

Rental Agreement and Support Agreement

Cardinal Health
 Mailing Address:
 Cardinal Health 301, Inc.
 3750 Torrey View Court
 San Diego, CA 92130
 Attention: Contracts Department

Customer Legal Name and Address		Billing Name and Address		Name and Delivery Address	
Org:	San Mateo Medical Center	Name:	San Mateo Medical Center	Name:	San Mateo Medical Center
Legal Name:	San Mateo Medical Center	St. Address:	222 W. 39th Avenue	St. Address:	222 W. 39th Avenue
St. Address:	222 W. 39th Avenue	City, St. Zip:	San Mateo, CA 94403	City, St. Zip:	San Mateo, CA 94403
City, St. Zip:	San Mateo, CA 94403	Phone #:	650-573-2366	Phone #:	650-573-2366
Phone #:	650-573-2366	Customer #:	105039	Ship To #:	105039
Customer #:	105039				

The prices and support fees stated in this agreement are offered by Cardinal Health for acceptance by the customer by June 13, 2003.

Pyxis Products			Cardinal Internal Data	Rental Terms					Support Terms				
Product #	Product Name	Qty		Rental Term (Months)	List Monthly Rental Fee	Rental Discounts GPO % Qty % Unit Discount	Net Monthly Rental Fee	Extended Monthly Rental Fee	Support Term (Months)	List Monthly Support Fee	Support Discounts GPO % Qty %	Not Monthly Support Fee	Extended Monthly Support Fee
	2SN Mndtr 3Prem Bio	4	NEW	60	\$956	9% 3%	\$844	\$3,376	60	\$105	9% 0%	\$96	\$384
	7MS+ Mndtr 3Prem BioNI	4	NEW	60	\$746	9% 3%	\$669	\$2,580	60	\$105	9% 0%	\$96	\$384
	Remoin Mgr - Med	1	NEW	60	\$65	9% 0%	\$60	\$0	60	\$0	9% 0%	\$0	\$0
	Aux 7 drwr +0Prem	3	NEW	60	\$458	9% 3%	\$404	\$0	60	\$48	9% 0%	\$44	\$14
	2SNCons+wkstnI1+1ptr	1	NEW	60	\$935	9% 3%	\$774	\$561	60	\$200	9% 0%	\$182	\$182
	Aux 7 drwr +0Prem	3	NEW	60	\$458	9% 3%	\$404	\$0	60	\$48	9% 0%	\$44	\$132
	Below furnished No-Charge with SN package												
MCM66DR	Cuhie Repln Grn	1	NEW	60	\$0	9% 3%	\$0	\$0	60	\$0	9% 0%	\$0	\$0
SPP	PyxisPage	1	NEW	60	\$0	9% 0%	\$0	\$0	60	\$0	9% 0%	\$0	\$0
Mdxxx	SM PARx (1-10 Mns)	1	NEW	60	\$0	9% 3%	\$0	\$0	60	\$0	9% 0%	\$0	\$0
	TOTAL Pyxis Units	17						\$5,956					\$1,128
	Product Training Units	4.0											

The Rental Agreement and Support Agreement stated in this document are two separate and distinct contracts between Cardinal Health and Customer. The two contracts are stated in this single document for administrative convenience only.

Rental Agreement: Cardinal Health shall rent to Customer and Customer shall rent from Cardinal Health each Pyxis Product identified above on the Rental Terms stated herein and the terms and conditions stated in the Master Rental Terms and Conditions identified below and incorporated into this Rental Agreement by reference. Cardinal Health shall license, not rent, any software identified above or integrated into any Pyxis Product identified above.

Support Agreement: Cardinal Health shall support and Customer shall accept support of each Pyxis Product above on the Support Terms stated herein and the terms and conditions stated in the Master Support Terms and Conditions identified below and incorporated into this Support Agreement by reference.

Product Training Units ("PTU"): Cardinal Health will provide Customer the PTUs stated above. PTUs may be used in lieu of dollars to purchase Cardinal Health training courses. Complete information regarding training classes, rates and redemption of PTUs can be found at <http://class.pyxis.com>. The PTUs provided herein are valid from the signature date below until one (1) year after the Term Begin Date for the Support Agreement.

Offer Date	April 28, 2003	Master Rental Terms and Conditions	April 28, 2003	Master Support Terms and Conditions Date	April 28, 2003	Support Option :	Pyxis - B4r
San Mateo Medical Center				Cardinal Health 301, Inc.			
Will a Purchase Order be required for payment of the financial obligations proposed under this agreement Yes? _____ or No? _____ If Yes, PO# _____							
Each person signing this document represents that the person intends to and has the authority to bind his/her respective Party to the Rental Agreement and separate Support Agreement set forth in this document.							
Signature	_____ Rose Jacobs Gibson			Signature	_____ AL PACHECO		
Print Name	President, Board of Supervisors			Print Name	CONTRACT SPECIALIST		
Title	San Mateo County			Title			
Date	_____/_____/_____			Date	6/16/03		

Cardinal Health Use Only:	Contract #	Sales Assoc & Phone:	Vic. Ranzano 1-800-788-6245 x2433	Attachments:	_____
	Cardinal Health Price Catalog dated:	Interest rate	6.00%		_____
	GPO:	DISCOUNTS:	Q1Y 3% GPO 9%		_____
	IDN				_____

version 4/1/02, last updated 4/1/02



**IMPLEMENTATION SCHEDULE
San Mateo Medical Center**

Offer Date: April 28, 2003

Date of this Implementation Schedule: April 28, 2003

This Implementation Schedule applies to the Pyxis Products identified in the Rental Agreement or Purchase Agreement identified by date above ("Agreement"). Cardinal Health and the Customer shall use their best efforts to complete each Activity described below on or before the Completion Date stated for that Activity. If an "Exception" is stated below for one or more Pyxis Products for a particular Activity, then the Description of the Exception shall apply to the identified Pyxis Product(s) for the particular Activity only. Capitalized terms in this Implementation Schedule shall have the same meaning as used in the Agreement. If Customer fails to provide access or otherwise permit Cardinal Health to conduct an Implementation Activity, then Cardinal Health may re-schedule the activity and, upon invoice, Customer shall reimburse Cardinal Health for expenses incurred to re-schedule the activity.

Activity	Description	Completion Date
Customer Prepared for Installation	Customer shall complete all tasks required of Customer pursuant to the System Implementation Section of the Agreement.	August 1, 2003
Delivery of Pyxis Products	Cardinal Health shall complete delivery of the Pyxis Products. Cardinal Health shall provide one-day advance notice of the anticipated delivery time.	August 15, 2003
Exceptions:		
Customer Interfaces	Customer shall prepare Customer's side of all applicable interfaces to permit Customer's system and interfaces to function with the Pyxis System in accordance with Pyxis Product specifications.	September 1, 2003
Pyxis Interfaces	Delivery of Interface from 3rd party software vendor	September 1, 2003
	ADT Interface	September 1, 2003
	Billing Interface	September 1, 2003
	Charting Interface	N/A
	Materials Interface	N/A
	Profile Interface (Note: If Customer elects not to implement the profile functionality by the Term Begin Date or if Customer is otherwise unable to implement profile functionality by the Term Begin Date, then Customer shall nonetheless pay the Net Monthly Rental Fees stated in the Rental Agreement for the profile units beginning on the Term Begin Date)	September 1, 2003
Training	Customer shall prepare the training site and organize attendance for appropriate Customer personnel to permit the training activities identified below to be completed by their respective Completion Dates.	To Be Determined
	System Orientation and User Training	To Be Determined
	System Manager Training	To Be Determined
	Nurse Training	2-3 weeks prior to go-live

Event	Description	Date
Go Live Date	The Pyxis Products shall be installed and functioning in accordance with the material provisions of their respective user manuals.	December 15, 2003
Exceptions:		
Term Begin Date	If the Agreement is a Rental Agreement, then the Rental Term for each Pyxis Product shall begin on the Term Begin Date. If the Agreement is a Purchase Agreement, then Customer shall pay the Net Purchase Price for each Pyxis Product within 30 days of the Term Begin Date. If, due to the sole fault of Cardinal Health, a Pyxis Product is not Accepted until after the Term Begin Date, then the Term Begin Date shall be the date the Pyxis Product is Accepted. (Note: If previously-installed Pyxis Products are being upgraded or subject to new terms and conditions, then the previously-applicable terms and conditions, including payment terms, for these Pyxis Products shall remain in full force and effect until the Term Begin Date).	January 1, 2004
Exceptions:		

Each person signing this Implementation Schedule represents that he/she intends to and has the authority to bind his/her respective Party to this Implementation Schedule.

San Mateo Medical Center	CARDINAL HEALTH 301, INC.
Signature _____	Signature
Print Name <u>Rose Jacobs Gibson</u>	Print Name <u>AL PACHECO</u>
Title <u>President, Board of Supervisors San Mateo County</u>	Title <u>CONTRACT SPECIALIST</u>
Date _____	Date <u>6/10/03</u>

version 04/2002



**ADDENDUM TO RENTAL AGREEMENT
GOVERNMENTAL ENTITY AS CUSTOMER**

The Rental Agreement (the "Agreement") dated April 28, 2003 between Cardinal Health 301, Inc. ("Cardinal Health") and the Customer identified below is amended and supplemented as follows. Terms defined in the Agreement shall have the same meanings in this addendum, unless otherwise defined herein.

