitled to indemnification under this Article 10 (individually, an "Indemnitee") obtains knowledge of the potential

existence or commencement of any third-party claim, suit, or action (a "Claim"), in respect of which an Indemnitee is or may be entitled to indemnification under this Agreement, such Indemnitee shall promptly notify the other party (the "Indemnitor") of such Claim in writing setting forth in reasonable detail the specific facts and circumstances relating to such Claim and the amount of Losses subject to the Claim (or an estimate thereof if the actual amount is not known or not capable of reasonable calculation); provided, however, that any failure to give such notice will not waive any rights of the Indemnitee except to the extent that the rights of the Indemnitor are actually prejudiced thereby. The Indemnitor shall assume the defense and settlement of such Claim, provided, however, that the Indemnitee (i) will be permitted to join in the defense and settlement of such Claim and to employ counsel at its own expense; (ii) will reasonably cooperate with the Indemnitor in the defense and any settlement of such Claim in any manner reasonably requested by the Indemnitor; (iii) will have the right to pay or settle such Claim at any time in which event the Indemnitee shall be deemed to have waived any right to indemnification therefore by the Indemnitor; and (iv) will have the right to consent in writing to any settlement, which consent shall not be unreasonably withheld.

10.2.2 Claims. If the Indemnitor fails to assume the defense of such Claim or, having assumed the defense and settlement of such Claim, fails reasonably to contest such Claim in good faith, the Indemnitee, without waiving its right to indemnification, may assume the defense and settlement of such Claim, provided, however, that (i) the Indemnitor shall be permitted to join in the defense and settlement of such Claim and to employ counsel at its own expense, (ii) the Indemnitor shall cooperate with the Indemnitee in the defense and settlement of such Claim in any manner reasonably requested by the Indemnitee, and (iii) the Indemnitee shall not settle such Claim without the written consent of the Indemnitor, which shall not be unreasonably withheld. The Indemnitor shall be liable to the Indemnitee for all costs and expenses incurred in connection with the defense and settlement of any Claim pursuant to Section 10.2.1.

10.3. Liability. Upon a determination of liability pursuant to this Article 10, the Indemnitor shall pay the Indemnitee the amount so determined within ten (10) business days after the date of determination (such tenth business day, the "Due Date"). If there should be a dispute as to the amount or manner of determination of any indemnity obligation owed under this Agreement, the Indemnitor shall nevertheless pay when due the undisputed portion, if any, of the obligation. The difference, if any, between the amount of the obligation ultimately determined as properly payable under this Agreement and the portion, if any, theretofore paid shall bear interest as provided below. Upon the payment in full of any claim, either by setoff or otherwise, the party or entity making payment shall be subrogated to the rights of the Indemnitee against any person, firm, corporation or other entity with respect to the subject matter of such claim. If all or part of any indemnification obligation under this Agreement is not paid when due, then the Indemnitor shall pay the Indemnitee interest on the unpaid amount of the obligation for each day from the Due Date until payment in full,

payable on demand, at the rate of eighteen percent (18%) per annum (or such lesser interest charges as permitted under applicable law).

11. TERM AND TERMINATION OF AGREEMENT.

11.1. Term. The term of the license to the Licensed Software is perpetual, subject only to the termination provisions in the Contractor Agreement and in this Article 11. The term of this Agreement shall begin on the Effective Date and shall continue for 36 months, unless earlier terminated in accordance with the Contractor Agreement or this Article 11.

11.2. Termination. Either Party may terminate this Agreement if: (i) the other Party breaches any material term or condition of this Agreement and fails to cure such breach within thirty (30) days after receipt of written notice of the same, except in the case of failure to pay Fees when due, which must be cured within ten (10) days after receipt of written notice from Mediware; or (ii) the other Party becomes the subject of a voluntary proceeding relating to insolvency, receivership, liquidation, bankruptcy or composition for the benefit of creditors and such petition or proceeding is not dismissed within sixty (60) days of filing. Failure to Validate and use the Licensed Software and Updates thereto in accordance with applicable law shall be deemed a material breach of this Agreement.

11.3. Effect of Termination. Upon termination of this Agreement, the licenses granted and all other rights of Customer under this Agreement shall terminate and revert to Mediware. Customer shall, within ten (10) days following such termination or expiration, return to Mediware or destroy all magnetic media or tangible items and material containing the Licensed Software and its Documentation, and certify such return or destruction in writing to Mediware.

11.4. Effect of Expiration. Upon the expiration of the 36 month term of this Agreement, Customer may elect to extend the term of this Agreement and the licenses granted herein for an additional 36 months by giving Mediware written notice of such intent at least thirty days prior to the end of the term. If Customer does not give such notice, then the license and the Agreement shall be deemed terminated and subject to Section 11.3.

11.5. Survival. The following sections shall survive termination or expiration of this Agreement: Articles 4, 9, 10, 11, 13 and 15; Sections 8.4 through 8.6, as well as any obligation to pay fees arising prior to termination or expiration. In addition, restrictions on use of the Licensed Software and related obligations regarding Validation and use in conformance with laws and applicable accreditation standards shall survive as long as the license survives.

12. MARKETING PROGRAMS.

12.1. Press Release. Customer agrees that Mediware may issue a press release concerning the subject matter of this Agreement ("Press Release").

12.2. Customer Acknowledgement. Customer agrees that Mediware can disclose Customer by name as a customer of Mediware. No license to use Customer's Marks or logo is granted or implied hereunder.

13. CONFIDENTIAL INFORMATION.

13.1. Duty. Each Party shall (i) hold the Confidential Information in confidence, protecting such information with the same degree of care as such Party's own confidential information, but in no case less than reasonable care; (ii) use the Confidential Information of the other Party solely to perform its obligations or exercise its rights under this Agreement; and (iii) not transfer, display, convey or otherwise disclose or make available all or any part of such Confidential Information to any third party. In the event Customer receives a request for disclosure of Confidential Information, Customer shall give Mediware notice of the request and subject to the law, give Mediware the opportunity to obtain a protection before disclosing Confidential Information. Customer understands that Mediware believes the terms and conditions of this Agreement are a trade secret.

