

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

THIS AGREEMENT, entered into this 15th day of July, 2008, 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 providing MRI staff and services to the County.

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

1. Exhibits and Attachments

The following exhibits and attachments are included 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." In no event shall the County's total fiscal obligation under this Agreement exceed ONE MILLION FIVE HUNDRED SEVENTY-FIVE THOUSAND DOLLARS, (\$1,575,000). Contractor shall not be responsible for providing any services under this Agreement after the aforementioned fiscal obligations are met.

4. Term and Termination

Subject to compliance with all terms and conditions, the term of this Agreement shall be from April 15, 2008 (the "Commencement Date") through August 14, 2011.

After the first twelve (12) months following the Commencement Date, this Agreement may be terminated by Contractor, San Mateo Medical Center's Chief Executive Officer or his/her designee at any time without a requirements of good cause upon one hundred eighty (180) days' written notice to the other party. Such notice may be given anytime after the first twelve (12) months following the Commencement Date.

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 any 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, such consent shall not be unreasonably withheld. 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 insurance 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 and Other Requirements

- 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 reasonably 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 reasonably determined by the County Manager.
- E. Compliance with Equal Benefits Ordinance. 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.
- 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. Compliance with Contractor Employee Jury Service Ordinance

Contractor shall comply with the County Ordinance with respect to provision of jury duty pay to employees and have and adhere to a written policy that provides that its employees shall receive from the contractor, on an annual basis, no less than five days of regular pay for actual jury service in San Mateo County. The policy may provide that employees deposit any fees received for such jury service with the contractor or that the contractor deduct from the employees' regular pay the fees received for jury service.

13. Retention of Records, Right to Monitor and Audit

(a) 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.

(b) Reporting and Record Keeping: CONTRACTOR shall comply with all program and fiscal reporting requirements set forth by appropriate Federal, State and local agencies, and as required by the COUNTY.

(c) CONTRACTOR agrees to provide to COUNTY, to any Federal or State department having monitoring or review authority, to COUNTY's authorized representatives, and/or their appropriate audit agencies upon reasonable notice, access to and the right to examine all records and documents necessary to determine compliance with relevant Federal, State, and local statutes, rules and regulations, and this Agreement.

14. 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. In the event that any term, condition, provision, requirement or specification set forth in this body of the agreement conflicts with or is inconsistent with any term, condition, provision, requirement or specification in any exhibit and/or attachment to this agreement, the provisions of this body of the agreement shall prevail. 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.

15. 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.

16. Notices

Any notice, request, demand or other communication required or permitted hereunder shall be deemed to be properly given when faxed, deposited in the United States mail, postage prepaid, or when deposited with a private carrier such as Fedex or United Parcel Services, charges prepaid, addressed to:

In the case of County, to:
San Mateo Medical Center
222 W. 39th Avenue
San Mateo, CA 94403

Office of County Counsel
Hall of Justice and Records
400 County Center, 6th Floor
Redwood City, CA 94063
ATTN: John D. Nibbelin, Deputy County Counsel

In the case of Contractor, to:
Alliance Imaging, Inc.
100 Bayview Circle, Suite 400
Newport Beach, California 92660
ATTN: General Counsel

Either party may change its address or telecopy number for notice by notifying the other by a permitted method of giving notice.

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

COUNTY OF SAN MATEO

By: _____
Adrienne J. Tissier, President
Board of Supervisors, San Mateo County

Date: _____

ATTEST:

By: _____
Clerk of Said Board

ALLIANCE IMAGING, INC.



Contractor's Signature
Eli H. Glovinsky, EVP, General Counsel, and Secretary

Date: 9-5-08

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 shall provide a 1.5T mobile MRI ("MRI") system (the "Unit"). If the Unit described is unavailable, a reasonably comparable Unit may be substituted.