1. Non-Appropriation of Funds

Notwithstanding anything in the Agreement to the contrary, in the event that you are not, during the term of the Agreements, granted an appropriation for funds sufficient to satisfy your payment obligations hereunder and funds are otherwise not available to you to pay the rental payments, and there is no other legal procedure of available funds by or with which payment can be made, your failure to make payments when due hereunder relative to those Pyxis Products for which you do not have sufficient funding will not be deemed to be a breach or default under the Agreement provided that (1) you immediately notify us in writing of your inability to pay and specify in such notice the reasons for that inability, which Pyxis Products or services are affected by that inability and what amounts, if any, you are able to pay, (2) the non-appropriation of funds did not result from any act or omission by you or your agent, contractors, employees, officers or directors, (3) you upon our request immediately return the Pyxis Product(s) for which you cannot pay to us (at your expense, to a destination we direct, in good working condition); and (4) you do not thereafter acquire functionally similar equipment from a vendor other than Cardinal Health for a period equal to the term remaining in the Agreements. If after such notice and during what would have been the remaining term of the Agreement funds are made available to you for equipment which is functionally similar to the Pyxis Products, you agree, at our option, to purchase, lease or otherwise acquire such equipment from us and if you continued to make use of the Pyxis Product(s) after said notice to immediately pay all outstanding amounts due hereunder, i.e., all amounts that would have or should have been made if the funding had been in place throughout the term of the Agreement.

2. Representations and Warranties of Customer

You represent and warrant to us that as of the date of, and throughout the term of the Agreements: (a) You are the entity indicated above and are a state or a political subdivision of the state in which located, you are duly organized and existing under the Constitution and laws of said state, and are duly authorized to enter into the Agreements and any related documents (the "Documents"). (b) The Documents have been authorized and delivered to you in accordance with all applicable laws, rules, ordinances, and regulations. The Documents are valid agreements and are enforceable in accordance with their terms. The person(s) signing the Documents have the authority and are authorized to do so, and hold the offices indicated below the respective signatures, each of which is genuine. (c) The Pyxis Product(s) is essential to the immediate performance of a governmental function and will be used during the Term of the Agreements only by you and only to perform such function. (d) You have complied fully with all applicable laws governing meetings, public bidding and appropriations required in connection with the Agreements. (e) Unless you have otherwise notified us in writing, the Pyxis Product(s) and the Agreements are exempt from all sales and/or use taxes. (f) Your obligations to pay rent under the Agreements constitute a current expense and not a debt of yours under applicable state law. No provision of the Agreements constitutes a pledge of the tax or general revenues of you, and any provision which is so construed by a court of competent jurisdiction is void from the inception of the Agreements. (g) All payments due under the Agreements for the current fiscal year of yours are within the fiscal budget for such year, and are included within an unencumbered appropriation currently available for the rental of the Equipment. (h) The financial statement, certificates or summaries relating to your financial condition delivered by you to us fairly represents the position of the Agreements as of the stated date(s) and period(s), and there has been no material adverse change in your financial condition since the date of the most recently delivered financial information. (i) No event which would be defined as a non appropriation, as set forth in Section 1 above, has occurred, nor is it presently known that any such event will occur under any lease or contract by which you are bound.

EACH PERSON SIGNING THIS ADDENDUM REPRESENTS THAT HE/SHE INTENDS TO AND HAS THE AUTHORITY TO BIND HIS/HER RESPECTIVE PARTY TO THIS ADDENDUM.

CUSTOMER

CARDINAL HEALTH 301, INC.

Legal Name: San Mateo Medical Center

Signature: _____

Print Name: Rose Jacobs Gibson

Title: President, Board of Supervisors
San Mateo County

Date: _____

Signature: 

Print Name: AL PACHECO

Title: CONTRACT SPECIALIST

Date: 6/10/03



Addendum to Purchase or Rental Agreement

Dated: 4/28/03

Mail to:
Cardinal Health
3750 Torrey View Court
San Diego, CA 92130
Attn: Contracts Department

The parties wish to add the terms included in this Addendum to Rental or Purchase Agreement ("Addendum") to the Rental or Purchase Agreement (the "Agreement") as if the Addendum had been signed simultaneously with the Agreement. Thus, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree that the following terms were and are hereby added to the Agreement as of the effective date of the Agreement regardless of the date on which this Addendum is signed by the parties. We use the words "you" and "your" to mean the Customer indicated below.

- OWNERSHIP.** The Lexi-Comp Licensed Databases identified or included in your Purchase Agreement or Rental Agreement or any Supplement thereto, are the sole and exclusive property of Lexi-Comp, Inc. ("Lexi-Comp") (or its parents, subsidiaries, affiliates, or designees) or its suppliers. By paying the fee required for this license, you do not become the owner of the Licensed Databases, but are entitled to use them according to the terms of this Agreement. If you are a rental customer, you have acquired the right to use and access the Licensed Databases for a specific limited period of time, i.e., the period of your rental agreement. At the end of this period, your license and associated rights, such as technical support, expire automatically, unless you have renewed your rental agreement. If you are a purchase customer, your license will continue indefinitely. For both purchase and rental customers the Agreement and your license to use the Licensed Databases will also terminate if you fail to comply with any term or condition in this Agreement. The intellectual property, including without limitation any and all rights under copyright, in the Licensed Databases is owned by Lexi-Comp, Inc. Copying of the Licensed Databases or any part thereof, incision in other software, reverse engineering, or modifications are expressly forbidden. No part of the Licensed Databases may be copied for resale or posted on public bulletin boards, web sites, Internet domains, or online chatrooms. However, you may print out individual articles containing only insubstantial portions of the Licensed Databases from the most current version of the database and only for your personal educational use if you include a source reference to Lexi-Comp, and its copyright notice. Access to and use of certain Licensed Databases may be disabled by Lexi-Comp or Cardinal Health 301, Inc. ("Cardinal Health"). In such event, you may not use the Licensed Database unless or until Cardinal Health or Lexi-Comp provide you with an access key or other enabling code.
- USE OF PROFESSIONAL JUDGMENT.** The editors and authors have conscientiously and carefully tried to create the identified diagnosis measures, treatment alternatives and drug dosages that conform to the standards of professional practice that prevailed at the time of publication. However, standards and practices in medicine change as new data become available and the individual medical professional should consult a variety of sources. In addition, when prescribing medication, the user is advised to check the product information sheet accompanying each drug to verify conditions of use and identify any changes in dosage schedule or contraindications, particularly if the agent to be administered is new, infrequently used or has a narrow therapeutic range. The information provided is no substitute for individual patient assessment based upon the healthcare provider's examination of each patient and consideration of laboratory data and other factors unique to the patient. The Licensed Databases should be used as a tool to help the user reach diagnostic and treatment decisions, bearing in mind that individual and unique circumstances may lead the user to reach decisions not presented in the Licensed Databases.
- LIMITED WARRANTY.** Neither Lexi-Comp nor Cardinal Health directly or indirectly practice medicine or dispense medical services and, as such, assume no liability for data contained herein. The licensee assumes full responsibility for the appropriate use of medical information contained in the product and agrees to hold Lexi-Comp, Cardinal Health and their third party providers harmless from any and all claims or actions arising from licensee's use of the product. Cardinal Health, Lexi-Comp and their third party providers deliver in "AS IS" CONDITION WITH NO WARRANTY PROVIDED OR ASSUMED, this Database, the Software and documentation describing them. THIS WARRANTY IS IN LIEU OF ANY AND ALL OTHER WARRANTIES, WRITTEN OR ORAL, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY OR WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE, ALL OF WHICH CARDINAL HEALTH AND LEXI-COMP DISCLAIM.
- LIMITATION OF LIABILITY.** IN NO EVENT WILL LEXI-COMP, CARDINAL HEALTH OR ANY OTHER PARTY WHO HAS BEEN INVOLVED IN THE CREATION, PRODUCTION, PROMOTION OR MARKETING OF THE LICENSED DATABASES BE LIABLE FOR SPECIAL, INDIRECT, INCIDENTAL, RELIANCE OR CONSEQUENTIAL DAMAGES, INCLUDING LOSS OF DATA OR PROFITS OR FOR INABILITY TO USE THE LICENSED DATABASES, TO ANY PARTY EVEN IF LEXI-COMP, CARDINAL HEALTH OR SUCH OTHER PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. IN NO EVENT SHALL LEXI-COMP, CARDINAL HEALTH OR SUCH OTHER PARTY'S LIABILITY FOR ANY DAMAGES OR LOSS TO YOU OR ANY OTHER PARTY EXCEED THE LICENSE FEE YOU PAID FOR THE LICENSED DATABASES. Some states do not allow limitations on how long an implied warranty lasts and some states do not allow the exclusion or limitation of incidental or consequential damages, so the above limitation and exclusion may not apply to you. This warranty gives you specific legal rights, and you may also have other rights which vary from state to state. You agree that this Agreement shall not be subject to the United Nations Convention on Contracts for the International Sale of Goods.

This Addendum together with the Agreement constitutes the entire agreement and understanding of the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements, proposals, bids/bid responses, and understandings between the parties relative to the subject matter hereof. Any conflict between this Addendum and the Agreement shall be resolved in favor of this Addendum. The terms of the Agreement that were not expressly modified in this Agreement are hereby reaffirmed. No changes to this Addendum will be made or be binding upon either party unless made in writing and signed by each party.

Customer SAN MATEO MEDICAL CENTER

Signature _____
 Print Name Rose Jacobs Gibson
 Title President, Board of Supervisors
 Date San Mateo County

Cardinal Health 301, Inc.