13.2. Exclusions. The foregoing shall not apply to Confidential Information which a receiving Party can document (a) is in the public domain through no fault of its own, (b) was properly known to it, without restriction, prior to disclosure by the disclosing Party, (c) was properly disclosed to it, without restriction, by another person with the legal authority to do so, (d) is independently developed by receiving Party without use or reference to disclosing Party's Confidential Information; or (e) is required to be disclosed under the law.

13.3. Non-Solicitation. During the term of this Agreement and for a period of one (1) year thereafter, Customer's San Mateo Medical Center and Information Systems Department agree not to solicit, engage, or hire, directly or indirectly, any employee of Mediware, without obtaining the other party's prior written consent.

14. REGULATORY COMPLIANCE.

14.1. General. Mediware covenants that, to the extent the Licensed Software is deemed not to be in compliance with any applicable Federal law or regulation governing the use of the Licensed Software, it will use commercially reasonable efforts to modify or enhance the Licensed Software to remedy such non-compliance as soon as reasonably practicable pursuant to the terms of the Software Support Addendum, provided that, the Parties have executed a Software Support Addendum that remains in effect with respect to the Licensed Software. Mediware agrees that it shall make available to the Secretary of Health & Human Services or Comptroller General of the United States this Agreement, including amendments hereto, all of its books, documents, and records that may be necessary to verify the nature and extent of the payments made by Customer to Mediware hereunder. Said access shall be limited to a period of seven (7) years after the provision of the applicable services hereunder.

14.2. HIPAA. In order to address the requirements of certain regulations promulgated under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), the Parties agree to the terms of the Business Associate Exhibit that is attached hereto.

15. GENERAL PROVISIONS.

15.1. Force Majeure. Neither Party shall be liable for any loss, damages or penalty (other than the obligation to pay money) resulting from a delay in delivery or installation of any

component of the System or Hardware, as applicable when such delay is due to causes beyond the reasonable control of such Party, including, but not limited to: supplier delay, force majeure, acts of God, labor unrest, fire, explosion, earthquake, accident, acts of public enemy, war, rebellion, insurrection, sabotage, epidemic, quarantine restrictions, labor or material shortages, embargoes, failure or delays in transportation, unavailability of components, material or machinery for the System, acts of governmental authorities or judicial action, or material interruption in telecommunications or utility service. In any such event, the delivery or installation date shall be deemed extended for a period equal to the delay. Further, Mediware will not be held in breach of this Agreement if it fails to perform its obligations under this Agreement solely to the extent such nonperformance is attributable to acts, errors or omissions by Customer or a third party supplier independently hired by Customer in respect of an express obligation set forth in the Agreement or any act necessary for the performance of such express obligation by Customer or a third party supplier independently hired by Customer. In the event Mediware continues to provide Services to Customer following Customer's failure to comply with its obligation to Validate, as set forth in Section 1.2, such Services shall be provided "AS IS" without warranty of any kind, shall be in addition to any Services Mediware is otherwise required to perform, and shall be charged at Mediware's then current rates.

15.2. Relationship of the Parties. Nothing in this Agreement is intended or shall be construed to create or establish any agency, partnership or joint venture relationship between the Parties. The Parties expressly disclaim such relationship, agree that they are acting solely as independent contractors hereunder and agree that the Parties have no fiduciary duty to one another or any other special or implied duties that are not expressly stated herein. Customer has no authority to act as agent for, or to incur any obligations on behalf of or in the name of, Mediware or its affiliates.

15.3. Export. Customer agrees to comply with all export and re-export restrictions and regulations of the Department of Commerce or other United States agency or authority, and not to transfer, or authorize the transfer of, the Licensed Software or the Sublicensed Software to a prohibited country or otherwise in violation of any such restrictions or regulations.

15.4. Severability. If any provision of this Agreement is held invalid or otherwise unenforceable, the enforceability of the remaining provisions shall not be impaired thereby and the illegal provision will be replaced with a legal provision that encapsulates the original intent of the Parties.

15.5. Entire Agreement; Amendment; Waiver. This Agreement and all Exhibits hereto, together with the Contractor Agreement, constitute the entire agreement between the Parties with respect to the subject matter and supersede any prior or contemporaneous agreement or understanding, whether written or oral, if any, between the Parties with respect to such subject matter. In the event of a conflict between this Agreement and a Statement of Work, the Agreement shall control. In the event of a conflict between this Agreement (including a Statement of Work or other Exhibit attached hereto) and the Contractor Agreement, the Contractor Agreement shall control. This Agreement shall be construed as if both Parties had equal say in its drafting, and thus shall not be construed against the drafter. This

Agreement may be modified only by a further written agreement signed by all of the Parties hereto. No waiver of breach of any provision of this Agreement by either Party shall constitute a waiver of any subsequent breach of the same or any other provision, and no waiver shall be effective unless made in writing and signed by an officer of the other Party. The terms and provisions of this Agreement and the Contractor Agreement are intended to benefit the Parties, and shall not be deemed to create any rights in any third party.

15.6. Discounts. Customer is reminded that if the purchase includes a discount or loan, Customer may be required to fully and accurately report such discount or loan on cost reports or other applicable claims for payment submitted under any federal health care program, including but not limited to Medicare and Medicaid, as required by federal law – see 42 CFR 1001.952 (h).

15.7. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, and such counterparts together shall constitute one and the same instrument. Execution may be effected by delivery of facsimiles of signature pages, which shall be deemed originals in all respects.

The following Statements of Work, indicated with an "X," shall be deemed executed by the Parties hereto upon execution of this Agreement:

__X__ Statement of Work 1 (License, Services and Fees)

__X__ Statement of Work 2 (Support Services)

____ Statement of Work 3 (Miscellaneous)

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year first above written.

COUNTY OF SAN MATEO:

_____
(SIGNATURE)

Richard Gordon_____
(PRINT NAME)

President, San Mateo County Board of Supervisors
(TITLE)

_____
(DATE)

MEDIWARE INFORMATION SYSTEMS, INC.