1.2 **Personnel.** Contractor shall provide the services of technical personnel to operate the Unit as appropriate for County's procedure volume. County agrees not to hire or contract with any employee of Contractor during the term of this Agreement, including renewals, and for a period of one (1) year after services cease (collectively, the "Non-Solicitation Period"), without Contractor's prior written consent. Contractor and County hereby agree that in the event of a breach of this provision, damages shall be difficult to calculate and therefore agree Contractor shall be entitled to receive six (6) times the monthly average salary of such employee for the twelve months immediately preceding the breach (or such shorter period as the employee may have been employed by Contractor at SMMC). Contractor and County agree that the aforementioned amounts are reasonable and shall constitute liquidated damages and not a penalty. Contractor shall ensure that all services provided by Contractor's technical personnel (including, but not limited to, any patient coordinator) shall be within the scope of his/her duties as technical personnel. County agrees, for as long as Contractor remains a Joint Commission-accredited organization, that County shall not need to independently verify and shall not require any written documentation concerning the credentialing, education, training, evaluation, and competencies related to Contractor's technical personnel (including, but not limited to, any patient coordinator). In the event of a Joint Commission survey of County, Contractor shall have the personnel file of Contractor's technical personnel accessible upon request.

1.3 **Maintenance.** Contractor shall use best 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 shall provide cryogens.

2. SCANNING ACTIVITIES.

2.1 **Unit.** County shall prepare and maintain a safe and suitable site for the Unit which complies with the manufacturer's specifications (which shall be provided by Contractor) and all applicable laws and regulations. All site costs (for example, costs of tractor/trailer access and egress, power and telephone expenses) shall be County's responsibility. The Unit Location shall be San Mateo Medical Center, 222 West 39th Avenue, San Mateo, California 94403. County represents and warrants to Contractor that it currently owns or has authorization to site the Unit at the Unit Location. Further, County further warrants and agrees that, at all times during the term of this Agreement, County shall maintain the authorization or ownership to site the Unit at the Unit Location. County shall indemnify and hold Contractor harmless from any damages or liability arising out of breach of the representations and warranties in this Section 2.1. County may request in writing to Contractor that the Unit Location be moved, in which case any such move shall be subject to Contractor's prior approval; all of the obligations under this Section 2.1 shall apply to the new Unit Location.

2.2 **Power.** County shall provide electrical power, including a dedicated power line with 200 amps and 480 volts of three-phase power. County shall promptly report any problems with power (for example, sags or surges) to Contractor. County shall provide the power line, a lockable disconnect box and receptacle within twenty-five (25) feet of the electrical receptacle on the Unit. If the power is modified in any way by the County, County must notify Contractor prior to such modification to ensure it meets with equipment specifications. Should the County experience a brown out or a complete power failure, the County must notify Contractor immediately to mitigate any potential damage to the equipment. Should the County not notify Contractor of any power issues the County is responsible for any damage to the equipment.

2.3 **Phone and Connectivity.** County shall provide the Unit with a voice telephone line, a dedicated fax compatible telephone line and a RJ-45 ethernet broadband line with an automatic IP address assignment using Dynamic Host Control Protocol ("DHCP") and a proxy-less connection to the internet.

2.4 **Operation.** The Unit shall be operated only by employees or approved subcontractors of Contractor. Such employees or contractors shall be approved by the County which approval shall not be unreasonably withheld.

2.5 **Medical Director.** County shall 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 shall be solely responsible for all activities which constitute the practice of medicine (for example, providing medical advice to patients in connection with MRI procedures and the injection of contrast

agents). County shall obtain any written consents from patients that are required by the USFDA, state or local law or prudent medical practice. County shall have full responsibility for all medical care and advice provided to patients. All medical care shall be provided under the ultimate supervision of the Medical Director.

2.6 Medical Supplies; Emergency Care. County shall provide all medical supplies which may be required (including film and film processing, gowns, medications and contrast agents) and shall 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 shall 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 shall maintain a log of all procedures performed on the Unit. County shall be provided with copies of the log upon request.