Signature _____
 Print Name AL PACHECO
 Title CONTRACT SPECIALIST
 Date 6/10/03



Master Rental Terms and Conditions

Dated: April 28, 2003
Customer: San Mateo Medical Center

These Master Rental Terms and Conditions shall be incorporated into and made a part of each Rental Agreement executed by Cardinal Health 301, Inc. ("Cardinal Health") and the customer identified in the signature block below ("Customer"), each a "Party" and, collectively, the "Parties." Each Rental Agreement shall constitute a separate, independent contract between the Parties. "Pyxis Products" means, collectively, the Pyxis Products identified in any single Rental Agreement, including the software identified in the Rental Agreement or integrated into any of the Pyxis Products (collectively, "Software"). Capitalized terms used herein shall have the meanings defined herein or as used in the Rental Agreement. Each separate Rental Agreement, together with these incorporated Master Rental Terms and Conditions, shall be referred to as a "Rental Agreement" herein. Execution of this Master Rental Terms and Conditions document, by itself, does not obligate Cardinal Health or Customer to rent any Pyxis Products.

1. Delivery; Risk of Loss. Each Pyxis Product shall be shipped FOB destination to the "ship-to" location stated in the Rental Agreement. From the time Customer receives Delivery of a Pyxis Product until Cardinal Health accepts return delivery of the Pyxis Product, Customer shall be responsible for any loss of or damage to the Pyxis Product from any cause other than normal wear and tear ("Loss"), provided that Customer shall not be responsible for any portion of Loss caused by Cardinal Health's negligence.

2. Security Interest. If it is determined that the Rental Agreement does not constitute a true lease, then Customer shall be deemed to have granted Cardinal Health a security interest in the Pyxis Products and all accessions, substitutions, replacements therefore, and proceeds thereof (including insurance proceeds) to secure all obligations pursuant to the Rental Agreement.

3. Implementation. Cardinal Health and Customer shall perform the respective implementation activities stated below ("Implementation Activities") one time to implement each Pyxis Product:

Customer Obligations: Customer's dedication of appropriate resources is necessary to permit and facilitate smooth implementation of a Pyxis Product. Customer shall provide adequate personnel, clean commercial power, necessary communication lines, and sufficient clean space (maintained at a temperature between 50°F and 80°F) for all Implementation Activities. Customer shall appoint a System Manager who shall be available during business hours and responsible to define policies/procedures and to coordinate planning, installation, and set-up.

Installation: If Customer has satisfied the obligations stated above, then Cardinal Health shall stage and install the Pyxis Product at the ship-to location identified in the Rental Agreement.

Development of Interfaces: Cardinal Health shall provide Cardinal Health's side of the following standard interfaces (if applicable to the Pyxis Product): (i) ADT Interface; (ii) Billing Interface; (iii) Materials Management Interface (which consists of a one-way outbound message); and/or (iv) Patient Profile Interface (if the Pyxis Product is a part of a MedStation® Rx or SN System). Customer shall provide Pyxis Product-compatible hardware and software necessary to complete the interface to Customer's system.

Communications Infrastructure: Cardinal Health shall provide software and, if necessary, hardware to permit the Pyxis Product to communicate through Cardinal Health's side of the interface.

Documentation: Cardinal Health shall provide Customer one copy of the current user manual for the Pyxis Product.

4. Acceptance. A Pyxis Product shall be deemed accepted by Customer ("Accepted") when the Implementation Activities regarding the Pyxis Product are completed and the Pyxis Product functions in accordance with the material specifications of its user manual.

Customer shall execute an electronic or paper Equipment Confirmation for a Pyxis Product on the date the Pyxis Product is Accepted.

5. Initial Rental Term. The "Rental Term" for a Pyxis Product consists of any period of time that Cardinal Health leases the Pyxis Product to Customer pursuant to the Rental Agreement. The period of the initial Rental Term for each Pyxis Product shall be the number of months stated in the Rental Agreement for the Pyxis Product. The initial Rental Term for a Pyxis Product shall commence on the Term Begin Date stated in the Implementation Schedule applicable to the Pyxis Product, if any. If there is no Implementation Schedule or if there is no Term Begin Date stated in the Implementation Schedule, then the initial Rental Term for a Pyxis Product shall commence on the first day of the month following the date the Pyxis Product is Accepted.

6. Automatic Continuation of Rental Term. If, at least sixty (60) days prior to the conclusion of the initial Rental Term for a Pyxis Product, Customer provides notice that Customer shall return the Pyxis Product at the conclusion of that initial Rental Term, then that Rental Term shall expire at the end of the initial Rental Term. If Customer does not provide notice pursuant to the preceding sentence, then the following terms shall apply at the end of the initial Rental Term: (i) the Rental Term shall continue on a month-to-month term basis; (ii) the Monthly Rental Fee shall be the month-to-month Rental Fee stated for the Pyxis Product in the then-current Pyxis Product Price Catalog; and (iii) either Party may terminate this continued Rental Term effective upon thirty (30) days prior notice.

7. Payment of Monthly Rental Fees. Customer shall pay the Net Monthly Rental Fee stated in the Rental Agreement ("Monthly Rental Fee") for each Pyxis Product on the first day of each month during the Rental Term.

8. Taxes. Monthly Rental Fees do not include any taxes. Customer shall pay when due any sales, use, rental, property, or other taxes or assessments of any kind (other than any tax based solely on Cardinal Health's net income) and related interest and penalties arising from the transactions pursuant to the Rental Agreement. If Cardinal Health pays an amount that Customer is obligated to pay under this Section, then Customer shall promptly reimburse Cardinal Health.

9. Cash Application; Late Charges. Cardinal Health shall apply all payments according to Cardinal Health's then-current cash application procedures. If Customer does not pay an amount due to Cardinal Health pursuant to any provision of the Rental Agreement on or before the due date, then Customer shall pay a late charge on the unpaid amount at the rate of one and one-half percent (1.5%) per month, prorated on a daily basis, or the highest rate allowed by law (whichever is lower).

MASTER RENTAL TERMS AND CONDITIONS

10. Use of Pyxis Products. Customer shall have possession of each Pyxis Product during the Rental Term for the Pyxis Product. Customer shall use each Pyxis Product only (i) during a Rental Term for the Pyxis Product; (ii) at the specific location in Customer's facility at which the Pyxis Product is implemented (unless Cardinal Health provides prior written approval for a different location); (iii) for Customer's internal business purposes; (iv) in the manner described in the user manual for the Pyxis Product; and (v) in accordance with applicable laws and regulations. Customer shall not modify a Pyxis Product and shall not install or use any software not provided by Cardinal Health on a Pyxis Product.

11. Separate Support Agreement. Customer shall execute a Support Agreement with Cardinal Health for support of each Pyxis Product during the Rental Term of the Pyxis Product.

12. Grant of Limited Software License. Subject to the terms and conditions of the Rental Agreement, Cardinal Health hereby grants Customer a limited, non-exclusive, non-transferable license to use the Software. Customer (i) shall use integrated Software only as an integrated part of Pyxis Products; (ii) shall not separate integrated Software from any Pyxis Product; (iii) shall not translate, disassemble, decompile, reverse engineer, alter or modify the Software; (iv) shall not make any copies of the Software or its documentation (except one (1) copy for back-up or archival purposes); and (v) may use the Software only during the period that the Software is licensed or is integrated in a Pyxis Product that is leased pursuant to the Rental Agreement. The Software is owned or licensed by Cardinal Health and is protected by copyright and other laws. The structure and organization of the Software and the Pyxis Products represent Cardinal Health trade secrets. Except as provided in [Section 22](#) herein, Customer shall not sell, assign, sublicense, or transfer the Software. Customer shall not disclose or permit any third party access to the Software, documentation or the structure and organization of the Software and the Pyxis Products.

13. Intellectual Property Indemnity.

(a) **Duties of Notice and Cooperation.** Customer shall provide notice to Cardinal Health promptly after Customer receives actual notice of any demand, claim, suit, or proceeding against Customer that claims that a Pyxis Product infringes any patent, copyright, trade secret or other proprietary right of a third party (an "Infringement Claim"). Customer shall authorize Cardinal Health to have sole control of the defense and/or settlement of each Infringement Claim. Upon Cardinal Health's request, Customer shall provide reasonable cooperation in the defense and/or settlement of the Infringement Claim.

(b) **Indemnity.** If Customer complies with all of the requirements of [Section 13\(a\)](#) herein regarding an Infringement Claim, then Cardinal Health at its expense shall (i) defend the Infringement Claim; (ii) pay any damages and costs assessed against Customer (or payable by Customer pursuant to a settlement agreement) arising out of the Infringement Claim; and (iii) reimburse Customer for reasonable costs and expenses incurred by Customer to provide the cooperation requested by Cardinal Health pursuant to [Section 13\(a\)](#) herein.

(c) **Limitation of Indemnity.** Cardinal Health shall have no obligation of any kind to Customer regarding an Infringement Claim if the Infringement Claim arises from (i) Customer's use of the Pyxis Product in breach of the Rental Agreement or (ii) in a manner not expressly authorized by the Rental Agreement.

(d) **Option to Modify.** If Cardinal Health determines that a Pyxis Product might infringe any United States patent, copyright, trade secret or other proprietary right of a third party, then Cardinal Health may, at its option, take one or more of the following actions: (i) replace the Pyxis Product with a substantially equivalent Pyxis Product; (ii) modify the Pyxis Product in a manner that does not substantially affect the performance of the Pyxis Product; or (iii)

procure the right for Customer to use the Pyxis Product without modification.

