

**GROUND EMERGENCY AMBULANCE SERVICES CONTRACT BETWEEN
EL PASO COUNTY EMERGENCY SERVICES AGENCY and
AMERICAN MEDICAL RESPONSE OF COLORADO, INC. (Contractor)**

THIS GROUND EMERGENCY AMBULANCE SERVICES CONTRACT ("Contract") is made and entered into this 3rd day of December 2008 ("Effective Date") by and between the El Paso County Emergency Services Agency ("ESA"), through its Board of Directors, and American Medical Response of Colorado, Inc. a Delaware corporation ("Contractor").

RECITALS

Pursuant to the *Intergovernmental Agreement Concerning the El Paso County Emergency Services Agency* dated July 10, 2006, formed in October 1995 and revised in July 2006, the City of Colorado Springs and El Paso County, State of Colorado created the ESA to oversee an exclusive contract to provide ground emergency ambulance services to the ESA's service area within the City of Colorado Springs and El Paso County.

In order to assure that residents and visitors within the ESA's jurisdiction receive appropriate ground emergency ambulance services, the ESA is entering into this Contract for the protection of the health and safety of the residents and visitors within its jurisdiction, and to establish an effective, monitored ground emergency ambulance services system (the "System") provided by a competitively selected, qualified ambulance services provider.

Contractor is experienced in the provision of ground emergency ambulance services.

The ESA desires to use Contractor for the provision of ground emergency ambulance services (the "Services") within the ESA's service area (the "Service Area"), and Contractor agrees to provide such Services on behalf of the ESA, all in accordance with the terms of this Contract

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

AGREEMENT

1. SCOPE OF SERVICES. The ESA shall exclusively utilize Contractor for the provision of ground ambulance emergency medical services within the jurisdiction of the ESA ("Service Area") in El Paso County. Contractor shall perform the Services required under this Contract in accordance with all terms and conditions of the ESA's Request for Proposals No. R08-27CD to Provide EMT-Paramedic Ground Emergency Transportation Services dated March 6, 2008, attached hereto as **Exhibit A** and incorporated by reference, and Contractor's Proposal dated May 9, 2008, attached hereto as **Exhibit B** and incorporated by reference.

2. TERM OF CONTRACT. The term of this Contract shall be for a period of five (5) years, commencing on **January 1, 2009** at 12:00:00 a.m. and terminating on **December 31, 2013** at 11:59:59 ("Initial Term"), unless earlier terminated under this Contract, or otherwise modified by mutual written agreement of the parties. The ESA shall have the sole discretion to renew this Contract for five (5) annual renewal periods (or such other renewal period mutually agreed upon by the parties) for a period not to exceed ten (10) years total (each additional term, a "Renewal Term"). The ESA shall have the unilateral right, upon thirty (30) days written notice to Contractor, to extend this Contract for ninety (90) days beyond the end of the Initial Term without renewing this Contract for an additional annual term.

3. SERVICES PROVIDED BY ESA. The ESA shall provide contract management, oversight and administration and other services as set forth in **Exhibit C**. Contractor shall pay the ESA its costs of administration of this Contract in accordance with the Fee Schedule attached hereto as **Exhibit C** and incorporated by reference. During the Initial Term or any Renewal Term, the ESA's cost of administration of this Contract may include, without limitation, funding for a medical director for the ESA. The funding set forth in this Agreement shall be used for oversight and contract administration as described in the Agreement. No

funds shall be used by the ESA in a manner that may violate 42 U.S.C. Section 1320a-7b (the Anti-Kickback Statute of The Medicare and Medicaid Patient Protection Act of 1987). The ESA represents its actual costs to provide the ESA services to Contractor shall be less than or equal to the payments that it receives from Contractor.

4. PERFORMANCE OF SERVICES. The Services to be performed by Contractor are set forth in **Exhibit B**. Contractor shall perform all Services, work, and provide all materials, supplies and equipment, and carry out the provisions of this Contract in a professional manner to the satisfaction of the ESA in its sole discretion. If the performance of this Contract involves the services of Subcontractors or the furnishing of equipment, supplies or materials provided by others, Contractor agrees to pay for the same in full and to certify in writing to the ESA, upon request, that the payments have been made.

5. INSURANCE. Contractor shall provide insurance coverage during the term of this Contract that will sufficiently protect Contractor, Contractor's agents, employees and other personnel, all activities conducted and equipment used in connection with the services to be provided by Contractor pursuant to this Contract, all in accordance with the Insurance Schedule attached hereto as **Exhibit D** and incorporated by reference.

