



# Pharmacy Services Agreement

Contract No. 00610990.0

This PHARMACY SERVICES AGREEMENT ("**Agreement**") is effective as of August 1, 2025 ("**Effective Date**") and is by and between Cardinal Health Pharmacy Services, LLC, a Delaware limited liability company, located at 13651 Dublin Ct., Stafford, Texas 77477 ("**Cardinal Health**"), and County of San Mateo, on behalf of itself and its subsidiaries, affiliates, related parties and any other entities or facilities it owns, manages or controls, whether now or hereafter existing, jointly and severally located at 222 W. 39<sup>th</sup> Ave, San Mateo, CA 94403 ("**Customer**"). At times, Cardinal Health and Customer shall be referred to herein as each a "Party" and, collectively, the "Parties."

**WHEREAS**, Customer is a healthcare corporation that provides various services to patients;

**WHEREAS**, Cardinal Health provides a variety of services to healthcare customers, including but not limited to remote pharmacy services;

**WHEREAS**, Customer desires to engage Cardinal Health to perform such services from time to time under the terms of this Agreement; and

WHEREAS, Customer has two facilities Maguire Correctional Facility located at 300 Bradford St. Flr. 2, Redwood City, CA 94063 and Maple Correctional Facility located at 1300 Maple St., redwood City, CA 94063 (collectively, "CHS Sites").

**NOW, THEREFORE**, the parties agree as follows:

## ARTICLE I DEFINITIONS & DUTIES

### 1.01 Definitions

- a. Clinical Dosing shall mean clinical services and duties performed by Cardinal Health pharmacists while processing medication orders for Customer's patients. These services and duties are based on Customer's policies and procedures.
- b. Go-Live Date shall mean the date that Services start.
- c. Order Entry Variance shall mean Medication Error (as defined below) or a medication entry entered by Cardinal Health that varies from the standard procedure according to Customer's policy and procedures.
- d. Order Lines shall mean individual medication orders entered, discontinued, or modified by Cardinal Health.
- e. Remote Pharmacy Services or Service(s) shall mean Cardinal Health's remote medication order entry and review service.

### 1.02 Compliance

- a. Cardinal Health shall ensure compliance of its Services with applicable laws, ordinances, and regulations, with the written policies of Customer and the standards of all applicable accrediting bodies.
- b. Patient Care Cardinal Health acknowledges that Customer, with its medical staff, retains professional and administrative responsibility for patient care services rendered to Customer patients. The Services provided by Cardinal hereunder are consistent with relevant law and regulation; Customer policy and procedures; and the standards and regulations under The Joint Commission ("**TJC**"). The Parties shall implement a standardized approach to "hand off" communications. The Parties understand and agree that this provision is intended to fulfill requirements of TJC and state law and is not intended to modify the independent contractor relationship nor mutual indemnification requirements between the Parties herein.

1.03 Good Standing Each Party covenants that it is in good standing under the laws of the state in which it is organized and has the power and authority to enter into this Agreement. Each Party shall immediately notify the other should this status change.

1.04 Licensure/Registration

- a. Pharmacists employed by Cardinal Health shall be duly licensed as pharmacists under the laws of the state from which the Services will be rendered and, where required, be licensed in the state where Customer is located. Pharmacy Technicians employed by Cardinal Health shall be duly licensed, registered, or certified as required by the state from which the Services will be rendered and, where required, in the state where the Customer is located.
- b. Customer covenants that all of Customer's employees, agents and staff working at Customer's facility are duly certified and/or licensed and in good standing as required by the laws of the state where Customer is located. Customer shall immediately notify Cardinal Health should this status change.

1.05 Drugs Administered to Patients Customer affirms that drugs administered to the Customer's patients shall only be administered pursuant to lawful order.

1.06 Customer Duties Upon Execution of Agreement To assist in preventing delays in starting Services with Customer, within thirty (30) days of the Effective Date of this Agreement, Customer must:

- a. Complete implementation forms provided by Cardinal Health;
- b. Establish and complete connectivity with access and testing;
- c. Provide software licenses and media, as may be necessary for Cardinal Health to remotely access Customer's system and perform required pharmacy functions; and
- d. Provide login (access) codes for Cardinal Health pharmacists and technicians.

1.07 Customer's Duties After Go-Live Customer shall provide the following to Cardinal Health as necessary on an ongoing basis once Services have begun:

- a. New login (access) codes within three (3) business days of such request;
- b. Best efforts to meet connectivity and system speed standards consistent with Customer's on-site operations;
- c. Best efforts to standardize Customer's order entry process and policies and procedures; and
- d. Complete and fax Order Entry Variance forms.
- e. Notification mechanism which identifies for Cardinal Health that there are orders for processing. Acceptable mechanisms for notification include electronic transmission of order notifications through Cardinal Health's Medication Order Management System software, phone call, or via fax to the Cardinal Health pharmacy service team.

1.08 Employee Confidentiality Cardinal Health will not provide employee-level confidential information, including but not limited to, Social Security Number ("SSN") and/or Date of Birth ("DOB") for reasons of assigning access codes to Customer's pharmacy computer system or for any other relevant reason, as determined by Cardinal Health.

1.09 Elements of Performance Pursuant to the leadership standards as set forth by applicable accrediting agencies, the Parties agree to monitor "Medication Errors" as a metric for the quality of Services provided pursuant to this Agreement. For purposes of this Agreement, "Medication Errors" shall mean any preventable event that may cause or lead to inappropriate medication use or patient harm occurring as a direct result of Cardinal Health's action or inaction during the defined Hours of Service, as set forth below.