_____
Frank L. Poggio
Vice President and General Manager

7/29/05
(DATE)

STATEMENT OF WORK NUMBER 1

Between

COUNTY OF SAN MATEO

and

MEDIWARE INFORMATION SYSTEMS, INC.

TO BE EFFECTIVE ON THE DAY AND DATE FIRST ABOVE WRITTEN

AND INCORPORATED IN THAT CERTAIN
MASTER LICENSE AND SERVICES AGREEMENT
BY AND BETWEEN THE PARTIES HERETO

EXHIBIT 1

I. LICENSE

A. Licensed Software:

1 HCLL™ Transfusion System Software
1 HCLL Automated Patient Backup Card (APBC)
1 HL-7 Interface Engine
  1 ADT Billing
  1 Orders
  1 Results
1 Initial HCLL Transfusion Software Test Scripts
1 Initial HL-7 Interface Test Scripts

Interfaces are based on the standard Mediware specification and do not include required hardware (e.g. connectors) and software (e.g. communications protocols).

B. Sublicensed Software:

2 Windows Server 2003
2 Windows 2000 (SP4)
2 Microsoft SQL Server 2000 Standard Edition - 5 CAL's
2 Crystal Report Writers (Version 8.0 Developer Edition)
1 HemaTrax LPS ISBT-128 Bar Code Software

C. Sites:

San Mateo Medical Center
222 W. 39th Avenue
San Mateo, California 94403

D. Concurrent Users

4 HCLL Concurrent User Licenses

E. Hardware Platform

The target operating environment for the Licensed Software is set forth below. The Hardware may be purchased from Mediware as provided in Exhibit 2. Customer is responsible for obtaining separate support for all system hardware

and any corresponding operating system software from the hardware manufacturer or other third party vendor(s).

NOTE: Reference Designated Platform document for Hardware and 3rd Party Software Specifications for each device