2.9 Modifications. County shall not modify or alter the Unit without Contractor's prior written consent. County shall 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 shall use 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 procedure. Contractor reserves the right to release its technical personnel and/or Unit from County's facility after the completion of the last scheduled procedure 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 shall be added to the schedule for that particular service day.

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

2.12 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.

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

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

2.15 Professional Interpretations. County shall need to engage a radiologist to provide interpretations of MRI procedures for County patients. Contractor shall not be responsible for providing any such interpretations.

3. FEES AND BILLING. County shall pay Contractor Fees that are set forth in Exhibit B to this Agreement. All fees for a billing period shall be due and payable within thirty (30) days of the last day of such period. Contractor shall invoice County twice each month. County shall 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 County patients and/or third party payors for MRI procedures performed on the Unit. County's obligation to pay Contractor compensation in accordance with the provisions of this Agreement 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 procedures performed on the Unit. Both parties agree that Contractor is providing its services set forth in this Agreement "under arrangement" with County, such that upon County's receipt of payment from the Medicare program for MRI procedures performed in the Unit, the liability of the beneficiary or any other person to pay for such services shall be fully discharged.

4. This Item intentionally left blank

5. SCHEDULING. Contractor shall make the Unit available to the County, and County agrees to accept the Unit three (3) days per week, ten (10) hours per day. Contractor shall make the Unit available to County according to the schedule specified in this Item. With ninety (90) days prior written notice to Contractor, the County has a one-time option to reduce service to two (2) days per week, ten (10) hours per day. Contractor currently observes the following holidays, which may be increased from time-to-time: New Years Day, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, and Christmas Day.

The day of service begins upon initiation of the setup procedures for the Unit and ends upon completion of the shutdown procedures for the Unit.

6. INSURANCE.

6.1 Insurance.

a) **Contractor.** Contractor shall maintain insurance pursuant to Item 9 of the Agreement.
b) **County.** County shall maintain comprehensive general and professional liability insurance covering the County, its employees, staff and physicians and shall 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 shall 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 **Independence.** Contractor is an independent contractor of County, and this Agreement is a contract for services, not a lease. No agency, employment, partnership or joint venture is intended to be created by this Agreement. Neither Contractor nor County shall take any action or position which is inconsistent with those descriptions of the relationship.

7.2 **Remedies.** Contractor shall 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.

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

7.4 **Governing Law.** This Agreement shall be governed by the law of the state California.

7.5 **Entire Agreement; Amendment.** This Agreement is the parties' entire understanding and supersedes all prior agreements, oral and written with respect to the subject matter of this Agreement. This Agreement may not be amended except by written agreement of the parties. No handwritten changes to this Agreement shall be enforceable unless such changes are initialed by both parties to this Agreement.

7.6 **Successors and Assigns.** Contractor may not assign this Agreement without the County's prior written consent, which consent shall not be unreasonably withheld. County may not assign this Agreement without the prior written consent of Contractor, which consent shall not be unreasonably withheld. This Agreement shall be binding on and inure to the benefit of the parties' respective 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.

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

7.8 **Certain Events.** Neither party shall 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).

7.9 **Confidentiality.** County acknowledges and agrees that this Agreement is highly confidential and proprietary to Contractor and County agrees that neither 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 unless as required by law.

7.10 **Accreditation.** Contractor and County agree to set standards of care and quality that comply with The Joint Commission. Contractor and County mutually shall cooperate in all phases of applying, scheduling, preparing and executing surveys or inspections by The Joint Commission, as needed. Both parties agree to work cooperatively to implement changes, correct deficiencies or establish policies required and/or recommended by the inspecting agency.

7.11 **Severability.** If any provision of this Agreement is held to be illegal, invalid, or unenforceable under present or future laws, that provision shall be fully severable and this Agreement shall be construed and enforced as if such illegal, invalid, or unenforceable provision never comprised a part of this Agreement. The remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision or by its severance. Furthermore, a provision as similar in its terms to the illegal, invalid, or unenforceable provision as may be possible and be legal, valid, and enforceable shall be added to this Agreement automatically to replace the illegal, invalid, or unenforceable provision.