- a. Standard of Performance It is Customer's expectation that the Order Lines processed by Cardinal Health during the defined Hours of Service shall have a Medication Error rate of one-half percent (0.5%) or less.
- b. Tracking Cardinal Health shall provide Customer a quarterly report of Order Entry Variances and/or Medication Errors as tracked by Cardinal Health's Medication Order Management System. It shall remain the responsibility of Customer's quality director (or designee) to review such report with Customer's leadership and quality committee as applicable.

- 1.10 Positive Identification Requirement If Cardinal Health Services are provided to Customer from the Cardinal Health pharmacy service center located in Dublin, Ohio, Cardinal Health shall, with the assistance of Customer, ensure compliance with the "Positive Identification" required for the state of Ohio. A printout of every transaction that is verified and manually signed within a reasonable period of time by the individual who prescribed, administered, or dispensed the Dangerous Drug, as defined by ORC 4729.01 ("Dangerous Drug"), must be maintained for three (3) years and made available on request to those individuals authorized by law to review such records. This can be achieved by:
- a. Cardinal Health having the ability to print a copy of all orders entered by Cardinal Health at the Cardinal Health service center within a reasonable period of time; or by
  - b. Customer printing a summary of all orders entered by Cardinal Health and faxing them to the Cardinal Health service center within a reasonable period of time.

**ARTICLE II  
SERVICES & COMPENSATION**

- 2.01 Remote Pharmacy Services Cardinal Health shall:
- a. Review and enter all medication Order Lines into Customer's pharmacy information system. The average turnaround time is sixty (60) minutes for routine Order Lines, and fifteen (15) minutes for "stat" Order Lines;
  - b. Have pharmacist intervention of incomplete or questionable orders with the Customer's appropriate medical staff;
  - c. Make reasonable best efforts to resolve interventions during the shift;
  - d. Make pharmacist available to respond and/or provide information and clinical support to Customer via telephone;
  - e. Grant Customer's Director of Pharmacy ("**DOP**") access to Cardinal Health's web-based client portal from which Customer may print reports detailing Order Line processing activities;
  - f. Record and maintain daily Order Line volume to support;
  - g. Provide ad hoc reports measuring operational, financial and clinical progress towards goals in its customary form.
  - h. Provide reports in a manner sufficient to meet the Elements of Performance for contracted Services as required by accreditation agencies;
  - i. Provide Clinical Dosing Services, that include, but not limited to the following:
    - Level 1 Clinical Dosing.
      - (1) Renal adjustments: changing a dose based on a renal dosing protocol
      - (2) Antibiotic Dosing: less complex antibiotic dosing (ex: standard vancomycin dosing)
      - (3) Anticoagulants: less complex dosing of anticoagulants, including enoxaparin or warfarin
    - Level 2 Clinical Dosing. Clinical duties that are more complex than Level 1 Clinical Dosing, that include the following medications or medication classes
      - (1) Vancomycin AUC dosing
      - (2) Aminoglycoside- dosing per client's protocol
      - (3) Unfractionated heparin- starting heparin drip and monitoring according to client's protocol
      - (4) TPN- calculating dosing and entering according to client's protocol
      - (5) Vasopressors
      - (6) Antipsychotics
      - (7) Anticoagulation Reversal
      - (8) Fibrinolytics
      - (9) Antidotes



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- j. Provide a Medication Order Management System (“MOMS”) which is a web-based, integrated order management and clinical consultation tracking tool that enables Customer’s pharmacies to identify key safety, quality, productivity and clinical improvements with robust reporting capabilities. The MOMS solution, as well as the related terms and conditions, are further detailed in Exhibit A, attached hereto and incorporated by reference into this Agreement.

2.02 Hours of Service Cardinal Health shall provide Services during the designated hours of service (Pacific Time Zone): Customer does participate in daylight savings time.

a. Customer:

START DAY	START TIME	END DAY	END TIME
Monday	10:00 p.m.	Tuesday	7:00 a.m.
Tuesday	10:00 p.m.	Wednesday	7:00 a.m.
Wednesday	10:00 p.m.	Thursday	7:00 a.m.
Thursday	10:00 p.m.	Friday	7:00 a.m.
Friday	10:00 p.m.	Saturday	7:00 a.m.
Saturday	6:00 p.m.	Sunday	7:00 a.m.
Sunday	6:00 p.m.	Monday	7:00 a.m.

CHS Sites:

START DAY	START TIME	END DAY	END TIME
Monday	6:00 p.m.	Tuesday	8:00 a.m.
Tuesday	6:00 p.m.	Wednesday	8:00 a.m.
Wednesday	6:00 p.m.	Thursday	8:00 a.m.
Thursday	6:00 p.m.	Friday	8:00 a.m.
Friday	6:00 p.m.	Saturday	8:00 a.m.
Saturday	6:00 p.m.	Sunday	8:00 a.m.
Sunday	6:00 p.m.	Monday	8:00 a.m.

- b. Hours of Service on holidays will be from 6 p.m. on the holiday to 7:00 a.m. the day following the holiday. Recognized Holidays under this Agreement are: New Year’s Day, Martin Luther King Day, Presidents’ Day, Memorial Day, Independence Day, Juneteenth, Labor Day, Columbus Day/Indigenous Peoples’ Day, Veterans Day, Thanksgiving Day, Day after Thanksgiving, and Christmas Day. Customer shall request additional coverage, pursuant to Section 2.05, for extended coverage on any other observed holiday.
- c. Upon two (2) weeks’ prior written notice to the Cardinal Health service team director and subject to Cardinal Health’s pharmacy service center staff availability, Customer may, at its reasonable request, change its designated Hours of Service without necessity of an amendment.