This [Section 13](#) states Customer's exclusive remedy and Cardinal Health's total liability to Customer regarding any Infringement Claim.

14. Limited Warranty. For a period of ninety (90) days after the date a Pyxis Product is Accepted, the Pyxis Product shall perform in accordance with the material specifications of its user manual (the "Limited Warranty"). If, because of a defect in workmanship or material, the Pyxis Product fails to perform in accordance with the Limited Warranty, then, as Customer's sole remedy, Cardinal Health shall promptly repair or replace, at Cardinal Health's option, the Pyxis Product or any part thereof. **EXCEPT FOR THE LIMITED WARRANTY STATED IN THIS SECTION, CARDINAL HEALTH DISCLAIMS ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO, ANY WARRANTY OF MERCHANTABILITY, NON-INFRINGEMENT, OR FITNESS FOR A PARTICULAR PURPOSE, REGARDING THE PYXIS PRODUCTS.**

15. Mutual Indemnification. Each Party (the "Indemnifying Party") shall indemnify and hold the other Party (the "Indemnified Party") harmless from and shall defend the Indemnified Party against any claim asserted against the Indemnified Party for losses, injuries, or damages caused by the Indemnifying Party's conduct.

16. Limitation of Liability. **NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR INCIDENTAL, CONSEQUENTIAL OR SPECIAL DAMAGES, INCLUDING, WITHOUT LIMITATION, LOSS OF BUSINESS OR PROFITS (PROVIDED THAT CUSTOMER SHALL BE LIABLE TO CARDINAL HEALTH FOR ALL MONTHLY RENTAL FEES DUE PURSUANT TO THE RENTAL AGREEMENT), EVEN IF A PARTY RECEIVES NOTICE IN ADVANCE THAT THESE KINDS OF DAMAGES MIGHT RESULT. CARDINAL HEALTH'S AGGREGATE CUMULATIVE LIABILITY TO CUSTOMER, PURSUANT TO ANY AND ALL CLAIMS BETWEEN THE PARTIES SHALL NOT EXCEED THE AGGREGATE MONTHLY RENTAL FEES TO BE PAID BY CUSTOMER TO CARDINAL HEALTH DURING THE INITIAL RENTAL TERMS OF THE PYXIS PRODUCTS.** The liability cap stated in the preceding sentence shall not apply to the Intellectual Property Indemnity stated in [Section 13](#) herein.

17. Default and Remedies. Each of the following events shall constitute an Event of Default: (i) Customer fails to pay any payment required by the Rental Agreement within ten (10) days when due; (ii) Customer fails to cure any breach of [Section 10](#) (titled "Use of Pyxis Product") or [Section 12](#) (titled "Grant of Limited Software License") herein within thirty (30) days after notice from Cardinal Health; or (iii) Customer becomes insolvent or any bankruptcy, insolvency, composition, or other reorganization proceeding is commenced by or against the Customer. Upon the occurrence of an Event of Default, Cardinal Health may elect one or more of the following remedies to the extent permitted by applicable law in addition to and without prejudice to any other remedy available at law or equity: (i) cancel the Rental Agreement and Cardinal Health's then-remaining obligations to Customer pursuant to the Rental Agreement; (ii) recover all amounts then due pursuant to the Rental Agreement; (iii) obtain specific performance of Customer's obligations pursuant to the Rental Agreement; (iv) declare the entire unpaid balance of all Monthly Rental Fees for all unexpired Rental Terms under the Rental Agreement due and recover the present value (calculated using a discount rate of six percent (6%) per annum) of the unpaid balance of all Monthly Rental Fees for all unexpired Rental Terms under the Rental Agreement; and (v) require Customer

MASTER RENTAL TERMS AND CONDITIONS

to make the Pyxis Products available for repossession by Cardinal Health at a reasonably convenient location.

18. Absence of Defenses to Payment. Customer's obligation to pay Monthly Rental Fees is unconditional and non-cancelable. Customer shall not be entitled to any abatement or reduction of Monthly Rental Fees for any reason. Customer shall make Monthly Rental payments when due regardless of any existing or future setoff or claim that might be asserted by Customer. If Cardinal Health's assignee commences an action to collect any amount due pursuant to the Rental Agreement, then Customer shall not assert any setoff or counterclaim against Cardinal Health's assignee.

19. Return of Pyxis Products. At the conclusion of the Rental Term for any Pyxis Product, Customer shall, at Customer's expense, promptly and properly crate and ship the Pyxis Product to Cardinal Health.

20. Removal of Customer Property. If Customer is required to relinquish possession of a Pyxis Product to Cardinal Health for any reason pursuant to the Rental Agreement, then Customer shall, without damaging the Pyxis Product, promptly remove all medications, data, and Customer's property from the Pyxis Product.

21. Governing Law. The Rental Agreement shall be governed by the laws of the state of the Customer's initial Notice Address, below, without regard to that state's conflicts of law provisions.

22. Assignment by Customer. Customer shall not assign Customer's rights or obligations under the Rental Agreement without Cardinal Health's prior written consent, which Cardinal Health shall not unreasonably withhold.

23. Assignment by Cardinal Health. Cardinal Health may assign some or all of Cardinal Health's rights (but not its obligations) under the Rental Agreement without Customer's consent. An assignment of Cardinal Health's rights shall not relieve Cardinal Health of its obligations to Customer. If Cardinal Health assigns its rights under the Rental Agreement, then (i) Customer shall not hold any assignee liable for any of Cardinal Health's obligations under the Rental Agreement; (ii) the rights of Cardinal Health's assignee shall not be subject to any claims, counterclaims, defenses, or setoffs that Customer might possess against Cardinal Health; (iii) Customer shall execute documents that Cardinal Health reasonably requests to confirm Customer's obligations under the Rental Agreement; and (iv) Customer shall, if requested, make payments due under the Rental Agreement directly to the assignee.

24. Medication/Inventory Handling. Cardinal Health employees and agents ("Cardinal Health Personnel") shall not physically handle Customer's inventory, including medications. Customer must be physically present and capable of observing Cardinal Health Personnel during any Implementation activity that requires a key, ID, or password, or in any situation in which Cardinal Health Personnel have access to Customer's inventory.

25. Parts. Pyxis Products may contain remanufactured parts that are substantially equivalent to new in performance.

26. Discounts. If and to the extent any discount, credit, rebate or other purchase incentive is paid or applied by Cardinal Health regarding the Pyxis Products, then the discount, credit, rebate or other purchase incentive shall constitute a "discount or other reduction in price" pursuant to the Medicare/Medicaid Anti-Kickback Statute. The Parties shall use their best efforts to comply with any and all requirements imposed upon them, respectively, pursuant to 42 U.S.C. § 1320a-7b(b)(3)(A) and the "safe harbor" regulations stated in 42 C.F.R. § 1001.952(h). Customer might be obligated to report, under any state or federal program that provides cost or charge based

reimbursement for the products or services covered by the Rental Agreement, the net cost actually paid by Customer.

27. Notices. Any notice from one Party to the other Party related to the Rental Agreement shall be in writing and delivered either by hand, overnight courier, or first class mail (certified or registered, return receipt requested, postage prepaid) to the receiving Party's Notice Address stated below. A notice shall be deemed to be given (i) by hand or by overnight courier, when it is delivered and (ii) by certified or registered mail, three days after it is mailed. Either Party may change its Notice Address by notice.

28. Confidentiality. Except as required by law, Customer shall not disclose to a third party the terms of or issue any public statement regarding the Rental Agreement without Cardinal Health's prior written approval.

29. Prevailing Party. If a Party prevails against the other Party regarding any claim arising from the Rental Agreement, then the non-prevailing Party shall reimburse the prevailing party for costs, expenses, and attorneys' fees reasonably incurred by the prevailing party regarding such claim.

30. Severability. If a court or other body of competent jurisdiction declares any term of the Rental Agreement invalid or unenforceable, then the remaining terms shall continue in full force and effect.

31. Facsimile Documents. A facsimile shall constitute an original for all purposes pursuant to the Rental Agreement.

32. Entire Agreement; Amendment. The Rental Agreement, Implementation Schedule, if any, mutually-executed Addenda to the Rental Agreement, if any, and Group Purchasing Organization agreement ("GPO Agreement") applicable to the Parties as of the date of the Rental Agreement, if any, constitute the entire agreement and understanding of the Parties with respect to the subject matter of the Rental Agreement and supersede all prior written and oral agreements, proposals, bids/bid responses, and understandings between the Parties regarding the subject matter of the Rental Agreement. A term or condition of a GPO Agreement shall govern if the term or condition conflicts with a term or condition of the Rental Agreement. No changes to the Rental Agreement shall be made or be binding upon either Party unless made in writing and signed by both Parties. The terms and conditions of any purchase order issued by Customer regarding Pyxis Products shall not become part of the Rental Agreement and shall not bind Cardinal Health.

33. Non-Waiver. No right created by the Rental Agreement shall be deemed waived unless specifically and expressly waived in a writing signed by the Party possessing the right.

34. Compliance with Laws. The Parties shall comply with all federal and state laws and regulations applicable to their respective performance of the Rental Agreement.

35. Access to Records. For a period of four (4) years after Cardinal Health has performed the Rental 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 Rental 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 Rental Agreement ("Access"). If Cardinal Health pays a subcontractor more than \$10,000 over a twelve (12) month period to perform the Rental Agreement, then Cardinal Health shall obligate the subcontractor to permit Access to the Requesting Party.