HCLL Architecture

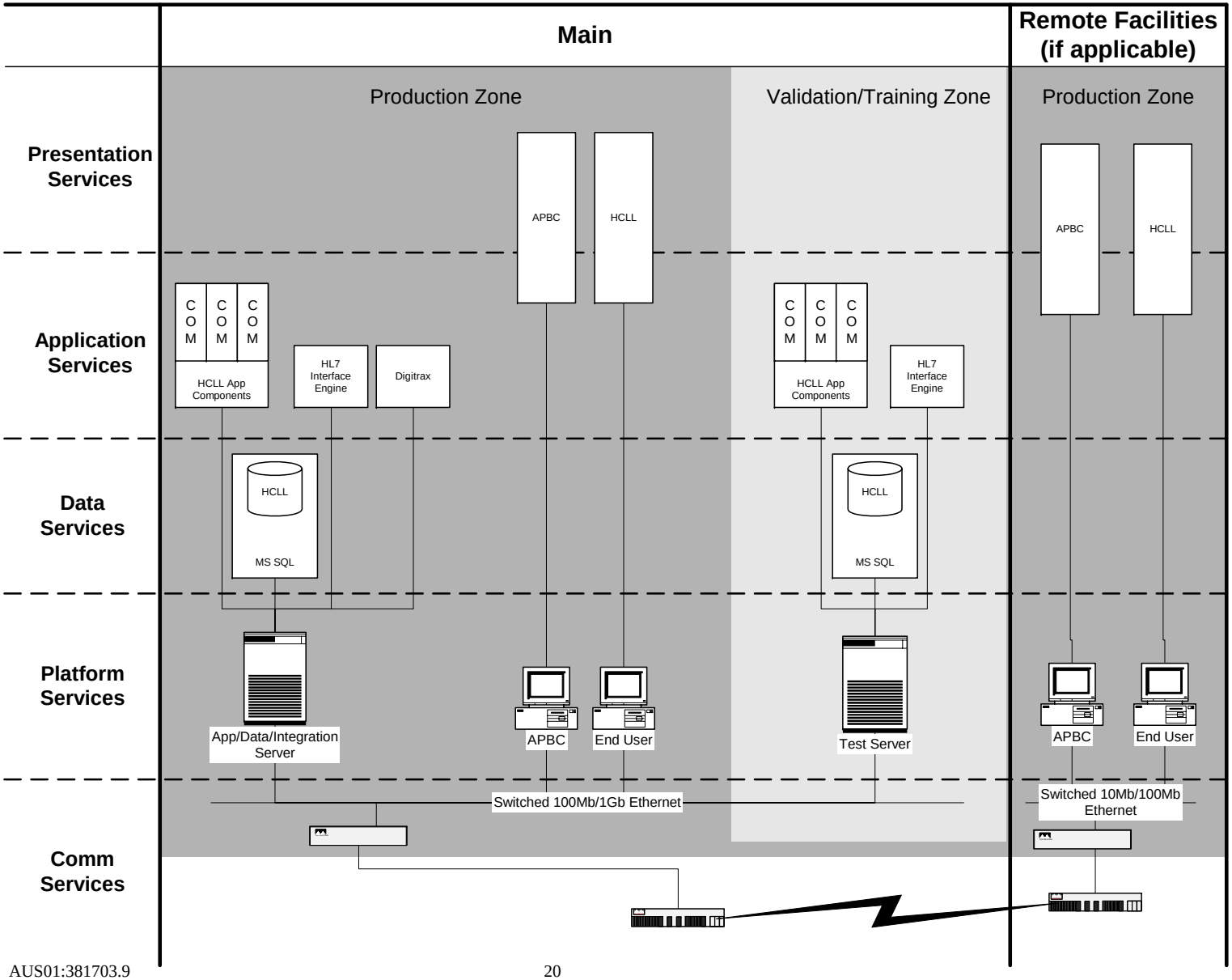


Exhibit 2

Designated Platform					
Customer:	**San Mateo Medical Center**				
Location:	**Main Facility**				
Zone:	**Production, Test/Training**				
	Production Zone				**Test Zone**
	App/Data Server	**APBC Station**	**End User Workstations**		**Test Server**
Reference Model	*HP ProLiant DL380*	*HP D530 Workstation*			*HP ProLiant DL140*
Processors	1 x 3.2 Ghz Xeon	1 x 1.2Ghz P3	1 x 1.2Ghz P3		1 x 3.06 Ghz Xeon
Memory	2 GB	512MB	256MB		2 GB
CD-ROM	24X IDE	24X IDE	24X IDE		24X IDE
Chassis Style	2U Rack				1U Rack
Primary Storage Controller	Integrated RAID				Integrated IDE
Secondary Storage Controller					
Primary Storage	2x36GB, RAID1 (C:)	20GB available	500MB available		1x80GB, (C:,D:)
	2x72GB, RAID1 (D:)				
Secondary/Cluster Storage					
Network Adapters	2 x PCI Gigabit Ethernet	1 x 10/100Mb Ethernet	1 x 10/100Mb Ethernet		2 x PCI Gigabit Ethernet
Tape Backup					
Redundant Power	Hot-Plug Redundant				
Redundant Fans					
Hardware Total	**$7,994**	**$1,381**			**$2,604**
Recommended OS (see Qualified List for other options)	Windows Server 2003	Windows 2000 (SP4)	Windows 2000 (SP4)		Windows Server 2003
Recommended DBMS (see Qualified List for other options)	Microsoft SQL Server 2000 Standard Edition (SP3a) - includes 5 CALs				Microsoft SQL Server 2000 Standard Edition (SP3a) - includes 5 CALs
Additional DBMS CALs Required					
Required Barcode Printing Software	Digitrax Hematrax LPS-128				
Required Reporting Software	Crystal Reports 8.0 Developer Edition				Crystal Reports 8.0 Developer Edition
Sublicensed Software Total	**$9,111**	**$660**			**$3,486**
Mediware Provided Total	**$17,105**	**$2,041**			**$6,090**

Local Network — Switched 100Mb/1Gb Ethernet
WAN Links — Minimum T1 to all other Production Zones

Sublicensed Software Total: $9,771
Hardware Subtotal: $11,979.
Four (4) Symbol LS 4004i Bar Code Readers @ $543 per reader for a total: $ 2,172.
Add two (2) Digi-Trax Zebra Z4M Printers @ $2,519 per printer for a total: $5,038.
Hardware Total: $19,189.

EXHIBIT 3

Mediware Blood Bank Division

Service Descriptions

II. **SERVICES**:

Subject to the terms of the Agreement (including Customer's satisfaction of its implementation obligations and the specifically defined scope of the Services) and the Baseline Implementation Plan Assumptions set out below, the Implementation Services Fees for the implementation Services described in the Implementation Workplan attached hereto will be "fixed" at **$64,032**. All Services requested by Customer and provided by Mediware that are not specifically enumerated in the Implementation Workplan shall be billed and shall be payable on a time and materials basis at the rates set forth in this Exhibit. Customer shall use commercially reasonable efforts to avoid requiring a change to the schedule identified in the Implementation Workplan, but to the extent the agreed Implementation Workplan is adjusted at the request of Customer and such adjustment increases Mediware's cost of performing the Services, Customer shall bear such cost. The Implementation Workplan is an estimate as of June 3, 2005. A more accurate and detailed Implementation Workplan will be created after the initial Mediware training is completed. In the event that the revised Implementation Workplan results in an increased scope of work over that shown in the Implementation Workplan attached hereto, there will be an accompanying increase in implementation fees due from Customer. The Implementation Workplan will be created and approved by Customer's staff and Mediware after the initial Mediware training is completed.

All Services requested by Customer and provided by Mediware beyond the scope as set forth below shall be on a time and materials basis at Mediware's then current rates.

Not included in the "fixed" Service Fees total are the optional validation services of **$42,600** for **384 hours** as described in the Model Implementation Workplan.

Baseline Implementation Plan Assumptions:

1. All database and application servers will be centralized at the Customer's data center facilities.
2. The test environment will be established at the Customer's centralized facility.
3. Common SOPs and overall system configuration parameters will be defined once at the main facility.
4. Main system validation activities will be performed at least once at the main facility test environment. Secondary validation, if needed, will be performed at each additional site.
5. Validation shall include system configuration parameters, security, functional processes, environment, performance, and SOPs.