6. PERFORMANCE SECURITY; LIQUIDATED DAMAGES. Contractor shall provide to the ESA an automatically renewable, irrevocable Performance Bond or a Letter of Credit ("Performance Security") in form and substance acceptable to the ESA. Such Performance Security will expressly provide for the direct draw by the ESA and the restriction of rights of both Contractor and the provider of the bond to object and/or to refuse to honor a demand for payment by the ESA. The Performance Security is attached hereto as **Exhibit E** and incorporated by reference.

The amount of the Performance Security will be three million dollars (\$3,000,000). The Performance Security shall be issued by a federally insured (FDIC) banking institution and/or surety with a substantial presence in the United States and rating acceptable to the ESA.

Contractor shall maintain the Performance Security and the provider of the Performance Security will agree to renew the Performance Security throughout the term(s) of this Contract and for a reasonable time thereafter. Contractor shall ensure that written evidence of the Performance Security provided to the ESA is updated at least annually.

The ESA and Contractor agree that the unique nature of the Services which are the subject of this Contract require that in the event of Contractor's material default leading to termination of this Contract by the ESA, liquidated damages shall be awarded in the amount of the Performance Security. While costs and damages are not easily calculated, the work and expense to achieve another contractor and to conduct an RFP process is extensive. It may be difficult to distinguish the costs of restoration of Services and the recruitment of a new contractor. Costs to the ESA to implement the restoration of Services on an interim or permanent basis and award a new contract are estimated to equal the Performance Security. Upon declaration by the ESA of a termination of the Contract, the ESA shall take immediate possession of the Performance Security and all of Contractor's rights and interest in and to the Performance Security shall be forfeited. ESA's draw of the Performance Security under this paragraph shall not act as a bar or limitation on the ESA's ability to seek other remedies or to recover damages from Contractor as a result of the material default and termination of the Contract.

7. COMPLIANCE WITH FEDERAL, STATE & LOCAL LAWS, REGULATIONS AND RULES. At all times during the performance of this Contract, each party shall observe and conform to all applicable federal, state and local laws, rules, regulations and orders that have been or may hereafter be established. Specifically and without limitation, the parties shall comply with the Immigration Reform and Control Act of 1986 (IRCA), Medicare and Medicaid Regulations, the federal Anti-Kickback Statute, OSHA Regulations, including Title 29, Section 1910.1200 "Hazard Communication", and the Health Insurance Portability and Accountability Act of 1996 (HIPAA). Further, Contractor shall comply with and perform this Contract in accordance with the provisions of all applicable rules, written guidelines, protocols and written policies established by the ESA.

Contractor has made available to the ESA a copy of its Code of Conduct, Anti-Kickback policies and other compliance policies, as may be changed from time-to-time, at Contractor's web site, located at: www.amr.net.

and the ESA acknowledges receipt of such documents. Contractor warrants that its personnel shall comply with Contractor's compliance policies, including training related to the Anti-Kickback Statute.

8. PERMITS, LICENSES & CERTIFICATES. Contractor shall obtain and hold any and all federal, state and local permits, licenses and certificates required to fully perform this Contract. Contractor shall make all necessary payments for such permits, licenses and certificates. Contractor will assure that all necessary renewals of such permits, licenses and certificates are timely made. Contractor shall assure that all of its personnel hold valid federal, state and local permits, licenses and certificates required in order for Contractor to meet its responsibilities under this Contract.

9. INDEPENDENT CONTRACTOR. Contractor understands and agrees that Contractor and Contractor's employees, agents, servants or other personnel are not employees of the ESA, the City of Colorado Springs or El Paso County. Contractor shall be solely responsible for payment of salaries, wages, payroll taxes, unemployment benefits and any other form of compensation or benefit to Contractor or any of Contractor's employees, agents, servants or other personnel performing the service or work or supplying equipment or materials specified herein, whether it be of a direct or indirect nature. It is expressly understood and agreed that for such purposes neither Contractor nor Contractor's employees, agents, servants, Subcontractors or other personnel shall be entitled to any payroll, insurance, unemployment, worker's compensation, retirement or any other benefits whatsoever from the ESA.

10. SUBCONTRACTS AND MEMORANDUM OF UNDERSTANDING FOR MUTUAL AID. During the term of this Contract, Contractor shall not enter into any agreement or arrangement that provides for or permits the performance of Contractor's obligations under this Contract by any Subcontractor or ambulance service provider without the prior written consent of the ESA. Contractor shall provide the ESA with a copy of all Subcontracts and Memorandums of Understanding for Mutual Aid in effect during the Term of this Contract. A current listing of approved Subcontractors and ambulance service providers subject to a mutual aid agreement with Contractor is contained in **Exhibit B**.