MASTER RENTAL TERMS AND CONDITIONS

Each person signing this document represents that he/she intends to and has the authority to bind his/her respective Party to these Master Rental Terms and Conditions.

Customer

Legal Name: San Mateo Medical Center

DBA: San Mateo Medical Center

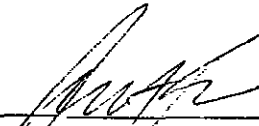
Federal Tax ID # (if applicable): _____

By: _____
Rose Jacobs Gibson

Printed Name: President, Board of Supervisors

Title: San Mateo County

Cardinal Health 301, Inc.

By: _____


Printed Name: AL PACHECO

Title: CONTRACT SPECIALIST
6/10/03

Notice Address:

Street: 222 W. 39th Avenue

City, State, ZIP: San Mateo, CA 94403

Notice Address:

3750 Torrey View Court

San Diego, CA 92130

Cardinal Health Use Only:			
Contract # (internal use)	_____	Sales Associate	_____ Attachments _____
Cardinal Health Price	_____		
Catalog dated	_____		Applicable Discounts (types and %s) _____
Sold To Customer #	_____	Bill To Customer #	_____ Ship To Customer # _____



Master Support Terms and Conditions

Dated: April 28, 2003

Customer: San Mateo Medical Center

These Master Support Terms and Conditions shall be incorporated into and made a part of each Support Agreement executed by Cardinal Health 301, Inc. ("Cardinal Health") and the customer identified in the signature block below ("Customer"), each a "Party" and, collectively, the "Parties." Each Support Agreement shall constitute a separate, independent contract between the Parties. "Pyxis Products" means, collectively, the Pyxis Products identified in any single Support Agreement, including the software identified in the Support Agreement or integrated into any of the Pyxis Products (collectively, "Software"). Capitalized terms used herein shall have the meanings defined herein or as used in the Support Agreement or any Rental Agreement or Purchase Agreement that identifies the Pyxis Products. Each separate Support Agreement, together with these incorporated Master Support Terms and Conditions, shall be referred to as a "Support Agreement" herein.

1. Support Term. As used herein, the "Support Term" for a Pyxis Product consists of any period of time that Cardinal Health agrees to support the Pyxis Product for the Customer pursuant to the Support Agreement. The period of the initial Support Term for each Pyxis Product shall be the number of months stated in the Support Agreement for the Pyxis Product. The initial Support Term for each Pyxis Product shall commence on the Term Begin Date stated in the Implementation Schedule applicable to the Pyxis Product ("Implementation Schedule"). If there is no Implementation Schedule or if there is no Term Begin Date stated in the Implementation Schedule, then the initial Support Term for a Pyxis Product shall commence on the first day of the month following the date the Pyxis Product is "Accepted" by Customer pursuant to a Rental Agreement or Purchase Agreement, as applicable.

2. Automatic Continuation of Support Term. Either Party may terminate the Support Term for a Pyxis Product effective at the conclusion of the initial Support Term for the Pyxis Product by providing notice of the Party's election at least sixty (60) days prior to the conclusion of the initial Support Term. If neither Party provides such notice, then, at the conclusion of the initial Support Term (i) the Support Term for the Pyxis Product shall continue on a month-to-month term basis; (ii) the Monthly Support Fee shall be the Monthly Support Fee stated for the Pyxis Product in the then-current Pyxis Product price catalog; and (iii) either Party may terminate this continued Support Term effective upon thirty (30) days prior notice.

3. Payment of Monthly Support Fees. Subject to the provisions of Section 5 herein, Customer shall pay the Net Monthly Support Fee stated in the Support Agreement ("Monthly Support Fee") for each Pyxis Product on the first day of each month during the Support Term of the Pyxis Product. If Customer does not pay an amount due to Cardinal Health pursuant to any provision of the Support Agreement on or before the due date, then Customer shall pay a late charge at the rate of 1.5% of the unpaid amount, or the highest rate allowed by the law (whichever is lower), per month, prorated on a daily basis.

4. Taxes. Monthly Support Fees do not include any taxes. Customer shall pay when due any sales, property, or other taxes or assessments of any kind (other than any tax based solely on Cardinal Health's net income) and related interest and penalties arising from the transactions related to the Support Agreement. If Cardinal Health pays any amount that Customer is obligated to pay under this Section, then Customer shall promptly reimburse Cardinal Health.

5. Indexed Monthly Support Fee Increases. Cardinal Health may by notice increase the then-current Monthly Support Fee for any Pyxis Product effective once every twelve (12) months by a percentage amount no greater than the sum of the then-current Consumer Price Index for healthcare goods and services as reported by the U.S. Department of Labor plus two percent (2%). Monthly Support Fee

increases shall be effective on the anniversary date of the commencement of the initial Support Term for the Pyxis Product.

6. Training and Education. Cardinal Health shall provide the following training and education to Customer during the Support Term:

Introductory Training: Cardinal Health shall provide introductory training through the station tutorial for select Pyxis Products.

Product Training Units: Cardinal Health uses a training credits system for Customer training called Product Training Units ("PTUs"). PTUs are provided at no additional cost with certain Pyxis Products and may also be purchased separately. PTUs are valid from the execution of the Support Agreement until one (1) year after the Term Begin Date for the applicable Support Agreement. Customer may redeem the required quantity of PTUs for select training classes, web-based courses, and training products. A schedule of available training classes and the corresponding PTU redemption requirement are provided in Cardinal Health's web-based Learning Management System called CLASS, which can be accessed at <http://class.pyxis.com/>.

Pyxis Accredited Customer Education: Customer may access Pyxis Accredited Customer Education ("P.A.C.E.") during the Support Term. P.A.C.E. is a web-based forum that offers a series of archived seminars led by today's leading healthcare authorities. Cardinal Health may add to, delete from or discontinue P.A.C.E. at any time upon notice to Customer.

7. Basic Support and Maintenance Services. Cardinal Health shall provide the following basic support services (collectively, "Services") to Customer during the Support Term:

Telephone and Remote Support: Cardinal Health shall provide toll-free technical support by telephone through Cardinal Health's Worldwide Service Center Department ("WSC") 24 hours a day, 365 days a year. To permit remote diagnostic testing and support, Customer shall provide a dedicated voice grade phone line that can be attached to a 56K modem that can be connected by Customer to each Pyxis Product. If Customer does not provide this remote connectivity for a Pyxis Product subject to a request for technical support, then, in addition to the Monthly Support Fee, Customer shall pay Cardinal Health on a time and material basis for any in-person diagnostic testing required to service the Pyxis Product.

Field Service: Cardinal Health shall provide field service necessary to keep the Pyxis Products and Cardinal Health's side of any interfaces (collectively, the "Pyxis System") performing in accordance with the material specifications of the applicable user manuals ("Properly Performing"). If Cardinal Health determines that it cannot make the Pyxis System Properly Performing through repair services, then Cardinal Health shall replace portions of the Pyxis System as Cardinal Health determines necessary. Customer shall contact the WSC if the

Master Support Terms and Conditions

Pyxis System is not Properly Performing. WSC will work with the Customer to perform initial troubleshooting. If the issue/problem cannot be repaired in a timely manner over the phone, then Cardinal Health shall use commercially reasonable efforts to provide on-site service within 24 hours of notice from Customer. Customer shall provide Cardinal Health with entry and access to the Pyxis System to provide regular service and repair. Promptly following the completion of any Field Service, Customer shall perform an audit of the proper communication of transactions between the Pyxis System and Customer's information system.

Replacement Parts: Cardinal Health shall adjust and replace non-consumable parts in the Pyxis Products as Cardinal Health deems necessary to keep the Pyxis Products Properly Performing. Cardinal Health shall furnish maintenance and replacement parts on an exchange basis. Replacement parts may be remanufactured parts that are equivalent to new in performance.

CUBIE™ Pockets: Cardinal Health shall replace CUBIE Pockets that malfunction because of any defect in workmanship or material. Cardinal Health shall not replace CUBIE Pockets that are not in good working order because of normal wear and tear. Cardinal Health shall determine in its sole discretion whether a CUBIE Pocket malfunctions because of a defect in material or workmanship.

Preventative Maintenance: At Customer's request, Cardinal Health shall perform on-site preventative maintenance and analysis of Pyxis Products once every two (2) years.

Updates: If Cardinal Health issues software to enhance functionality of the Pyxis System ("Updates"), then Cardinal Health shall install and maintain the Updates applicable to the Pyxis Products if Customer consents to installation of the Update and agrees to perform a post-installation audit of the proper communication of transactions between the Pyxis System and Customer's information system.

8. Non-Covered Items and Services. The following are excluded from the Services provided by Cardinal Health pursuant to the Support Agreement:

External Causes: If the Pyxis System is not Properly Performing in part because of abuse, misuse, vandalism, modification, alteration, unauthorized use, unauthorized adjustment, unauthorized repair, equipment not installed by Cardinal Health, or a cause external to the Pyxis System (collectively, "External Causes"), then Cardinal Health shall not be obligated to provide Services regarding the portion or part of the Pyxis System or the functionality adversely affected by an External Cause.

Fee-Based Services: If, at the Customer's request, Cardinal Health performs services to correct a problem attributable to an External Cause, then Cardinal Health may charge and invoice and Customer shall pay for these services on a time and materials basis at Cardinal Health's then-current rates.