2.03 Monthly Fees Customer shall pay an Order Line Fee of Three Dollars and Twenty-Five Cents (\$3.25) per Order Line for the actual number of Order Lines processed on behalf of Customer and the CHS Sites.

2.04 Additional Coverage Customer may request additional coverage outside of the routine Hours of Service as defined above. If available, Cardinal Health will make reasonable best efforts to do so within the operational hours of the Cardinal Health pharmacy service center and based on staff availability. Customer, at a minimum, shall provide four (4) hours’ notice prior to requiring such additional coverage and preferably twenty-four (24) hours’ notice whenever possible. Cardinal Health’s inability to service Customer’s request for additional coverage shall be without penalty.

2.05 Emergency Coverage Customer may request an additional full-time pharmacist(s) to provide

emergency coverage. Subject to staff availability and other operational considerations, Cardinal Health shall make good faith efforts to accommodate request. Customer, at a minimum, shall provide four (4) hours' notice prior to needing such emergency coverage and, preferably twenty-four (24) hours' notice. Emergency coverage shall consist of a minimum of four (4) consecutive hours. Customer shall pay a fee equal to one hundred thirty-five dollars (\$135) per hour per Pharmacist. Any Order Lines processed during such emergency coverage shall not be subject to the Order Line Fee as defined in Section 2.04 of this Agreement.

2.06 Clinical Dosing Service Fee Customer shall pay Cardinal Health a Clinical Dosing Service Fee based upon the total number of consultations performed each month using the MOMS consultation module, as follows:

Consultation Type	Fee Per Individual Dosing Consultation
Level 1	\$10 /consultation
Level 2	\$35 /consultation

2.07 Cardinal Health pharmacists receive regular competency training and shall receive ongoing training periodically throughout the term of this Agreement. Customer may request the Cardinal Health pharmacists providing Services under this Agreement receive Customer-specific competency training. In such event, Customer shall provide training at a mutually agreeable time and shall pay an hourly rate of one hundred thirty-five dollars (\$135) per pharmacist receiving the training.

2.08 Price Indexing The Fees shall be indexed on the first (1<sup>st</sup>) day of October, and annually thereafter, by the higher of three percent (3%) or the annual percentage change in the July index for the Hospital and Related Services category of the Consumer Price Index for all Urban Consumers (CPI-U) as released by the U.S. Department of Labor's Bureau of Labor Statistics ("CPI").

2.09 Customer Computer System

- a. In the event Customer chooses to change its pharmacy computer system and/or hospital computer system during the term of this Agreement, Cardinal Health shall be given at least ninety (90) days advance notice by Customer of its plans to implement its new system. In the event it is determined that Cardinal Health does not support Customer's new system and is not able to provide service to Customer once the new system is operational, Cardinal Health shall have the right to exercise its option to terminate services with Customer in accordance with the termination provisions of this Agreement.
- b. If Customer's new system is acceptable to Cardinal Health, Cardinal Health may need to evaluate the connectivity with Customer's new system in order to determine its integration into Cardinal Health processes. Customer shall pay Cardinal Health a Computer Change Fee in the amount of eight thousand five hundred dollars (\$8,500). This fee includes the startup costs associated with the evaluation of Customer processes and procedures; remote training of Cardinal Health staff which shall be performed via on-demand webcast; in addition to expenses related to integration to Customer's new system.
- c. Should Customer require live training or training conducted at Customer site, such training shall be subject to an additional fee plus, as applicable, actual cost for related travel.
- d. The Computer Change Fee shall be included on the first (1<sup>st</sup>) Service invoice to Customer following Cardinal Health's evaluation.

2.10 Taxes Customer shall pay all sales, use, excise, gross receipts, or other federal, state, or local taxes (other than taxes based solely on the net income of Cardinal Health) in connection with or arising out of the transactions contemplated by this Agreement and shall reimburse Cardinal Health for any and all costs associated with any Cardinal Health payment on Customer's behalf, including, without limitation, any interest, penalties, or audit costs. If Customer is exempt from sales, use, excise, gross receipts, or other federal, state, or local taxes, Customer shall provide documentation of such

exemption to Cardinal Health. Cardinal Health retains the sole discretion to determine whether the documentation provided is sufficient to establish Customer's exempt status. Customer shall immediately notify Cardinal Health, in writing, of any change in its tax status. If Customer's exempt status is challenged by any jurisdiction, Customer shall be solely responsible for resolving any such dispute and shall immediately notify Cardinal Health of the dispute. Customer shall hold Cardinal Health harmless and reimburse any expenses that Cardinal Health may incur as a result of any such challenge.