11. NOTICE OF LITIGATION AND CLAIMS; COMPLAINT POLICIES. Contractor shall notify the ESA within five (5) calendar days of any material litigation or claims, or significant potential for material litigation or claims, of which Contractor becomes aware and which arise out of or are related in any way to Contractor's performance of this Contract. To the extent permitted by law, Contractor will disclose in writing to the ESA all litigation matters involving Contractor's related organizations or affiliates, owners of Contractor (having a 10% or greater interest in Contractor) and key personnel of Contractor that may have a material impact on the Contractor's ability to continue performance of this Contract. Contractor shall maintain at all times and fully comply with its written complaint resolution policy, which shall be made available to the ESA upon request, and further, shall comply with all written ESA policies concerning investigation of complaints arising out of or related to Contractor's performance under this Contract.

12. STANDARDS FOR EQUIPMENT, MATERIALS AND SUPPLIES. Any specifications for equipment, materials and supplies set forth in this Contract must be acceptable in accordance with standards established and/or adopted by the ESA. Equipment, materials and supplies provided by Contractor shall meet or exceed Contract requirements. The ESA may sample and test equipment, materials and supplies. An Equipment Schedule is contained in **Exhibit B**.

The ESA reserves the right to require Contractor, at Contractor's expense, to provide additional equipment during the term of this Contract if reasonably necessary as determined by the ESA in its sole discretion. The ESA will give the Contractor ninety (90) days notice of its intent to require such additional equipment. Such request(s) shall not require expenditures of more than \$4,000.00 per ambulance per calendar year, which sum shall increase an additional \$1,000.00 per year during the Term of the Contract. Subject to the parties' mutual agreement, the maximum expenditure may be increased greater than the amount stated in this section.

13. BILLING, CUSTOMER FEE SCHEDULE AND PATIENT INFORMATION. Contractor shall be solely entitled to perform, and be responsible for performing, billing of patients and third party payors for the Services. The ESA shall not bill, or permit any other party to bill patients or third party payors for the Services, including but not limited to transport, first response or dispatch services provided in connection with an Emergency Call. The approved rates for customer fees and the procedure for adjusting such rates for the Services provided

under this Contract is attached hereto as **Exhibit C** and incorporated by reference. Notwithstanding any other provision of this Contract, because this Contract requires the Contractor respond at the ALS level to all Emergency Calls, the Contractor shall be entitled to bill the ALS rate except where prohibited by law, e.g., Medicare or Medicaid.

Contractor may solicit information about patients (including payor information). Notwithstanding the foregoing, no attempt will be made to solicit such information or to collect services or fees from a patient, patient's representatives or any other payor until the patient has been accepted at a receiving medical facility (defined in the Request for Proposals), as applicable.

Contractor and the ESA may perform a customer service survey of patients transported pursuant to this Contract. All such survey information shall be shared by the parties.

Nothing herein shall be construed to prohibit Contractor from soliciting authorization for transport, so long as the solicitation of such authorization does not compromise or detrimentally affect patient care.

14. ESA AUDITS & INSPECTIONS. The authorized ESA representatives will be permitted at any time, and without notification, to observe Contractor's operations, including the operators of its offices, communications center and related equipment, maintenance facilities, stations, ambulances and any other facility, location or activity utilized and/or conducted in the performance of this Contract.

Contractor's records (hard copy, as well as computer readable data), and any other material deemed necessary by the ESA to determine compliance with and/or to establish performance of this Contract will be open to inspection and subject to audit and/or reproduction by the ESA's authorized representatives.

All of Contractor's records concerning this Contract must be maintained for a period of three (3) years after expiration or termination of this Contract. The ESA's authorized representatives shall be afforded access, at reasonable times and places, to all of Contractor's personnel throughout the Term of this Contract.

As permitted by applicable law, ESA representatives and/or medical direction representatives (including but not limited to the ESA's Medical Director and/or the Medical Control Committee) may ride as observers on any Contractor ambulance at any time. The ESA and medical direction representatives shall conduct themselves professionally and shall not interfere with the duties of Contractor's employees, and shall at all times be respectful of Contractor's relationships and shall comply with Contractor's policies and protocol.

ESA representatives and/or medical direction representatives shall have the right to audit medical, billing and all other reports and data that Contractor is required to have, maintain and/or provide to any authority.