Consumables: Services do not include the acquisition, replacement or installation of consumables, which include but are not limited to paper, drugs, toner, and CUBIE Pockets. Customer is responsible for acquiring replacement light bulbs for the Pyxis Product; however, the replacement/installation of light bulbs shall be provided by Cardinal Health as part of Services.

Upgrades: An Upgrade is a change to a Pyxis Product that adds new functionality. Services do not include the acquisition, supply, installation, or support of Upgrades.

9. "Pyxis Service" Plan. If Customer has elected to obtain the Pyxis Service Plan for the Pyxis Products (an additional cost election that shall be stated on Support Agreement), then Cardinal Health shall provide the following additional services to Customer for the Pyxis Products during the Support Term:

Guaranteed Response Time: Cardinal Health guarantees that dispatched on-site service representatives will arrive at the location of the Pyxis Product, from the time of the dispatch, within the number of hours applicable to the level of Pyxis Service selected as indicated in the Support Agreement, e.g. Pyxis 8-hour Service, Pyxis 4-hour Service. If, due to the sole fault of Cardinal Health, a service representative does not arrive within this guaranty period, then Cardinal Health shall credit Customer five percent (5%) of the then-current Monthly Support Fee for the affected Pyxis Product(s).

CUBIE Pockets: Cardinal Health shall replace CUBIE Pockets that fail to work for any reason except an External Cause.

Training: Customer shall earn Product Training Units ("PTUs") with certain Pyxis Products, as described in Section 6 herein, at a rate that is twenty-two percent (22%) greater than the rate pursuant to the Basic Service program.

Preventative Maintenance: Cardinal Health shall provide annual on-site and remote preventative maintenance.

Unit Relocations: Upon thirty (30) days advance notice from Customer, Cardinal Health shall relocate a Pyxis Product from the Customer facility in which the Pyxis Product was initially installed to another of the Customer's facilities not more than one hundred (100) miles distant.

Communications: Cardinal Health shall provide the labor, but not the hardware or software, to install upgrades to Customer's network communication methods.

Interfaces: Cardinal Health shall provide scheduled interface changes, upgrades, and conversions to Cardinal Health's side of the standard ADT and Billing Interfaces for Pharmacy and Materials Management, as well as Profile Interfaces for pharmacies where the Pyxis Profile system is in place. Interface changes consist of adding features and/or functionality to the standard interfaces.

Education: Cardinal Health shall permit Customer's personnel to earn continuing education credits through Pyxis Accredited Customer Education and to participate in on-line seminars.

10. Customer Cancellation of On-Site Service. Customer may cancel scheduled on-site Service activities by providing the WSC five (5) business days prior notice ("Proper Notice"). If Customer cancels or otherwise prevents Cardinal Health from performing scheduled on-site Services without providing Proper Notice, then Cardinal Health may charge and Customer shall pay Cardinal Health the reasonable costs incurred by Cardinal Health because of the lack of Proper Notice.

11. Medication/Inventory Handling. Cardinal Health employees and agents ("Cardinal Health Personnel") shall not physically handle Customer's inventory, including medications. Customer must be physically present and capable of observing Cardinal Health Personnel during any Service activity that requires a key, ID, or password, or in any situation in which Cardinal Health Personnel have access to Customer's inventory. If Customer fails to provide personnel to handle Customer's inventory or directly to supervise Cardinal Health Personnel regarding a Service activity, then Cardinal Health may re-schedule the affected service activity and, upon invoice, Customer shall reimburse Cardinal Health for expenses incurred related to re-scheduling the activity.

12. Subcontracting. Cardinal Health may subcontract any portion of the Services to its Cardinal Health-trained subcontracted service providers.

13. Mutual Indemnification. Each Party (the "Indemnifying Party") shall indemnify and hold the other Party (the "Indemnified Party") harmless from and shall defend the Indemnified Party against any

Master Support Terms and Conditions

claims asserted against the Indemnified Party for losses, injuries, or damages caused by the Indemnifying Party's conduct.

14. Limitation of Liability. NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR INCIDENTAL, CONSEQUENTIAL OR SPECIAL DAMAGES, INCLUDING, WITHOUT LIMITATION, LOSS OF BUSINESS OR PROFITS, EVEN IF A PARTY RECEIVES NOTICE IN ADVANCE THAT THESE KINDS OF DAMAGES MIGHT RESULT. CARDINAL HEALTH'S AGGREGATE CUMULATIVE LIABILITY TO CUSTOMER, PURSUANT TO ANY AND ALL CLAIMS AND LEGAL THEORIES SHALL NOT EXCEED THE AGGREGATE MONTHLY SUPPORT FEES TO BE PAID BY CUSTOMER TO CARDINAL HEALTH DURING THE INITIAL SUPPORT TERMS OF THE PYXIS PRODUCTS.

15. Default and Remedies. If Customer fails to pay any payment required by the Support Agreement or by any other contract between the Parties within ten (10) days when due, then Cardinal Health may by notice elect one or more of the following remedies to the extent permitted by applicable law and in addition to and without prejudice to any other remedy available at law or equity: (i) suspend performance of the Support Agreement until Customer satisfies the outstanding obligation(s); (ii) cancel Cardinal Health's obligations to Customer pursuant to the Support Agreement; and (iii) recover all amounts then due pursuant to the Support Agreement.

16. Governing Law. The Support Agreement shall be governed by the laws of the state identified in Customer's Notice Address, below, without regard to that state's conflicts of law provisions.

17. Prevailing Party. If a Party prevails against another Party regarding any claim arising from or related to the Support Agreement, then the non-prevailing Party shall reimburse the prevailing party for costs, expenses, and attorneys' fees reasonably incurred by the prevailing party regarding such claim.

18. Force Majeure. Neither Party shall be liable for the failure to perform its obligations under the Support Agreement if the failure is caused by a contingency beyond the Party's reasonable control (including, but not limited to, fire, flood, acts of war, riots, strikes, and acts of God). A Party claiming a right to excused performance shall immediately provide notice to the other Party of the extent of its inability to perform and of the contingency that prevents performance.

19. Setoff. Customer's obligations under the Support Agreement shall not be subject to any claims or defenses related to any other Agreement between the Parties.

20. Notices. Any notice from one Party to the other Party related to the Support Agreement shall be in writing and delivered either by hand, overnight courier, or first class mail (certified or registered, return receipt requested, postage prepaid) to the receiving Party's Notice Address stated below. A notice shall be deemed to be given (i) by hand or by overnight courier, when it is delivered and (ii) by certified or registered mail, three days after it is mailed. Either Party may change its Notice Address by notice.

21. Confidentiality. Except as required by law, Customer shall not disclose to a third party the terms of or issue any public statement regarding the Support Agreement unless Cardinal Health has provided prior written approval.

22. Severability. If a court or other body of competent jurisdiction declares any term of the Support Agreement invalid or unenforceable, then the remaining terms shall continue in full force and effect.

23. Entire Agreement; Amendment. The Support Agreement, mutually-executed Addenda to the Support Agreement, if any, and the Group Purchasing Organization agreement ("GPO Agreement") applicable to the Parties as of the date of the Support Agreement, if

any, constitute the entire agreement and understanding of the Parties with respect to the subject matter of the Support Agreement and supersede all prior written and oral agreements, proposals, and understandings between the Parties regarding the subject matter of the Support Agreement. A term or condition of a GPO Agreement shall govern if the term or condition conflicts with a term or condition of the Support Agreement. No changes to the Support Agreement shall be made or be binding upon either Party unless made in writing and signed by each Party. The terms and conditions of any purchase order issued by Customer shall not become part of the Support Agreement and shall not bind Cardinal Health.

24. Non-Waiver. No right created by the Support Agreement shall be deemed waived unless specifically and expressly waived in a writing signed by the Party possessing the right.

25. Compliance with Laws. The Parties shall comply with all federal and state laws and regulations applicable to their respective performance of the Support Agreement.

26. Access to Records. For a period of four (4) years after Cardinal Health has performed the Support 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 Support 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 Support Agreement ("Access"). If Cardinal Health pays a subcontractor more than \$10,000 over a twelve (12) month period to perform the Support Agreement, then Cardinal Health shall obligate the subcontractor to permit Access to the Requesting Party.

27. Business Associate Obligations. In the performance of the Support Agreement, Cardinal Health might receive Protected Health Information, as defined by 45 C.F.R. §160.103, from or on behalf of Customer (collectively, "PHI"). The purpose of Section 27 through Section 44 of the Support Agreement (collectively, the "Business Associate Provisions") is to permit Customer to attempt to comply with requirements concerning Cardinal Health as a "business associate" imposed by the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. part 160 and part 164, subparts A and E ("Privacy Rule").

28. Permitted Uses and Disclosures of PHI. Cardinal Health shall not use or further disclose PHI other than as permitted or required by the Business Associate Provisions or as "Required By Law," as that phrase is defined in 45 C.F.R. §164.103. Except as otherwise limited in the Business Associate Provisions, Cardinal Health may use or disclose PHI to perform functions, activities, or services for, on behalf of, Customer pursuant to the Support Agreement, provided that such use or disclosure would not violate the Privacy Rule if done by Customer.

29. Protection of PHI. Cardinal Health shall use appropriate safeguards to prevent use or disclosure of the PHI other than as permitted by the Business Associate Provisions.

30. Reporting and Mitigation. Cardinal Health shall promptly report to Customer and shall mitigate, the extent practicable, any harmful effect that is known to Cardinal Health of a use or disclosure of PHI by Cardinal Health in violation of the Business Associate Provisions.

