

**AGREEMENT BETWEEN COUNTY OF SAN MATEO
AND THE LAW FIRM OF POWERS, PYLES, SUTTER
& VERVILLE P.C.**

THIS AGREEMENT, is entered into on December 15, 2005, by and between the COUNTY OF SAN MATEO (hereinafter referred to as "COUNTY"), and the law firm of POWERS, PYLES, SUTTER & VERVILLE P.C. (hereinafter referred to as "CONTRACTOR").

W I T N E S S E T H

WHEREAS, COUNTY desires to retain CONTRACTOR to represent COUNTY in efforts to extend the federal 340B discount pharmacy program at San Mateo Medical Center (SMMMC) to COUNTY correctional health patients; and

WHEREAS, CONTRACTOR has both the qualified personnel and expertise to provide such legal and associated services as are necessary and it is ready, willing and able to now provide such services upon request of COUNTY; and

WHEREAS, due to unique qualification of CONTRACTOR, the Request for Proposed process need not to be utilized.

NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions as hereinafter set forth, the parties agree as follows:

1. CONTRACTOR shall perform legal and associated services on behalf of the COUNTY and its officers and employees with regard to assisting and advising the County in extending the Federal 340B discount pharmacy at SMMC to COUNTY correctional health patients.
2. In consideration for the providing of such legal services a herein described, COUNTY shall pay CONTRACTOR at CONTRACTOR'S schedule of hourly rates normally charged to public jurisdictions, a copy of which is attached hereto as Exhibit A.

CONTRACTOR shall also be entitled to reimbursement for reasonably incurred costs. However, COUNTY's total obligation under this agreement shall not exceed \$20,000 unless expressly agreed to in writing between CONTRACTOR and COUNTY. Payments will be made within 30 days of receipt of billing by CONTRACTOR.

3. In performing the legal services herein agreed upon, CONTRACTOR shall have the status of independent contractor and shall not be deemed to be an officer or employee of the COUNTY.

4. CONTRACTOR shall not assign any of its rights or obligations herein contracted for without the written consent of the COUNTY first having been obtained.

5. CONTRACTOR shall at all times keep a complete and thorough record of the services and time expended by CONTRACTOR and CONTRACTOR shall also make available to COUNTY for inspection purposes all of such records so maintained. COUNTY will pay upon billing by CONTRACTOR based upon time and service previously rendered.

6. CONTRACTOR shall keep in full force and effect during the term of this Agreement malpractice coverage in the minimum amount of ONE MILLION DOLLARS (\$1,000,000.00).

7. This Agreement may be terminated by either party upon the giving of thirty (30) days written notice prior to the effective date of such termination.

8. Contractor agrees to comply with the COUNTY's non-discrimination policy and equal benefits ordinance. Specifically, CONTRACTOR shall comply with the non-discrimination requirements described in Schedule A which is attached hereto, and incorporated herein.

Violation of the non-discrimination provisions of this Agreement shall be considered a breach of this Agreement and subject CONTRACTOR to penalties, to be determined by the County Manager, including, but not limited to:

- i. termination of this Agreement;
- ii. disqualification of Contract
- iii. liquidated damages of TWO THOUSAND FIVE HUNDRED DOLLARS (\$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 paragraph, the County Manager shall have the authority to:

- i. examine CONTRACTOR's employment records with respect to compliance with this paragraph;
- ii. set off all or any portion of the amount described in this paragraph against amounts due to CONTRACTOR under the Contract or any other contractor between CONTRACTOR and COUNTY.

With respect to its offices in California, CONTRACTOR shall report to the County Manager the filing by any person in any California court of any complaint of discrimination or the filing by and person of any and all charges with the Equal Employment Opportunity Commission the Fair Employment and Housing Commission or any other California state entity charged with the investigation of allegations within thirty (30) days of such filing, provided that within such thirty (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 its response to the complaint when filed.

With respect to the provision of employee benefits, 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.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

POWERS, PYLES, SUTTER & VERVILLE P.C..

By: William Von Oehsen, III

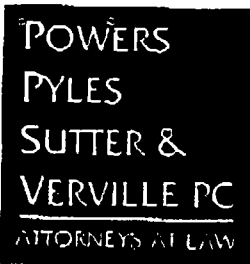
COUNTY OF SAN MATEO

By: Richard Gordon, PRESIDENT OF THE BOARD OF SUPERVISORS

ATTEST:

CLERK OF THE BOARD OF SUPERVISORS

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WILLIAM H. VON OEHSSEN, III
(202) 872-6765
William.vonOehsen@ppsv.com

December 2, 2005

VIA FACSIMILE AND US MAIL

John Beiers
Deputy County Counsel
San Mateo Medical Center
222 West 39th Avenue
San Mateo, CA 94403

Re: 340B Correctional Health Proposal

Dear John:

This letter follows up our recent communications regarding a request by San Mateo County (County) for a proposal to extend the 340B discount pharmacy program at San Mateo County Medical Center (Medical Center) to County Correctional Health patients. Our firm assisted the University of Texas Medical Branch at Galveston (UTMB) with a similar project and is currently engaged by other 340B hospitals to extend their discounted pharmacy programs to correctional populations. Accordingly, we would be pleased to assist with this matter.

In the event that the County chooses to engage our services, we would perform the following tasks:

- Continue to work with County stakeholders, especially the Medical Center and Correctional Health, in order to develop a work plan for extending 340B pricing to Correctional Health patients;
- Assist the County with respect to implementing the work plan, including reviewing contracts, addressing Medicare cost report issues, and facilitating a contract pharmacy arrangement; and
- Interface with the Office of Pharmacy Affairs (OPA) to the extent necessary to process necessary paperwork and to solicit guidance or answer questions relating to qualifying Correctional Health patients for the 340B program.

The fees for our professional services would be based upon the Firm's hourly rates for those lawyers and other Firm personnel who will perform services on your behalf. Our lawyers' current hourly rates range from \$180 to \$475 an hour, depending on the expertise and experience of the attorney providing the services. I would be the assigned partner working on this project.

EXHIBIT "A"

{D0075275.DOC / 1}

POWERS, PYLES, SUTTER & VERVILLE PC

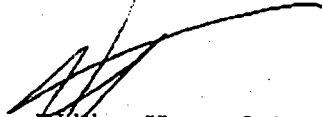
John Beiers
December 2, 2005
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My current billing rate is \$399 per hour. Where feasible, some services may be performed by our associates and non-attorney professionals operating under the supervision of lawyers. Their current hourly rates range from \$110 to \$360 per hour. My associate Claire Holloway would be assigned to this project and her rate is \$236 per hour. Our hourly rates are periodically adjusted; in preparing a statement for professional services, we would use our hourly rates that are in effect when our services were rendered. In addition to our fees, we expect to be paid for disbursements and other charges incurred on your behalf. Such items may include travel expenses, long distance telephone, facsimile transmission, document preparation, photocopying, messenger and delivery services, and computerized research. Pursuant to our conversation, we would attempt to provide the above services for a fee not to exceed \$20,000.

A description of our firm and its drug pricing practice have been previously furnished. Also provided were biographies for Claire Holloway and myself since we would be the principal attorneys working on this project.

Please let us know if you have any questions or need additional information. Thank you for your interest in our services.

Sincerely,



William H. von Oehsen, III

FOR POWERS, PYLES, SUTTER & VERVILLE PC