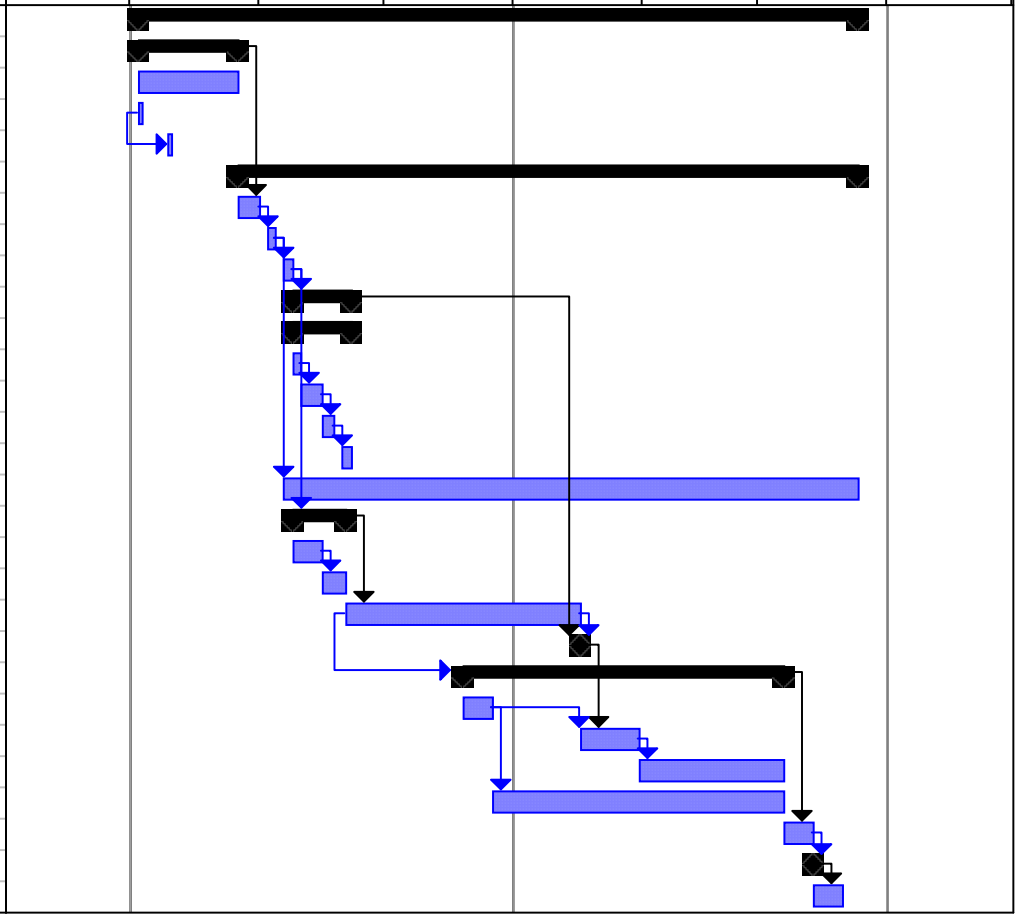
6. Customer has primary responsibility for executing validation activities, with Mediware providing guidance and assistance. Optionally, under a separate Professional Services agreement, Mediware will perform the validation tasks under Customer's purview.
7. Mediware will stage all server platforms and perform initial configuration of the systems per site-specific requirements.
8. The Model Implementation Workplan attached is for information purposes and will be adjusted as provided in Section 5.3 of the Agreement.
9. All training (except the System Administrator training) will be conducted at Mediware's training facilities. Mediware will train up to four of Customer's trainers. After executing the Agreement, Mediware's Director of Professional Service will work with Customer to schedule Customer's training sessions, which may be rescheduled by Customer if the Customer pays the then-current rescheduling fee.
10. System Administrator training will be conducted at the main facility at the completion of installation.
11. Each Customer site will assign an Application Coordinator to work with Mediware. Customer will also assign a Project Manager to coordinate implementation and related activities (including across sites) and to act as a central point of contact with Mediware.
12. Custom Programming is outside the scope of the baseline implementation plan.
13. Travel and out-of-pocket expenses for implementation services are not included in the pricing. Actual travel and out-of-pocket expenses are invoiced to the customer separately, as they are incurred. Up to 8 hours per day of travel time is billable at Mediware's then-standard rates. Mediware will obtain written pre-approval for travel and out-of-pocket expenses.
14. Final costs will vary based on customer's configuration preferences.
15. Customer provides compatible Ethernet network.
16. All hardware and third-party software provided by Customer will adhere to Mediware specifications.
17. Customer provides phone line or other compatible remote access for Mediware remote support.
18. Specific models of equipment may vary depending on availability at time of purchase.

Model Implementation Work Plan

See attached.

San Mateo HCLL TFS Implementation Timeline

ID	Task Name	Duration
1	**HCLL TFS Implementation**	**125 days**
2	**Project Initiation**	**18 days**
3	Hardware Procurement	18 days
4	Kickoff Meeting	1 day
5	Initial Site Visit	1 day
6	**Project Execution and Control**	**107 days**
7	Server Staging @MEDW	3 days
8	Installation	2 days
9	Sys Admin Training	1 day
10	**Interface Configuration**	**10 days**
11	**HL7 Interface Config**	**10 days**
12	ADT Config	2 days
13	Orders Config	3 days
14	Results Config	3 days
15	Billing Config	2 days
16	**Hardware/Network Support**	100 days
17	**Train-the-Trainer**	**9 days**
18	TFS App Training	5 days
19	TFS Config Training	4 days
20	SOP and Table Configuration	40 days
21	**FREEZE FOR VALIDATION**	0 days
22	**Validation**	**55 days**
23	Validation Planning	5 days
24	Script Modifications	10 days
25	Script Executions	25 days
26	Validation Support	50 days
27	End User Training	5 days
28	**GO-LIVE**	0 days
29	Go-Live Assistance	5 days



San Mateo HCLL TFS Implementation – Mediware Resources

ID	Resource Name	Cost	Work	Details	Quarter 1			Quarter 2			Quarter 3	
					M1	M2	M3	M4	M5	M6	M7	M8
1	**MEDW PM**	**$9,240.00**	**52.8 hrs**	Work	15.48h	7.9h	7.9h	7.9h	7.18h	6.47h		
	Kickoff Meeting	*$840.00*	*4.8 hrs*	Work	4.8h							
	Initial Site Visit	*$1,680.00*	*9.6 hrs*	Work	9.6h							
	Project Execution and Control	*$6,720.00*	*38.4 hrs*	Work	1.08h	7.9h	7.9h	7.9h	7.18h	6.47h		
2	**MEDW IC**	**$19,080.00**	**127.2 hrs**	Work	12h	16.8h	53.57h	30.62h	3.83h	10.37h		
	Kickoff Meeting	*$360.00*	*2.4 hrs*	Work	2.4h							
	Initial Site Visit	*$1,440.00*	*9.6 hrs*	Work	9.6h							
	SOP and Table Configuration	*$14,400.00*	*96 hrs*	Work		16.8h	52.8h	26.4h				
	Validation Support	*$1,440.00*	*9.6 hrs*	Work			0.77h	4.22h	3.83h	0.77h		
	Go-Live Assistance	*$1,440.00*	*9.6 hrs*	Work						9.6h		
3	**MEDW TC**	**$21,888.00**	**136.8 hrs**	Work	2.4h	126.53h	2.12h	2.12h	1.92h	1.73h		
	Kickoff Meeting	*$384.00*	*2.4 hrs*	Work	2.4h							
	Installation	*$3,072.00*	*19.2 hrs*	Work		19.2h						
	Sys Admin Training	*$1,536.00*	*9.6 hrs*	Work		9.6h						
	ADT Config	*$3,072.00*	*19.2 hrs*	Work		19.2h						
	Orders Config	*$4,608.00*	*28.8 hrs*	Work		28.8h						
	Results Config	*$4,608.00*	*28.8 hrs*	Work		28.8h						
	Billing Config	*$3,072.00*	*19.2 hrs*	Work		19.2h						
	Hardware/Network Support	*$1,536.00*	*9.6 hrs*	Work		1.73h	2.12h	2.12h	1.92h	1.73h		
4	**MEDW Trainer**	**$13,824.00**	**86.4 hrs**	Work		86.4h						
	TFS App Training	*$7,680.00*	*48 hrs*	Work		48h						
	TFS Config Training	*$6,144.00*	*38.4 hrs*	Work		38.4h						