**ARTICLE III  
FINANCIAL ARRANGEMENTS**

- 3.01 Payment of Invoice Each month following the month in which services were rendered, Cardinal Health shall deliver an invoice in accordance with this Agreement. Customer agrees to pay Cardinal Health within thirty (30) days of invoice date ("Due Date"). Cardinal Health retains the right to adjust Customer's payment terms based on payment performance, changes in financial condition or other credit consideration it deems relevant. Customer shall pay a service charge calculated at the rate of 0.5% per month (or the maximum rate allowed by law, if such rate is less than 0.5% per month) on any amount not paid by Customer by the Due Date beginning on the first (1<sup>st</sup>) day of delinquency until such amount is paid in full, along with reasonable attorney fees associated with any such delinquency. Failure or delay by Cardinal Health to bill Customer for any such services charges will not waive Cardinal Health's right to receive the same.
- 3.02 Payment Address Customer shall make all payments to Cardinal Health under this Agreement by wire transfer of funds (FEDWIRE) to the appropriate Cardinal Health bank account provided below:
- Wells Fargo Bank, N.A.  
420 Montgomery Street  
San Francisco, California 94104  
ABA number: 121000248  
Account name: Cardinal Health, Inc.  
Account number: 2000002932064  
Ref: Cardinal Health Pharmacy Services, LLC
- 3.03 Cardinal Health, in its sole discretion, may apply payments received under this Agreement as it deems appropriate. Further, without limiting Cardinal Health's rights under law or in equity, Cardinal Health and its affiliates, parent or related entities, collectively or individually, may exercise a right to set-off against any and all amounts due to Customer. For purposes of this Section Cardinal Health, its affiliates, parent or related entities shall be deemed to be a single creditor.
- 3.04 Invoice Dispute Customer shall pay each invoice, in full, by the Due Date. In the event Customer disputes a portion of an invoice, Customer shall provide Cardinal Health the following information within seven (7) days of invoice date: (1) invoice number, (2) amount disputed, and (3) specific details as to the nature of the dispute. The Parties shall use best efforts to resolve any disputes within thirty (30) calendar days from the date Customer provides Cardinal Health with information regarding the invoice dispute as set forth in this Section. Any credit due to Customer or additional charges resulting from the dispute resolution shall appear as a line item on Customer's next monthly invoice. Each Party shall appoint a representative to review invoice detail monthly and meet as needed to reconcile.
- 3.05 Contract Dollar Amount In no event shall total payment for services under this Agreement exceed Four Hundred Sixty-Eight Thousand Dollars (\$468,000.00).

**ARTICLE IV  
TERM & TERMINATION**

- 4.01 Termination Date The term of this Agreement shall be for a period of three (3) years from the Effective Date or any extension thereof, unless subject to earlier termination as set forth below (“**Termination Date**”).
- 4.02 Extension of Agreement This Agreement shall be renewed for up to two (2) successive two (2) year periods upon the same terms and conditions contained herein with an amendment, unless either Party notifies the other in writing no later than ninety (90) days prior to the Termination Date of the initial term or any subsequent renewal terms of its intent not to renew.
- 4.03 Termination Provisions Subject to the terms and conditions provided herein, this Agreement may terminate upon the occurrence of any of the following events:
- a. Termination with Cause
- i. If either Party shall materially default in the performance of its obligations under this Agreement, the non-defaulting Party shall provide written notice of the default to the defaulting Party. The defaulting Party shall have sixty (60) days to cure such default. Thereafter the non-defaulting Party shall have the right, by further written notice, to terminate this Agreement effective as of any future designated date, not less than thirty (30) days from the date of the termination notice in the event the default is not cured.
  - ii. If Customer fails to make payment of any undisputed amounts by the Payment Due Date, Cardinal Health shall have the option to terminate this Agreement upon ten (10) days’ notice to the Customer without waiving any other rights or remedies Cardinal Health may have under this Agreement.
  - iii. In such event that Cardinal Health’s Medication Error rate exceeds the Standard of Performance, set forth above, for a given three (3) month period, Customer shall notify Cardinal Health of such deficiency and allow Cardinal Health an opportunity to improve its performance. Should Cardinal Health’s Medication Error rate exceed the Standard of Performance for a subsequent three (3) month period, Customer shall have the right to terminate the Agreement upon thirty (30) days’ written notice to Cardinal Health.
- b. Termination without cause Either Party may, at any time after the initial twenty-four (24) months following the Effective Date, provide written notice to the other Party of their intent to terminate this Agreement without cause. Such termination shall be effective ninety (90) days’ following receipt of such written notice (“Notice Period”). If Customer requests Cardinal Health discontinue Service prior to the end of the Notice Period, Customer remains responsible for paying a calculated prorated fee for the Notice Period.
- c. Disentanglement Cardinal Health shall cooperate with Customer and Customer’s other contractors to ensure a smooth transition at the time of termination of this Agreement, regardless of the nature or timing of the termination. Cardinal Health shall cooperate with Customer’s efforts to effectuate such transition with the goal of minimizing or eliminating any interruption of work required under the Agreement and any adverse impact on the provision of services or the Customer’s activities; provided, however, that Customer shall pay Cardinal Health on a time and materials basis, at the then-applicable rates, for all additional services performed in connection with such cooperation. Cardinal Health shall deliver to Customer or its designee, at Customer’s request, all documentation and data related to Customer, including, but not limited to, patient files, if any, held by Cardinal Health, and after return of same, Cardinal Health shall destroy all copies thereof still in Cardinal Health’s possession, at no charge to Customer. Such data delivery shall be in an electronic format to facilitate archiving or loading into a replacement application. Customer and Cardinal Health shall mutually agree to the specific electronic format.