The ESA representatives may from time-to-time review Contractor's System Status Plan, Patient Care Report form, and Complaint Policy and recommend and/or require changes to the same. If such changes create an adverse aD material financial impact upon Contractor, Contractor and the ESA agree to negotiate in good faith a revision to the fee structure.

Contractor will require each Subcontractor, insurer, material/equipment and supply provider to permit the ESA to audit and inspect their records in the same manner as the ESA may proceed with Contractor and its records under this Contract. The actual cost of any ESA audit and inspection shall be reimbursed to the ESA by Contractor.

Contractor will complete and submit all reports required to be submitted under this Contract to the ESA by the 15th of each month for the previous month. The information in the reports will be attained from the CAD program data and interpreted through Crystal Reporting.

15. MODIFICATION OF THE RESPONSE ZONES. At least annually, and more likely on an ongoing basis, the ESA, in coordination with Contractor, will conduct a geographical analysis to monitor Contractor's adherence to the Response Time standards and to determine whether changes are needed to the Response Zones. If, during the term of this Contract, the ESA determines that a specific community or area needs a

change in Services from Contractor due to changes in areas of growth, then Contractor agrees to make adjustments to the Response Zones. If such modification creates an adverse and material financial impact upon Contractor, Contractor and the ESA agree to negotiate in good faith a revision to the fee structure accordingly. Any modification will be done once per year or in the event the ESA determines an immediate need for the modification exists.

16. ASSESSMENTS FOR FAILURE TO MEET PERFORMANCE REQUIREMENTS. Contractor agrees in the event it fails to meet performance requirements set forth in this Contract, it shall pay assessments in the amount and manner set forth in the attached **Exhibit F** and incorporated by reference. The assessments represent a reasonable endeavor by the ESA and Contractor to estimate a fair compensation for the foreseeable damage to the ESA and its residents due to Contractor's failure to meet the performance standards set forth in this Contract. The assessments shall be in the nature of liquidated damages and are not punitive in nature. Payment by Contractor of an assessment shall constitute a full release and satisfaction of the particular matter.

17. FORCE MAJEURE. Except as may be otherwise provided in this Contract, neither party shall be liable in damages or have the right to terminate this Contract for any delay or default in performance if such delay or default is proximately caused by conditions within the Service Area beyond its reasonable control and occurs without the party's fault or negligence including, but not limited to Acts of God, fire, storm, flood, war, rebellion, insurrection, riot, strike and/or any other cause beyond the reasonable control of the party whose performance is affected (each, a Force Majeure event").

Neither party shall be liable for any failure or delay in performance under this Contract (other than for delay in the payment of money due hereunder) to the extent such failures or delays are proximately caused by a Force Majeure event, provided that, as a condition to the claim of nonliability, the party claiming nonliability due to a Force Majeure event shall give the other prompt written notice, with full details, following the occurrence of the cause relied upon. Failure to give notice within seven (7) days from the occurrence of the Force Majeure event shall act as a waiver of the party's right to claim nonliability due to the Force Majeure event.

To the extent any dates by which performance obligations under this Contract are scheduled to be met, such dates will be extended for a period of time equal to the time lost due to any delay caused by a Force Majeure event for which timely notice is provided.

18. MATERIAL DEFAULT. Conditions and circumstances that constitute a material default by Contractor pursuant to this Contract include:

- a) Failure to operate in a manner which enables the ESA and/or Contractor to remain in compliance with federal, state and local laws, regulations and rules.
- b) Falsification of information supplied prior or subsequent to Contract award.
- c) Creating or otherwise falsifying ambulance responses or transports so as to inflate the volume or value of services.
- d) Excessive and unauthorized scaling down of operations to the detriment of performance at any time and during a "lame duck" period.
- e) Repeated failure to provide data to the ESA that is reasonably required to be generated in the course of operations, including by way of example, dispatch data, patient report data, complaint data, response time data, financial data, training data, billing and collection data, and other performance data and records
- f) Repeated failure to cause its employees to conduct themselves in a professional and courteous manner and present a professional appearance.
- g) Repeated failure to maintain ambulances and equipment in accordance with manufacturer recommended maintenance procedures and as required by applicable laws, regulations and rules.
- h) Failure to cooperate with and assist the ESA if a default(s) warranting termination of this Contract is asserted by the ESA.