Professional Services Fees: $64,032
Professional Services Hours: 403

Informational Purposes Only:

- Estimated Mediware Travel Days: 16
- Estimated Mediware Round-Trip Airfares: 9

Validation Services

As provided in the Agreement, Validation of the System is required, and must be performed by Certified Personnel. Refer to the Agreement for related terms and conditions. As customer configuration preferences may impact the validation effort requirements, Validation Services do not represent a fixed fee bid, but represent the charge for the number of hours assumed below. Optional Validation Services are based upon common customer configurations and will be billed on a time and materials basis at Mediware's then current rates as follows:

Validation Planning - estimated 24 hrs @ $150 per hour = $3,600
Script Modification – estimated 120 hrs @ $125 per hour = $15,000
Script Execution - estimated 240 hrs @ $100 per hour = $24,000

Validation Services: $42,600 for up to 384 hours.

San Mateo HCLL TFS Implementation – San Mateo Resources

ID	Resource Name	Cost	Work	Details		Quarter 1			Quarter 2			Quarter 3
					M-1	M1	M2	M3	M4	M5	M6	M7
7	**CUST PM**	**$0.00**	**50 hrs**	Work		18.9h	6.58h	6.58h	6.58h	5.98h	5.38h	
	Hardware Procurement	*$0.00*	*8 hrs*	Work		8h						
	Kickoff Meeting	*$0.00*	*2 hrs*	Work		2h						
	Initial Site Visit	*$0.00*	*8 hrs*	Work		8h						
	Project Execution and Control	*$0.00*	*32 hrs*	Work		0.9h	6.58h	6.58h	6.58h	5.98h	5.38h	
8	**CUST TFS Coord**	**$0.00**	**562 hrs**	Work		10h	121h	194h	197h		40h	
	Kickoff Meeting	*$0.00*	*2 hrs*	Work		2h						
	Initial Site Visit	*$0.00*	*8 hrs*	Work		8h						
	TFS App Training	*$0.00*	*40 hrs*	Work			40h					
	TFS Config Training	*$0.00*	*32 hrs*	Work			32h					
	SOP and Table Configuration	*$0.00*	*280 hrs*	Work			49h	154h	77h			
	Validation Planning	*$0.00*	*40 hrs*	Work				40h				
	Script Modifications	*$0.00*	*120 hrs*	Work					120h			
	End User Training	*$0.00*	*40 hrs*	Work							40h	
9	**CUST Validator 1**	**$0.00**	**240 hrs**	Work					9.6h	192h	38.4h	
	Script Executions	*$0.00*	*240 hrs*	Work					9.6h	192h	38.4h	
10	CUST IT Coord	$0.00	56 hrs	Work			56h					
	Installation	*$0.00*	*8 hrs*	Work			8h					
	Sys Admin Training	*$0.00*	*8 hrs*	Work			8h					
	ADT Config	*$0.00*	*8 hrs*	Work			8h					
	Orders Config	*$0.00*	*12 hrs*	Work			12h					
	Results Config	*$0.00*	*12 hrs*	Work			12h					
	Billing Config	*$0.00*	*8 hrs*	Work			8h					

Informational Purposes Only:

- Estimated San Mateo Travel Days: 9
- Estimated San Mateo Round-Trip Airfares: 2

Exhibit 4

FEES*

Licensed Software & Test Scripts				
1	HCLL™ Transfusion System Software	4 Concurrent User Licenses	$	
1	HCLL Automated Patient Backup Card (APBC)		$	
1	HL-7 Interface Engine		$	
	1 ADT Billing			
	1 Orders			
	1 Results			
1	Initial HCLL Transfusion Software Test Scripts		$	
1	Initial HL-7 Interface Test Scripts		$	
Subtotal			**$**	
Allowances				
	Allowance on HCLL Transfusion System Software		$	
	Allowance on Scripts		$	
Total Allowance			**$**	
Total Licensed Software and Test Scripts			**$**	**73,500**
Installation				
	HCLL Installation (See Implementation Workplan)		$	64,032
	Validation Services (384 Hours -- See Implementation Workplan)		$	42,600
	Sublicensed Software (See Exhibit 2)		$	9,771
	Shipping/Handling/Tax**		$	17,837**
	Hardware (See Exhibit 2)		$	19,189
	System Staging		$	3,500
	Total		**$**	**231,429**

*** Prices assume Agreement is executed on or before September 1, 2005.**

**** Shipping/Handling is invoiced as incurred but the estimated amount for this Agreement using Federal Express Ground Service delivery is $275. The San Mateo County Sales Tax Rate is listed at 8.25% currently which would indicate a maximum amount of tax for this total Agreement would be $17,562. Should this rate change as of the date of execution, this estimated dollar amount of tax would need to be adjusted to the present rate of the date of execution.**

PAYMENT TERMS

Due upon execution of the Agreement and payable within 30 days		
100%	Sublicensed Software and System Staging	$ 13,271
30%	Licensed Software & Scripts**	$ 22,050
Due upon Delivery of Hardware*		
100%	Hardware***	$ 19,189*
Due 90 days from execution of the Agreement		
50%	Licensed Software & Scripts**	$ 36,750
Due 180 days from execution of the Agreement		
20%	Licensed Software & Scripts**	$ 14,700

Service Fees invoiced monthly as incurred

Support Fees

Due 12 months following the Effective Date of the Agreement, or upon First Productive Use, whichever occurs first.