**ARTICLE V  
GENERAL PROVISIONS**

- 5.01 Confidentiality Each party shall treat all Confidential Information of the other party all times as confidential and shall not use or disclose any such Confidential Information or permit it to be used by



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anyone other than the personnel assigned by the disclosing or receiving party to fulfill that party's obligations under this Agreement, in each case, without the prior written consent of an officer of the disclosing party. For purposes of this Agreement, the term "Confidential Information" shall mean all confidential and proprietary information disclosed by the Parties to each other, including, without limitation, business records and plans, customer lists and records, trade secrets, technical information, products, inventions, product design information, pricing structure, discounts, costs, computer programs and listings, source code and/or object code, copyrights and intellectual property, and patient medical records. Confidential Information shall also include the proprietary information of either party's subsidiaries, affiliated companies, business partners, data providers and clients. Confidential Information may be written, oral, recorded, or contained on tape or on other electronic or mechanical media.

- a. Each party agrees to (i) keep all Confidential Information acquired before or after the term of this Agreement confidential, (ii) to maintain such Confidential Information in strict confidence under the same standards as would apply to its own Confidential Information (but in any event no less than a reasonable standard of care), and (iii) not use such Confidential Information directly or indirectly, for any purpose except the performance of this Agreement. Confidential Information shall not include any information that (A) is or becomes generally known to the industry or the public other than as a result of a breach of this covenant or any breach of other confidentiality obligations by third parties, (B) was known and/or used by the receiving party prior to disclosure by the disclosing party, as evidenced by contemporaneous documentation, (C) is made legitimately available to a party by a third party without breach of any confidentiality obligation, or (D) is in the public domain through no fault of the receiving party. In the event the receiving party is required by law, legal process (including deposition, interrogatory, request for documents, subpoena, civil investigative demand or similar process) or valid order of a court of competent jurisdiction to disclose Confidential Information, the receiving party agrees to give prompt written notice to the disclosing party of such requirement and cooperate with any attempts by the disclosing party to obtain a protective order or similar treatment for such Confidential Information and, in the absence of any such protective order or similar treatment, to discuss only that portion of Confidential Information so required. Upon the expiration or termination for any reason of this Agreement, Cardinal Health shall turn over to Customer all records, documents and copies and transcriptions thereof created or obtained in the course of, or as incident to, the performance of the Services that are in its possession, custody or control. Upon the expiration or termination for any reason of this Agreement, Customer shall turn over to Cardinal Health any of Cardinal Health's Confidential Information in their possession within a reasonable timeframe as determined by Cardinal Health. The obligations of this Section and its subsections shall survive the termination or expiration of this Agreement.
- b. No copies of the Confidential Information shall be made by the receiving party except as may be necessary to perform Services relating to the Confidential Information as requested by the disclosing party. Upon the written request of the disclosing party, the receiving party shall either destroy or return to the disclosing Party all tapes, diskettes, or other media upon which the disclosing party's Confidential Information is stored, and all copies thereof, if any. If a disclosing party requests that the receiving party destroy any Confidential Information, the receiving party shall destroy such Confidential Information when possible and certify in a writing to be delivered to the disclosing party upon request that such destruction has been completed. Notwithstanding the above, Cardinal Health shall be entitled to retain any copies of records or documents related to the Services for the purpose of responding to any anticipated or potential audits or inquiries from pharmaceutical or device companies or government representatives regarding such documents or records. Cardinal Health shall maintain the confidentiality of any such records while they remain in Cardinal Health's possession and shall destroy any such records when Cardinal Health determines, in its sole discretion, that such records are no longer needed.
- c. Each party shall be deemed to be the owner of all Confidential Information disclosed by it hereunder, including all patent, copyright, trademark, service mark, trade secret and any and all other proprietary rights and interests therein, and parties each agree that nothing contained in this



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Agreement shall be construed as granting any rights, by license or otherwise, in or to any Confidential Information disclosed pursuant to this Agreement.

- d. The parties acknowledge that the unauthorized disclosure, use or disposition of Confidential Information could cause irreparable harm and significant injury that may be difficult to ascertain. Accordingly, the parties agree that the disclosing party shall have the right to an immediate injunction without bond in the event of any breach of the Confidentiality provisions of this Agreement, in addition to any other remedies that may be available to the disclosing party at law or in equity.
- e. Cardinal Health recognizes that Customer is a public agency and subject to the California Public Records Act ("PRA"), Government Code §§7920.000, et seq. Cardinal Health will work with Customer to provide necessary information (e.g., a copy of the Agreement with Cardinal Health's Confidential Information redacted for Customer's response to a PRA request) to facilitate Customer's timely meeting Customer's legal obligations with respect to any legally required disclosure. If requested pursuant to a PRA request to disclose the redacted copy of the Agreement referenced in the immediately preceding sentence or any documents which contain Cardinal Health's Confidential Information, Customer will give Cardinal Health notice and a copy of such PRA request at least seven (7) days prior to the applicable statutory deadline to which Customer are required to produce records responsive to such request so that Cardinal Health may review the requested records. Cardinal Health may request Customer withhold, or redact those portions of, such records that Cardinal Health asserts are confidential or exempt from disclosure as provided under California law except that this Agreement, its terms, and the prices charged to Customer shall not be confidential or considered Confidential Information. Prior to any required disclosure, Customer and Cardinal Health will discuss how Customer will respond. Cardinal Health may seek a protective order, and Customer will reasonably cooperate with Cardinal Health's efforts to protect any Cardinal Health Confidential Information against disclosure, provided that in no event will Customer be required to initiate legal action to avoid the disclosure. If a requestor seeks to obtain the redacted information through a court proceeding, Customer will promptly notify Cardinal Health allowing Cardinal Health reasonable time to oppose such request. If, after Cardinal Health receives notice in accordance with the preceding sentence, Customer is required to disclose such information by court order, then Customer may disclose such information pursuant to the requirements of the statute and such binding court order (except if Cardinal Health may seek a stay of such court order, then not until Cardinal Health's time to seek such stay has expired or the stay is finally denied). In the event that Cardinal Health does timely file with a court of law to seek a protective order, only following the final judgment in such action, or earlier with Cardinal Health's written consent or if Cardinal Health's time to obtain such protective order has expired, may Customer disclose such information as required by law. In any court proceeding to restrict disclosure of Cardinal Health's Confidential Information pursuant to a PRA request, Cardinal Health will not unreasonably withhold its consent if Customer seeks to excuse itself from such proceeding, provided such excusal does not limit Cardinal Health's ability to seek, assert, or enforce a protective order. Cardinal Health agrees to defend and indemnify Customer from any costs (including attorneys' fees) and damages claimed to be owed to the requestor under the PRA that are directly and proximately caused by Customer not disclosing, at Cardinal Health's request, any document or portion thereof, to the extent such costs and damages are incurred during the period beginning when Customer refused to disclose such document or portion thereof at Cardinal Health's request until the time that Cardinal Health directs Customer to release such document or portion thereof (or, if Cardinal Health fails to do so, until such costs and damages otherwise cease to be incurred); provided, however, that (i) Customer promptly notified Cardinal Health in writing of any PRA request or other attempt to compel production of such Cardinal Health's Confidential Information, promptly provide Cardinal Health with the information reasonably required for the defense of the same, and grant Cardinal Health exclusive control over the defense and settlement of the claim, and (ii) Customer have not, without Cardinal Health's express written consent or a valid court order (except if Cardinal Health may seek a stay of such court order, then not until Cardinal Health's time to seek