31. Sub-Contractors and Agents. Cardinal Health shall ensure that any agent, including a subcontractor, to whom Cardinal Health provides PHI shall have the same restrictions and conditions that apply

Master Support Terms and Conditions

through the Business Associate Provisions to Cardinal Health with respect to such information.

32. Accounting to HHS. Cardinal Health shall make Cardinal Health's internal practices, books, and records relating the use and disclosure of PHI available to the Secretary, in a time and manner designated by the Customer or the Secretary, for purposes of the Secretary determining Customer's compliance with the Privacy Rule.

33. Documentation of Disclosures. Cardinal Health shall document such disclosures of PHI and information related to such disclosures as would be required for Customer to respond to a request by an Individual for an accounting of disclosures PHI in accordance with 45 C.F.R. § 164.528.

34. Accounting of Disclosures. If Customer receives a request from an individual pursuant to 45 C.F.R. § 164.528 for an accounting of Customer's disclosures of the individual's PHI and, in the course of attempting to satisfy the individual's request, Customer provides a written request to Cardinal Health, then Cardinal Health shall promptly provide Customer the information required to be included in an accounting pursuant to 45 C.F.R. § 164.528(b)(2) for Cardinal Health's disclosures of PHI that are subject to an accounting pursuant to 45 C.F.R. § 164.528(a)(1).

35. No Designated Record Set. Cardinal Health shall not, by virtue of Cardinal Health's performance of the Support Agreement, maintain a "Designated Record Set," as that term is defined by 45 C.F.R. § 164.501, for Customer regarding any individual.

36. De-identification of PHI. Cardinal Health may de-identify PHI pursuant to 45 C.F.R. § 164.514 and use the de-identified information internally solely for the purpose of testing the functioning of Cardinal Health's products.

37. Right to Terminate for Material Breach. Customer may terminate the Support Agreement and one or more of the Support Agreement if Cardinal Health violates a material term of the Business Associate Provisions. Customer may exercise this right by providing written notice to Cardinal Health that states the basis for the termination. The termination of the Support Agreement pursuant to this Section shall have no effect upon any right or obligation created by any other written agreement between Cardinal Health and Customer.

38. Return or Destruction of PHI. Upon termination of the Support Agreement, for any reason, Cardinal Health shall return or destroy all PHI. This provision shall apply to all PHI in the possession of subcontractors or agents of Cardinal Health. Cardinal Health shall retain no copies of the Protected Health Information. If Cardinal Health determines that returning or destroying the PHI is infeasible, then Cardinal Health shall provide to Customer notification of the

conditions that make return or destruction infeasible. Upon mutual agreement that return or destruction of PHI is infeasible, Cardinal Health shall extend the protections of the Business Associate Provisions to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long Cardinal Health maintains the PHI.

39. Specific Indemnification. Cardinal Health shall indemnify and hold Customer harmless from and shall defend Customer against any claims by a third party against Customer for losses, injuries, or damages, including reasonable attorney fees ("Damages") caused by conduct of Cardinal Health, Cardinal Health's agents, or Cardinal Health's subcontractors, in violation of the Business Associate Provisions. This indemnification obligation is not subject to any limitation in the Support Agreement.

40. Maintenance of the Security of Electronic Information. Commencing on the compliance date applicable to Customer for the security regulations codified at Title 45, Code of Federal Regulations Parts 160, 162, and 164 (the "Security Rule"), Cardinal Health shall use security measures consistent with the obligations created by the Security Rule to safeguard electronic PHI that Cardinal Health transmits or maintains.

41. Conformance with Modification of HIPAA or Privacy Rule. If an amendment to or modification of HIPAA or its implementing regulations, including the Privacy Rule, requires modification of the Business Associate Provisions to permit Customer or Cardinal Health to remain in compliance with HIPAA and its implementing regulations during the term of the Support Agreement, then Cardinal Health and Customer shall enter good faith negotiations to amend the Business Associate Provisions to conform to any change required by such amendment or modification.

42. Interpretation. Any ambiguity in the Business Associate Provisions shall be resolved in favor of a meaning that permits Customer to comply with the Privacy Rule.

43. No Third Party Beneficiaries. None of the Business Associate Provisions is intended to nor shall any provision confer any right, remedy, obligation or liability upon any person or entity other than the Parties and their respective permitted successors or assigns.

44. Survival. The obligations of Cardinal Health pursuant to Section 27 through Section 44 of the Support Agreement, inclusive, shall survive the termination, cancellation, or expiration of the Support Agreement.

Master Support Terms and Conditions


Each person signing this document represents that he/she intends to and has the authority to bind his/her respective Party to these Master Support Terms and Conditions.

Customer

Legal Name: San Mateo Medical Center
DBA: San Mateo Medical Center
Federal Tax ID # (if applicable): _____

By: _____
 Rose Jacobs Gibson
Printed Name: President, Board of Supervisors
Title: San Mateo County
Date: _____
Notice Address:
Street: 222 W. 39th Avenue
City, State, ZIP: San Mateo, CA 94403

Cardinal Health 301, Inc.

By:  _____
Printed Name: AL PACHECO
Title: CONTRACT SPECIALIST
Date: 6/10/03
Notice Address:
3750 Torrey View Court
San Diego, CA 92130

Cardinal Health Use Only:		
Contract # (internal use) _____	Sales Associate _____	Attachments _____
Cardinal Health Price Catalog dated _____		Applicable Discounts (types and %s) _____
Sold To Customer # _____	Bill To Customer # _____	Ship To Customer # _____



ADDENDUM TO MASTER RENTAL TERMS AND CONDITIONS

This Addendum modifies the Master Rental Terms and Conditions dated 4/28/03 ("Master Rental Terms and Conditions") between Cardinal Health 301, Inc. ("Cardinal Health") and the Customer identified below. Terms defined in the Master Rental Terms and Conditions shall have the same meanings in this Addendum. If any term or condition of the Master Rental Terms and Conditions conflicts with a term or condition of this Addendum, then the term or condition of this Addendum shall control.

The Master Rental Terms and Conditions shall be modified as follows:

Section 9. Cash Application; Late Charge. Add the following language below the first sentence:

"Cardinal Health agrees to invoice 30 days in advance of due date. Invoice(s) will be considered past due and late fees will be assessed if payment is not received by Cardinal Health by the 15th of the month."

Section 19. Return of Pyxis Products. Replace the text of this section with the following:

At the conclusion of the Rental Term for any Pyxis Product, Customer shall not be charged for the return of the Pyxis Product to Cardinal Health.


EACH PERSON SIGNING THIS ADDENDUM REPRESENTS THAT HE/SHE INTENDS TO AND HAS THE AUTHORITY TO BIND HIS/HER RESPECTIVE PARTY TO THIS ADDENDUM.

CUSTOMER

CARDINAL HEALTH 301, INC.

Legal Name: San Mateo Medical Center

Signature: _____
Print Name: Rose Jacobs Gibson
President, Board of Supervisors
Title: San Mateo County
Date: _____

Signature: 
Print Name: AL PACHECO
CONTRACT SPECIALIST
Title: _____
Date: 4/10/03



ADDENDUM TO MASTER SUPPORT TERMS AND CONDITIONS

This Addendum modifies the Master Support Terms and Conditions dated 4/28/03 ("Master Support Terms and Conditions") between Cardinal Health 301, Inc. ("Cardinal Health") and the Customer identified below. Terms defined in the Master Support Terms and Conditions shall have the same meanings in this Addendum. If any term or condition of the Master Support Terms and Conditions conflicts with a term or condition of this Addendum, then the term or condition of this Addendum shall control.

The Master Support Terms and Conditions shall be modified as follows:

Section 5. Indexed Monthly Support Fee Increases. Delete the following at end of first sentence:

"plus two percent (2%)"

Add the following section:

45. Non-Discrimination.

No person shall be excluded from participation in, denied benefits of, or be subject to discrimination under this Agreement on the basis of their race, color, religion, national origin, age, sex, sexual orientation, pregnancy, childbirth or related conditions, medical condition, mental or physical disability, or veteran's status. Cardinal Health shall ensure full compliance with federal, state, and local laws, directives, and executive orders regarding non-discrimination for all employees and Subcontractors under this Agreement.

Violation of the non-discrimination provisions of this Agreement shall be considered a breach of this Agreement and subject Cardinal Health to penalties, to be determined by the County Manager, including, but not limited to: i) termination of this Agreement; ii) disqualification of Cardinal Health from bidding on or being awarded a County contract for a period of up to three (3) years; 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) set off any relevant portion of the amount described in this paragraph against amounts due to Cardinal Health under the Support Agreement Cardinal Health between Cardinal Health and County.

Cardinal Health shall report to the County Manager the filing by a Cardinal Health employee performing support service as part of the Support Agreement between Cardinal Health and County in any court of any complaint of discrimination or the filing by a Cardinal Health employee performing support service as part of the Support Agreement between Cardinal Health and County of any and all charges with the Equal Employment Opportunity Commission, the Fair Employment and Housing Commission



ADDENDUM TO MASTER SUPPORT TERMS AND CONDITIONS

or any other 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 Cardinal Health 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. Cardinal Health shall provide County with a copy of its response to the complaint when filed.

With respect to the provision of employee benefits, Cardinal Health shall comply with the County Ordinance which prohibits Cardinal Health from discriminating in the provision of employee benefits between an employee with a domestic partner and an employee with a spouse.