*** Note: Customer shall have the right to inspect all Hardware prior to accepting a delivery to establish that such Hardware was received free of damage. In the event that Hardware is rejected due to damage incurred prior to receipt by Customer, Customer shall not be obligated to pay amounts invoiced in connection with such Hardware until 30 days following receipt of undamaged Hardware, provided that Customer notifies Mediware in writing of such rejection within 3 days. If Customer does not notify Mediware of such a rejection within the 3 day period, Hardware will be deemed to have been accepted on the initial delivery date for the purposes of the payment of fees hereunder.**

**** Plus applicable sales tax at the current percentage rate as of the date of execution of the Agreement.**

*****Plus applicable sales tax, insurance and shipping (for Hardware) at the current percentage rate as of the date of execution of the Agreement.**

STATEMENT OF WORK NUMBER 2

Between

COUNTY OF SAN MATEO

and

MEDIWARE INFORMATION SYSTEMS, INC.

SHALL BE EFFECTIVE UPON FIRST PRODUCTIVE USE **OR** ONE (1) YEAR FOLLOWING THE EFFECTIVE DATE OF THE MASTER LICENSE AND SERVICES AGREEMENT, WHICHEVER OCCURS FIRST

AND SHALL BE INCORPORATED IN THAT CERTAIN
MASTER LICENSE AND SERVICES AGREEMENT
BY AND BETWEEN THE PARTIES HERETO

THIS MEDIWARE SOFTWARE SUPPORT ADDENDUM (the "Support Addendum") is entered into by and between **Mediware Information Systems, Inc**., a New York corporation with offices located at 11711 West 79th Street, Lenexa, Kansas 66214 (**"Mediware"**), and **County of San Mateo** (hereinafter referred to as **"Customer"**), with offices at 400 County Center, Redwood City, California 94063, contemporaneously with, and is hereby incorporated by reference as a part of, that certain Master License and Services Agreement by and between Mediware and Customer, to which this Support Addendum is attached (the "License Agreement"), and this Support Addendum shall be subject to the terms thereof. Capitalized terms not defined herein shall have the meaning provided in the License Agreement.

1. TERM.

This Support Addendum is effective for an initial term of one (1) year beginning on the first to occur of (i) First Productive Use, (ii) twelve (12) months following the Effective Date of the

License Agreement (whichever occurs first, the "Support Effective Date"), and shall not automatically renew for consecutive one (1) year terms. If the Customer chooses to purchase additional one year terms by purchase order or by other means, such services shall be provided according to this Agreement. This Support Addendum only applies to the software, including modules and components, listed in Support Exhibit 1 attached hereto (the "Licensed Software").

2. CHARGES/PAYMENT.

Customer shall pay the support fees, as set forth in Support Exhibit A on the Support Effective Date of this Support Addendum and each anniversary thereafter during the term ("Maintenance Fees"). Mediware reserves the right to increase the Maintenance Fees provided for herein on an annual basis by delivery of written notice to Customer. Such increase may not exceed the greater of (i) the increase over the prior twelve (12) month period in the Consumer Price Index (Health Care Products) or (ii) six percent (6%). Notwithstanding the foregoing, in the event Customer fails to comply with Section 2.2 of the License Agreement regarding regulatory compliance, Mediware reserves the right to increase Maintenance Fees beyond such limits upon written notice to Customer. Mediware may further increase Maintenance Fees for all Sublicensed Software or terminate support for Sublicensed Software at any time by giving thirty (30) days prior written notice. All amounts not paid by Customer in accordance with the provisions of this Support Addendum shall bear interest at the rate of eighteen percent (18%) per annum (or such lesser interest charges as permitted under applicable law). Mediware may choose, at its option, to suspend maintenance coverage and/or terminate this Support Addendum if Customer has outstanding unpaid invoices for any goods and services or is in breach of the License Agreement.

3. TAXES.

Customer shall pay all taxes or duties levied in connection with this Support Addendum, except those based on Mediware's net income.

4. SERVICE REINSTATEMENT.

In the event this Support Addendum is allowed to lapse (other than for breach by Mediware) and is later renewed more than 30 days after Customer's receipt of a written notice of such lapse from Mediware, Customer shall be required to pay a reinstatement charge of Ten Thousand Dollars ($10,000), plus back charges for all months that the Support Addendum has been lapsed, including appropriate late charges. Customer may be responsible for expenses incurred to inspect Hardware or reload Licensed Software to the current release version after any lapse in maintenance.

5. SERVICES PROVIDED.

Subject to the terms and conditions of this Support Addendum, Mediware shall provide standard maintenance services for supporting Customer's live productive use of the Licensed Software, including modules and components, listed in **Exhibit A**. For purposes of this Support Addendum, "standard maintenance services" shall include using reasonable commercial efforts to repair or provide a patch or work around for all Program Errors that Mediware is able to reproduce. Standard maintenance services shall also include using commercially reasonable efforts to provide Updates required to comply with applicable Federal laws and regulations; provided that, Mediware is not required to provide Updates that are based on changes to laws that require a substantial

rewrite of the Licensed Software or are otherwise commercially impractical. So long as this Support Addendum remains current and Customer complies with the terms and conditions of the License Agreement and Support Addendum, the Licensed Software shall operate in accordance with the Documentation, in all material respects.

6. TELEPHONE SUPPORT.

6.1. Priority Levels. Customer may request, and Mediware shall provide, reasonable technical consultation by telephone 24 hours a day, 365 days of a year. Mediware shall maintain a log of technical consultation requests in a tracking system and a unique number shall be assigned to Customer's request. That unique number shall be provided to Customer for reference and communication. Mediware will assign to technical consultation requests one of three levels of priority:

6.1.1 Level 1 is the most severe Program Error and represents a situation where all features and functions of the Licensed Software are unavailable and no practical alternate mode of operation is available. Mediware will use commercially reasonable efforts to answer or return Level 1 calls within four (4) hours.

6.1.2 Level 2 indicates a problem in which certain features and functionality are not available and no practical alternate mode of operation is available. Priority 2 requests will be assigned to the next available programmer.

6.1.3 Level 3 is the normal next-in-line priority assignment. Priority 3 requests will be worked on in the order in which they are received.

6.2. Problem Resolution. Mediware will provide technical consultation solutions to Level 1, Level 2 and Level 3 issues as quickly as reasonably possible, in light of the problem. If a Level 1 or Level 2 issue requires a change to the software, the change will be sent to Customer as soon as available. If a Level 3 issue requires a change to the software, the change will be provided in a regularly scheduled Update.