such stay has expired or the stay is finally denied), disclosed to any third party, such Cardinal Health's Confidential Information that Cardinal Health has requested not be disclosed.

5.02 Insurance Without limiting any other obligation or liability under this Agreement, each Party agrees that upon execution of this Agreement and through its entire effective period, each Party shall, at its own cost and expense, obtain and maintain insurance coverage with limits and conditions not less than those specified below:

- a. Commercial General Liability insurance with a per occurrence limit of not less than two million dollars (\$2,000,000).
- b. Professional Liability insurance with a limit of not less than five million dollars (\$5,000,000).
- c. Workers' Compensation and Employer's Liability insurance with statutory limits for Workers' Compensation and Employer's Liability insurance limits of not less than one million dollars (\$1,000,000). Each Party shall waive subrogation rights against the other and each Party shall obtain a waiver from any insurance carriers with which it carries workers' compensation insurance releasing the carrier's subrogation rights against the other.
- d. Cyber Liability Insurance with a limit of not less than five million dollars (\$5,000,000).
- e. In the event that Cardinal Health owns inventory or equipment stored in the Pharmacy or other area of the Customer facility, then Customer shall ensure that their General Liability policy shall cover such property at replacement cost with Cardinal Health, Inc. named as additional insured or loss payee.
- f. In the event that any of the above-described insurance policies are written on a claims made basis, then such policy(ies) shall be maintained during the entire period of this Agreement and for a period of not less than five (5) years following the termination or expiration of this Agreement.

The Parties hereby acknowledge and agree that each may self-insure and self-administer all or any portion of the required insurance and to the extent that each does self-insure, such insurance will not be deemed to exceed the scope of coverage and/or limits that would have been provided in an actual policy of insurance that satisfies the insurance requirements set forth in this Section. Further, no insurance coverage maintained by either Party, whether self-insurance or otherwise, will be construed to expand any indemnification obligations that may be contained in this Agreement.

The above-described insurance policies will be issued by insurance carriers with an A.M. Best Rating of at least A-VII. Upon execution of this Agreement and upon renewal of the required insurance policies, each Party shall provide evidence of the insurance required in this Agreement.

The Parties shall ensure that all agents and non-employee staff providing services at the Customer maintain and provide evidence of the same insurance that each is required to maintain as described in this Section.

5.03 Business Associate Obligations If applicable and if such does not already exist, the Parties agree to execute a separate business associate agreement as it relates to the provisions set forth herein to protect confidential patient information under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), the Privacy and Security Rules, 45 C.F.R. parts 160, 162 and 164 and the Health Information Technology for Economic and Clinical Health Act, included in Division A, Title XIII, Subtitle D of The American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, 123 Stat. 115 (February 17, 2009), and any regulations or agency guidance issued pursuant thereto ("HITECH").

5.04 Discounts Any rebates and price reductions provided in this Agreement may constitute a "discount or other reduction in price," as defined under the Medicare/ Medicaid Anti-Kickback Statute, on products and services purchased from Cardinal Health. Customer shall comply with any and all requirements imposed on buyers under 42 U.S.C. § 1320a-7b(b)(3)(A) and the "safe harbor" regulations regarding discounts or other reductions in price set forth in 42 C.F.R. § 1001.952(h). Customer may be obligated to accurately report, under state or federal programs which provide cost or charge based reimbursement, the net cost actually paid by Customer.