EACH PERSON SIGNING THIS ADDENDUM REPRESENTS THAT HE/SHE INTENDS TO AND HAS THE AUTHORITY TO BIND HIS/HER RESPECTIVE PARTY TO THIS ADDENDUM.

CUSTOMER

CARDINAL HEALTH 301, INC.

Legal Name: San Mateo Medical Center

Signature: _____

Print Name: Rose Jacobs Gibson
President, Board of Supervisor

Title: San Mateo County

Date: _____

Signature:  _____

Print Name: AL PACHECO
CONTRACT SPECIALIST

Title: _____

Date: 6/18/03

COUNTY OF SAN MATEO

Equal Benefits Compliance Declaration Form

I Vendor Identification

Name of Contractor:

Cardinal Health

Contact Person:

Monica Foster

Address:

7000 Cardinal Drive
Dublin, Ohio 43017

Phone Number:

614-757-7719

Fax Number:

614-757-8719

II Employees

Does the Contractor have any employees? Yes No

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

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

III Equal Benefits Compliance (Check one)

Yes, the Contractor complies by offering equal benefits, as defined by Chapter 2.93, to its employees with spouses and its employees with domestic partners.

Yes, the Contractor complies by offering a cash equivalent payment to eligible employees in lieu of equal benefits.

No, the Contractor does not comply.

The Contractor is under a collective bargaining agreement which began on _____ (date) and expires on _____ (date).

IV Declaration

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

Monica Foster

Signature

Monica Foster

Name (Please Print)

Director Health + Welfare Plans

Title

5/6/03

Date

Marsh USA Inc

MARSH USA INC. CERTIFICATE OF INSURANCE

PRODUCER

MARSH USA INC.
216-937-1700
200 PUBLIC SQUARE
SUITE 1100
CLEVELAND, OH 44114-1624

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER OTHER THAN THOSE PROVIDED IN THE POLICY. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICES DESCRIBED HEREIN.

COMPANIES AFFORDING COVERAGE

COMPANY
A N/A

COMPANY
B N/A

COMPANY
C AMERICAN PROTECTION INS CO

COMPANY
D N/A

INSURED

CARDINAL HEALTH, INC. ETAL
(SEE ADDITIONAL PAGE)
7000 CARDINAL PLACE
DUBLIN, OH 43017

COVERAGES

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

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
	GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT				GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ PERSONAL & ADV INJURY \$ EACH OCCURRENCE \$ FIRE DAMAGE (Any one fire) \$ MED EXP (Any one person) \$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				COMBINED SINGLE LMT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY \$ EACH ACCIDENT \$ AGGREGATE \$
	EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
C	WORKERS COMPENSATION AND EMPLOYERS LIABILITY <input checked="" type="checkbox"/> INC. <input type="checkbox"/> EXCL.	SBR 086 626-00 (WI)	06/30/02	05/30/03	X INC STATUTORY LIMITS E. EACH ACCIDENT \$ 1,000,000 E. DISEASE-POLICY LIMIT \$ 1,000,000 E. DISEASE-EACH EMPLOYEE \$ 1,000,000
C	THE PROPRIETOR/PARTNER/EXECUTIVE OFFICERS ARE	SBR 086 637-00 (AZ, LA)	06/30/02	05/30/03	
C	OTHER	SBR 086 638-00 (AOS)	06/30/02	06/30/03	

DESCRIPTION OF OPERATION(S)/LOCATION(S)/VEHICLE(S)/SPECIAL ITEM(S) (LIMITS MAY BE SUBJECT TO DEDUCTIBLES OR RETENTIONS)

CERTIFICATE HOLDER

FOR INFORMATION ONLY

CANCELLATION

SHOULD ANY OF THE POLICES DESCRIBED HEREIN BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE INSURER AFFORDING COVERAGE WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED HEREIN BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER AFFORDING COVERAGE, ITS AGENTS OR REPRESENTATIVES.

MARSH USA INC.
By: Luann M. Gavac

Luann M. Gavac

ADDITIONAL INFORMATION

PRODUCER

MARSH USA INC.
216-937-1700
200 PUBLIC SQUARE
SUITE 1100
CLEVELAND, OH 44114-1824

INSURED

CARDINAL HEALTH INC. ET AL
7000 CARDINAL PLACE
DUBLIN, OH 43017

TEXT

NAMED INSURED LISTING FOR JUNE 30, 2002 TO JUNE 30, 2003 INCLUDES:

ALLEGIANCE CORPORATION	NATIONAL SPECIALTY SERVICE, INC.
ALLEGIANCE HEALTHCARE CORPORATION	NORTHERN MICHIGAN SUPPLY ALLIANCE, LLC. (WORK. COMP./EMPL.
ALLEGIANCE HEALTHCARE INTERNATIONAL, INC.	LIAB. & UMBRELLA ONLY)
ALLEGIANCE PRO, INC.	OHIO VALLEY-CLARKSBURG, INC.
AMERICAN THRESHOLD INDUSTRIES (ATI)	OWEN HEALTHCARE BUILDING, INC.
AUTOMATIC LIQUID PACKAGING, INC.	OWEN HEALTHCARE, INC.
BERGEN BRUNSWIG MEDICAL CORP.	OWEN SHARED SERVICES, INC.
BINDLEY WESTERN INDUSTRIES, INC.	PACIFIC SURGICAL INNOVATIONS, INC.
BORON, LEPORE & ASSOCIATES, INC	PACIFIC CRITICARE, INC.
BRIGHTON CAPITAL, INC.	PACKAGING COORDINATORS, INC.
C INTERNATIONAL, INC.	PCI ACQUISITION III, INC.
C. RED WING DATA CORPORATION	PCI SERVICES, I
CARDAL, INC.	PCI SERVICES, II
CARDINAL HEALTH CAPITAL CORPORATION	PCI SERVICES, III
CARDINAL HEALTH FUNDING, LLC.	PCI SERVICES, INC.
CARDINAL HEALTH HOLDING INTERNATIONAL, INC.	PCI WEST, INC.
CARDINAL HEALTH PROVIDER PHARMACY SERVICES, INC.	PCI/DELVCO, INC.
CARDINAL HEALTH STAFFING NETWORK, INC.	PCI/TRI-LINE (USA), INC.
CARDINAL HEALTH SYSTEMS, INC.	PHARMACY AUTOMATED SYSTEMS, INC.
CARDINAL HEALTH MANUFACTURING SERVICES B.V.	PHARMACY OPERATIONS OF NY, INC.
CARDINAL HEALTH PRODUCT DEVELOPMENT CENTER, INC.	PHARMACY OPERATIONS, INC.
CARDINAL SOUTHEAST, INC.	PHILLIPS HOLDINGS, INC.
CARDINAL SYRACUSE, INC.	PHR STAFFING, INC.
CARDINAL WEST, INC.	PINNACLE INTELLECTUAL PROPERTY SERVICES -
CASCADE DEVELOPMENT, INC.	INTERNATIONAL, INC
CDI INVESTMENTS, INC.	PINNACLE INTELLECTUAL PROPERTY SERVICES, INC.
CENTRAL PHARMACY SERVICES, INC.	PROCEDURE-BASED INSTRUMENT SERVICES, LLC (D.B.A. OPEX)
COMPREHENSIVE REIMBURSEMENT CONSULTANTS, INC. (CRC)	PYXIS CAPITAL CORPORATION
CORD LOGISTICS, INC.	PYXIS CORPORATION
CRITICAL CARE CONCEPTS INC.	PYXIS HEALTHCARE SYSTEMS, CANADA
ENHANCED DERM TECHNOLOGIES INC.	RANDELL SURGICAL, INC.
EON MEDIA, INC.	R.P. SCHERER CANADA, INC.
FUTURECARE	R.P. SCHERER CORPORATION
GRIFFIN CAPITAL CORPORATE	R.P. SCHERER TECHNOLOGIES, INC.
HIGMAN HEALTHCARE	R.P. SCHERER, INC.
INTERNATIONAL PROCESSING CORPORATION	R.P. SCHERER WEST
JAMES W. DALY, INC.	REDKEY, INC.
KILLIEA DEVELOPMENT COMPANY, LTD.	RPS TECHNICAL SERVICES, INC.
LAKE CHARLES PHARMACEUTICAL & MEDICAL EQUIPMENT SUPPLY	SCRIPTLINE, INC.
CO., LLC.	SIRS-ONSITE/NRC
LEADER DRUG STORES, INC.	SURGICAL CAREPAIR, LLC
MAGELLAN PHARMACEUTICAL DEVELOPMENT, INC.	SURGICAL INSTRUMENT REPAIR SERVICE
MANAGED PHARMACY BENEFITS, INC.	SURGICAL INSTRUMENT REPAIR SERVICES, LLC (D.B.A. SI
MEDICAL STRATEGIES, INC.	ONSITE/NRC)
MEDICINE SHOPPE CAPITAL CORPORATION	SYNCOR INTERNATIONAL CORPORATION
MEDICINE SHOPPE INTERNATIONAL, INC.	THE ENRIGHT GROUP
MEDICINE SHOPPE INTERNET, INC	THE GRIFFIN GROUP, INC.
MEDIQUAL SYSTEMS, INC.	VISTANT CORPORATION
MEDITROL AUTOMATION SYSTEMS, INC.	WHITMIRE DISTRIBUTION CORPORATION
MEDITROL, INC.	WILLIAMS DRUG DISTRIBUTORS
NATIONAL PHARMPAK SERVICES, INC.	