6.3. Service Location. Mediware shall provide technical consultation from its business premises, except that Mediware, at its own discretion, may dispatch a technical services representative to Customer's facility for all Program Errors that Mediware is unable to correct by providing technical consultation from Mediware's premises.

7. UPDATE.

During the Term of this Support Addendum, Mediware may make Updates available to Customer. Mediware reserves the right to determine the content and availability of all software, including without limitation, Updates. For purposes of clarification, the Parties agree that Updates shall include bug fixes, error corrections, changes required by Federal law and regulations and new features that are not offered by Mediware as separate modules or software packages. Interface service provided under this Support Addendum is designed to keep the application in good working order and comply with interface specifications agreed to by Mediware and Customer. Any enhancements or additions made to an interface as requested by Customer are not part of this

Support Addendum and may increase the monthly charge by an amount which reflects the extent of the change. Documentation updates shall generally be distributed to Customer with each Update. All Updates may be loaded only based upon instructions provided by Mediware's customer service personnel. Mediware must be notified, in writing, before the loading of operating system software updates, third party software updates or installing new hardware to the System. Mediware shall provide assistance by telephone during normal business hours.

8. CONSULTING SERVICES.

8.1. Mediware may make additional consulting services available to Customer at Mediware's then current consulting rates. The consulting services that Mediware provides currently includes: implementation, Update installation and assistance, configuration, data migration and data restoration.

9. EXCLUSIONS.

The following items are not covered by this Support Addendum:

9.1. Custom programs developed by Mediware for Customer which are not included in general releases to the Licensed Software;

9.2. Custom programs developed by Customer using system tools or commercially available software programs;

9.3. Additional hardware that may be required to operate Licensed Software enhancements at an acceptable performance level; Mediware will use reasonable efforts to notify Customer in advance that additional hardware might be needed;

9.4. Malfunctions caused by user error or negligence;

9.5. State and/or local agency requirements, unless paid for by Customer on a time and materials basis at Mediware's then current rates;

9.6. Annual update fees, if any, for third party software licenses or Sublicensed Software not included in Support Exhibit A. The software publisher or equipment manufacturer may charge such fees to the Customer. All associated installation charges for updates to third party software or Sublicensed Software shall be the responsibility of Customer;

9.7. Travel and living expenses incurred by Mediware employees in conjunction with performing non-standard Mediware services;

9.8. Software products not shown in Exhibit A;

9.9. Hardware or third party software;

9.10. Any releases related to the operating system software and proprietary databases;

Although Mediware may assist Customer from time to time by answering questions or providing information regarding information technology administration, preventative maintenance, and operating systems, such services are outside the scope of this Support Addendum.

10. OBLIGATIONS OF CUSTOMER**.**

Mediware's obligations are conditioned on Customer fulfilling its obligations hereunder, including, without limitation:

10.1. Providing Mediware with all information and assistance necessary to detect, simulate or reproduce and correct any Program Errors.

10.2. Providing Mediware full and free access to the System and its related operating environment, including without limitation, the Licensed Software, for the purpose of providing all Mediware services; providing a suitable physical environment including, but not limited to, heat, light, ventilation, air conditioning, proper electrical power and grounding for the Licensed Software to be maintained as specified in Mediware user documentation. To the extent Customer requires that Mediware use special tools to access the System, Customer is responsible for providing such tools.

10.3. Procuring, installation, and maintenance of all non-Mediware communications media, including, but not limited to, a telephone within operational reach of the central installation site for diagnostic purposes and telephone equipment and lines for remote transmission of information.

10.4. Causing all equipment and facilities which are used in connection with the operation or security of System and Hardware to be maintained properly and in good operating condition as specified by the applicable manufacturer. All charges for such media and services shall be the sole responsibility of Customer.

10.5. Installing all Licensed Software Updates within six (6) months of their release, and install and Validate all Updates to Regulated Licensed Software within ninety (90) days of their release if the Update was made to maintain compliance with the FDA and within six (6) months of their release for all other Updates.

10.6. Maintaining regular back-ups of data files, application source code (if applicable) and operating system software.

10.7. Fulfilling all obligations of Customer as specified in the Implementation Workplan.

10.8. Strict compliance with the terms and conditions of the Agreement, including without limitation, the terms and restrictions on the license grant and fulfillment of all obligations in the Implementation Workplan.

10.9. Providing Mediware at least sixty (60) days prior written notice of its intention to relocate the central site, or any portion thereof, from the site set forth on **Exhibit 1**, Statement of Work 1. Customer shall obtain Mediware's approval of the new location. Such approval shall not be unreasonably withheld if otherwise permitted by the License Agreement.

MEDIWARE SOFTWARE SUPPORT ADDENDUM

BLOOD BANK DIVISION

Exhibit 1

ITEM DESCRIPTION	INITIAL ANNUAL SUPPORT
Licensed Software Initial Annual Support (4 Concurrent Users)	$ 20,240
HemaTrax LPS ISBT-128 Bar Code Software Initial Annual Support	$1,250
Total Initial Annual Software Support	**$ 21,490**

Support charges for the above listed software will be **$ 21,490** for the initial twelve (12) months, commencing upon the Support Effective Date.

Support Fees for any additional Licensed Software licenses shall be equal to the then current rates of the License fee, unless otherwise specified in the License Agreement. Support Fees for any additional Sublicensed Software licenses shall be payable at the then current rate.

Exhibit 2
Pricing for Optional Products and Services

Hardware -- The following prices shall be available to Customer for 12 months following the effective date:

1. **Digi-Trax Zebra Z4M Bar Code Printer: current pricing $2,519 per printer (recommended minimum of two (2) printers has been added to Exhibit A, SOW Exhibits 2 and 4 with the required HemaTrax LPS ISBT128 Bar Code Software).**

ALL FUTURE PURCHASES MUST BE AGREED IN WRITING, AND WILL BE SUBJECT TO ALL OF THE APPLICABLE TERMS AND CONDITIONS OF THE LICENSE AGREEMENT (EXHIBIT A) BETWEEN MEDIWARE AND CUSTOMER.