- 5.05 Access to Records For a period of four (4) years after Cardinal Health has performed the Services set forth in this Agreement, Cardinal Health shall make available, upon written request of the Secretary of the Department of Health and Human Services (“Secretary”), or upon request of the Comptroller General of the United States (“Comptroller”), or any of their duly authorized representatives (collectively, the “Requesting Party”), the Agreement and any books, documents, and records necessary to certify the nature and extent of the costs paid by Customer to Cardinal Health pursuant to the Product Agreement (“Access”). If Cardinal Health pays a subcontractor more than \$10,000 over a twelve (12) month period to perform the Services under this Agreement, then Cardinal Health shall obligate the subcontractor to permit Access to the Requesting Party.
- 5.06 Press Release or Public Announcements Neither Party will make any press release or other public disclosure regarding this Agreement or the transactions contemplated hereby without the other Party's express prior written consent, except as required under applicable law or by any governmental agency, in which case the Party required to make the press release or public disclosure shall use commercially reasonable efforts to obtain the approval of the other Party as to the form, nature and extent of the press release or public disclosure prior to issuing the press release or making the public disclosure.
- 5.07 Exclusion of Consequential Damages IN NO EVENT WILL EITHER PARTY HAVE ANY LIABILITY TO THE OTHER PARTY FOR ANY LOST PROFITS, LOSS OF DATA, LOSS OF USE, OR FOR ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES HOWEVER CAUSED AND, WHETHER IN CONTRACT, TORT OR UNDER ANY OTHER THEORY OF LIABILITY, WHETHER OR NOT THE PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGE. NOTWITHSTANDING ANYTHING TO THE CONTRARY, CARDINAL HEALTH'S AGGREGATE LIABILITY HEREUNDER WILL NOT EXCEED THE FEES PAID TO CARDINAL HEALTH BY CUSTOMER HEREUNDER FOR THE TWELVE (12) MONTHS IMMEDIATELY PRIOR TO THE EVENT GIVING RISE TO SUCH LIABILITY. This Section will not limit a party's right to indemnification from the other party pursuant to Section 5.11 below.
- 5.08 Data All data submitted by Customer to Cardinal Health pursuant to this Agreement (“Customer Data”) remains the sole property of Customer. Customer grants to Cardinal Health a non-exclusive, perpetual, royalty-free license to use, copy, store, modify and display the Customer Data for any lawful purpose, including without limitation, providing the service, creating reports and statistical analyses about the service such as usage or authorized user traffic patterns, and making such data available in aggregate form to third parties, provided that such information does not include Customer's name or personally identifying information. If Customer Data contains Protected Health Information as defined by 45 C.F.R. §164.501, then Cardinal Health shall de-identify that Customer Data pursuant to 45 C.F.R. § 164.514 prior to using or disclosing that Customer Data.
- 5.09 NO WARRANTIES THERE ARE NO EXPRESS OR IMPLIED WARRANTIES WITH RESPECT TO THIS AGREEMENT, THE SERVICES, OR ANY OF THE DATA OR INFORMATION, INCLUDING CONFIDENTIAL INFORMATION, DISCLOSED OR DELIVERED HEREUNDER, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY, NON-INFRINGEMENT AND/OR FITNESS FOR A PARTICULAR PURPOSE, EXCEPT AS EXPRESSLY SET FORTH IN THE AGREEMENT
- 5.10 Indemnification Each party (each an “Indemnitor”) shall indemnify and defend the other and its corporate affiliates, and any director, officer or employee thereof (each an “Indemnitee”) from and against any and all damages, liabilities, losses, fines, costs and expenses (including, but not limited to, reasonable attorneys' fees) sustained or incurred by the other in connection with any third-party claim, suit, action, investigation or proceeding (each, an “Action”) to the extent arising out of or resulting from (i) the other's breach of any representation or warranty contained in this Agreement or (ii) bodily injury, wrongful death, or tangible property damage to the extent caused by or arising from the other's negligence or willful misconduct in performance of its obligations under this Agreement.

Cardinal Health shall indemnify and defend Customer and its corporate affiliates, and any director, officer or employee thereof, against all liability (including reasonable attorney's fees) arising from any Action based on or arising out of (i) Cardinal Health's breach of the Business Associate Agreement, (ii) violation of HIPAA by fault of Cardinal Health with respect to Customer's Protected Health



## Pharmacy Services Agreement

Contract No. 00610990.0

Information ("PHI"), or (iii) any claim alleging that Cardinal Health's software and/or services infringe any patent or copyright of any third party. Customer shall indemnify and defend Cardinal Health and its corporate affiliates, and any director, officer or employee thereof, against all liability (including reasonable attorney's fees) arising from any Action based on Cardinal Health's use of any data submitted by Customer to Cardinal Health for its software and/or services ("Customer Data"), including, without limitation, any claim that any Customer Data infringes any intellectual property right of any third party, is defamatory or slanderous, or that the collection of Customer Data violates the privacy rights of any third party. Notwithstanding the foregoing, neither party is obligated to indemnify or defend the other to the extent such Action arises out of or results from the other's negligence or willful misconduct.

All indemnification obligations in this Section are conditioned upon the Indemnitee: (i) promptly notifying the Indemnitor of any Action of which an Indemnitee becomes aware (including a copy of any related complaint, summons, notice or other instrument); provided, however, that failure to provide such notice within a reasonable period of time shall not relieve the Indemnitor of any of its obligations hereunder to indemnify except to the extent such defense or counterclaim is materially prejudiced, or additional fees or costs are incurred, by such failure to give timely notice; (ii) reasonably cooperating with the Indemnitor in the defense of any such Action (at the Indemnitor's expense); and (iii) not compromising or settling any Action without prior written consent of the Indemnitor.