8. TERMINATION.

8.1 Termination.

a) **Material Breach.** Contractor or County may terminate this Agreement if the other party breaches any material covenant, term or provision of this Agreement and the material breach is not cured within sixty (60) days following provision of notice to the breaching party specifying the alleged material breach.

b) **Bankruptcy.** Contractor or County may terminate this Agreement if the other party commits or suffers (voluntarily or involuntarily) an act of bankruptcy, receivership, liquidation or similar event.

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 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) **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 take any action at law or in equity.

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.

9. COMPLIANCE WITH LAWS.

9.1 **Compliance with Current Laws.** The parties expressly agree that it is their understanding and intent that this Agreement, including any Exhibits or other attachments, complies as of the effective date hereof with applicable federal and state statutes and regulations, including the Stark Law, 42 U.S.C. Section 1395nn, and the Anti-Kickback Statute (collectively referred to as "Laws").

9.2 **No Inducement.** This Agreement has been negotiated in good faith through arms length negotiations. Nothing contained in this Agreement, including any compensation paid or payable, is intended or shall be construed: (i) to require, influence or otherwise induce or solicit either party regarding referrals of business, or recommending the ordering of any items or services, of any kind whatsoever to the other party or any of its affiliates, or to any other person, or otherwise generate business between the parties, or (ii) to interfere with a patient's right to choose his or her own health care provider, or with a physician's medical judgment regarding the ordering of any items or services.

9.3 **Change in Law.** Neither party shall make or receive any payment or take any other action required or permitted hereunder, if any judicial decision, legislative action, regulatory or other administrative interpretation, whether federal or state, would render unlawful the conduct of either party hereunder ("Change in Law"). In the event of such a Change in Law, the parties shall be required to act in good faith to restructure the business arrangement between the parties to conform with then existing Laws. If the parties have not reached an agreement regarding the material terms of the restructured business arrangement within thirty (30) days following the date both parties are on notice of the Change in Law (the "Restructuring Discussions"), the Restructuring Discussions shall terminate and either party may terminate this Agreement.

9.4 **No Federal Health Care Program Exclusion.** Each party represents and warrants to the other party that: (i) the representing party is not currently excluded, debarred, or otherwise ineligible to participate in the Federal health care programs as defined in 42 U.S.C. Section 1320a-7b(f) (the "Federal health care programs"); and (ii) the representing party is not aware of any circumstances which may result in the representing party being excluded from participation in the Federal health care programs. This shall be an ongoing representation and warranty during the term of this Agreement, and each party shall immediately notify the other party of any change in status of the representation and warranty set forth in this Section. In the event a party becomes excluded, debarred, or otherwise ineligible to participate in the Federal health care programs, that party shall be considered in default of this Agreement, and the other party may immediately terminate this Agreement for cause.

10. **EXECUTION.** By their signatures on this Agreement, each of the signatories to this Agreement represent that they have the authority to execute this Agreement and to bind the party on whose behalf their execution is made.

11. **COUNTERPARTS.** This Agreement may be executed in counterparts, each of which shall be an original and which together shall constitute one and the same instrument. A photocopy of the executed Agreement may be used as if it were the original Agreement.

Exhibit "B"

For the services provided by Contractor to the County effective April 15, 2008 through August 13, 2008, the County shall pay Contractor based on the fee schedule pursuant to the Agreement between The County of San Mateo and Alliance Imaging, Inc. entered into on August 25, 2003, as amended.

Effective August 14, 2008 through August 14, 2011, In consideration of the services provided by Contractor in Exhibit "A", County shall pay Contractor based on the following fee schedule:

Ten (10) hour day of service	\$3,160.00
(Partial day of service shall be prorated)	

Hourly overtime beyond ten (10) hours	\$350.00
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An additional daily rate for Contractor-observed holiday	\$1,000.00
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Contractor currently observes the following holidays, which may be increased from time-to-time following written notification to SMMC: New Years Day, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, Christmas Day