- 5.11 Force Majeure If a Party is reasonably prevented from performing an obligation of this Agreement because of fire, flood, wind, earthquake, explosion or other disaster, acts of military authorities, acts of civil authorities unrelated to any violation of law by the Party, war, riot, insurrection, act of terrorism or other cause beyond the Party's reasonable control (collectively, a "Force Majeure Event"), then that Party shall not be in breach of this Agreement during the period that the Party is prevented from performing the obligation because of the Force Majeure Event provided that the Party (i) promptly delivers notice to the other Party identifying the Force Majeure Event and (ii) exercises reasonable commercial efforts to resume performance as soon as is reasonably possible.
- 5.12 Assignability Neither party may assign, delegate or otherwise transfer any of its rights, duties or obligations under this Agreement without the prior written consent of the other party; provided, however, that this Agreement may be assigned by Cardinal Health to any affiliate of Cardinal Health without the consent of Customer.
- 5.13 Notices Whenever any notice, demand or request is required or permitted under this Agreement, that notice, demand, or request shall be either hand-delivered in person or sent by United States mail, registered or certified, postage prepaid, or delivered via overnight courier to the addresses below or to any other address that either party may specify by notice to the other party. Neither party shall be obligated to send more than one (1) notice to the other party, and no notice of a change of address shall be effective until received by the other party. A notice shall be deemed received upon hand delivery, three (3) days after posting in United States mail or one (1) day after dispatch by overnight courier. :

**Customer shall send such notices to:**

Cardinal Health Pharmacy Services, LLC  
Attention: Director, Retail and Remote Pharmacy Services  
13651 Dublin Ct.  
Stafford, Texas 77477

With a copy to:

Cardinal Health  
7000 Cardinal Place  
Dublin, Ohio 43017  
Attn.: Legal Department



# Pharmacy Services Agreement

Contract No. 00610990.0

**Cardinal Health shall send such notices to:**

County of San Mateo  
Attention: Chief Operating Officer  
San Mateo Medical Center  
222 W. 39<sup>th</sup> Ave  
San Mateo, CA 94403

With a copy to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- 5.14 Third Party Beneficiaries There shall be no third-party beneficiaries to this Agreement.
- 5.15 Entire Agreement/Amendment This Agreement constitutes the entire agreement and understanding of the parties regarding the subject matter of the Agreement and supersedes all prior written and oral agreements, proposals, and understandings between the parties regarding the subject matter of the Agreement. No changes to the Agreement shall be effective unless signed by each.
- 5.16 Governing Law This Agreement has been executed and delivered and shall be construed and enforced in accordance with the laws of the State of California, without regard to choice of law principles.
- 5.17 Non-severability The unenforceability of any one (1) or more of the words, phrases, sentences, clauses, or sections contained in this Agreement shall not affect the validity or enforceability of the remaining provisions of this Agreement or any part of any provision, all of which are inserted conditionally on their being valid in law, and in the event that any one or more of the words, phrases, sentences, clauses or sections contained in this Agreement shall be declared invalid or unenforceable, this Agreement shall be construed as if that invalid or unenforceable word or words, phrase or phrases, sentence or sentences, clause or clauses, or section or sections had not been inserted or shall be enforced as nearly as possible according to their original terms and intent to eliminate any invalidity or unenforceability.
- 5.18 Non-Employment During the term of this Agreement, Customer may not directly solicit for employment any Cardinal Health employee providing Services under this Agreement.
- 5.19 Waiver of Breach The waiver of either party of a breach or violation of any provision of this Agreement shall not operate as, or be construed to be, a waiver of any subsequent breach of the same or other provision of this Agreement.
- 5.20 Adverse Impact on Tax Status If and to the extent that Customer is exempt from tax under Section 501(c)(3) of the Internal Revenue Code, nothing in this Agreement shall be construed to require Customer to take any action or omit to take any action which, in the reasonable opinion of Customer's tax or bond counsel, may have an adverse impact on the tax-exempt status of Customer or result in the imposition of intermediate sanctions under Section 4958 of the Internal Revenue Code of 1986, as amended, on Customer or its officers or directors. In the event implementation of any provisions of this Agreement presents in the reasonable opinion of counsel for Customer a material risk of loss of the Customers' tax exempt status or the imposition of sanctions, or if any provision of this Agreement is held invalid, illegal or unenforceable, Customer and Cardinal Health shall promptly negotiate in good faith a lawful, valid and enforceable provision that is an similar in terms to such invalid or possibly invalid provision as may be possible while giving effect to then future benefits and burdens accruing to the parties hereunder, and which removes the risk, if any, of loss of Customers' tax exempt status and/or the imposition of sanctions, and the remaining provisions of this Agreement shall remain binding on the parties hereto.
- 5.21 Agreement Signatures This Agreement may be executed in one or more counterparts, each of which shall constitute an original, but all of which together shall constitute one instrument. Signatures to this



## Pharmacy Services Agreement

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Agreement may be delivered by facsimile, by electronic mail (e.g., a ".pdf" file) or by any other electronic means that is intended to preserve the original appearance of the document, and such delivery will have the same effect as the delivery of the paper document bearing the actual, hand-written signatures.

- 5.22 Authority/Execution Each signatory to this Agreement represents and warrants that he or she possesses all necessary capacity and authority to act for, sign, and bind the respective entity or person on whose behalf he or she is signing.

Cardinal Health Pharmacy Services, LLC

By:   
Ronnie Strickland (Feb 4, 2026 09:10:59 EST)

Print: Ronnie Strickland

Title: National Operations Director

Date Signed: 2/4/26

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COUNTY OF SAN MATEO

By:

President, Board of Supervisors, San Mateo County

Date:

ATTEST:

By:

Clerk of Said Board