- i) Acceptance by Contractor and/or Contractor's employees, Subcontractors or agents of any bribe, kickback or consideration of any kind that could be reasonably construed as a violation of federal, state or local law.
- j) Payment by Contractor and/or any of Contractor's employees, agents or Subcontractors of any bribe, kickback or consideration of any kind that could be reasonably construed as a violation of any federal, state or local law.
- k) Failure to maintain insurance required by this Contract.
- l) Failure of the Contractor to meet Response Time requirements as set forth in the Contract in a response time category, either system-wide or in a particular zone, for three (3) consecutive months, or for four (4) months in any twelve (12) month period.
- m) Failure to maintain the Performance Security required by this Contract.
- n) Conduct of a Subcontractor that would give rise to a material default under this Contract if performed by Contractor.
- o) Repeated failure to submit reports and information
- p) Failure to cooperate fully with audits, investigations and inspections in accordance with this Contract.
- q) Making a general assignment for the benefit of creditors; filing a voluntary petition in bankruptcy or suffered the filing of an involuntary petition by creditors; having a receiver appointed to take possession of all or substantially all of its assets; obtaining the attachment or other judicial seizure of all, or substantially all, of its assets, or admitting in writing its inability to pay debts as they come due.
- r) Failure to cure a minor breach after written notice from the ESA and reasonable opportunity to cure.
- s) Any failure of performance required in the Contract and which is determined by the ESA to constitute a substantial and imminent threat to the public health and safety.

The use of the term "repeated failure" in this section shall be determined by the ESA on a case-by-case basis and may constitute one failure or multiple failures, in the sole discretion of the ESA.

19. REMEDIES IN THE EVENT OF MATERIAL DEFAULT. The ESA shall have all rights and remedies available at law or in equity. The ESA's remedies shall be cumulative and the exercise of any rights and remedies shall be in addition to the exercise of any other rights and remedies available to the ESA (including liquidated damages).

20. NOTICE OF MATERIAL DEFAULT AND TERMINATION. In the event of a default under paragraph 18(s) which has been found by the ESA to be a substantial and imminent threat to the public health and safety, the ESA may provide the Contractor with a reasonable opportunity to cure, or the ESA may immediately terminate the Contract to initiate an emergency takeover of the System in accordance with paragraph 21 of this Contract. For all other defaults under paragraph 17, the ESA will give Contractor thirty (30) days written notice setting forth the nature of the default and an opportunity to cure.

Contractor will be permitted to submit a written plan to cure such default; provided, however, subject to the ESA's sole discretion, the 30-day cure period will not be extended while Contractor prepares a written plan. Failure to cure (such failure to be determined in the sole discretion of the ESA), or failure to timely deliver an acceptable cure plan or provide updates with respect to cure may permit the ESA to terminate this Contract.

Upon termination, Contractor will cooperate fully and immediately with the ESA to effect a prompt and orderly transfer of all responsibilities. The ESA shall determine the process by which the emergency takeover of the System will occur. Contractor may dispute a default asserted by the ESA; however, such dispute will not delay, in any way, the transfer of operations as required by the ESA (immediate if the interests of the public health and safety require as determined by the ESA in its sole discretion). Such dispute by Contractor as to whether a default has occurred will not delay or in any way interfere with the ESA's demand for payment of the Performance Security if the ESA terminates the Contract.

Contractor agrees that all rights and remedies (including drawing against the Performance Security) afforded to the ESA in the event of termination is reasonable and necessary for the protection of the public health and safety.

Contractor's cooperation with and support of the ESA's termination of this Contract, as well as the ESA's draw on the Performance Security, will not be construed as acceptance by Contractor of the finding of a material default.

21. CONTINUOUS SERVICE DELIVERY UPON MATERIAL DEFAULT; TERMINATION. In the event of material default by Contractor, Contractor will use its best efforts to assure continuous delivery of services required under this Contract regardless of the underlying cause or consequence of such default.

Contractor agrees that there is a public health and safety obligation that requires that the ESA provide uninterrupted service delivery in the event of default, even if Contractor disagrees with the determination of default.

Assuring continuation of services may require the ESA to deliver the Services and/or arrange for the delivery of Services by another contractor. Contractor agrees that if it is notified by the ESA of termination due to Contractor's default, the ESA will have the right to execute an emergency takeover of Contractor's system, including the portion of Contractor's communications facility that serves this Contract. Contractor will be required to cooperate fully with such takeover and will challenge or appeal the matter only after such takeover has been completed. This cooperation will include allowing the ESA to directly operate Contractor's System for a period of up to twelve (12) months following the termination of Contractor.

Upon termination of the Contract by the ESA, Contractor shall surrender its System ambulances, equipment, support vehicles and the ESA-dedicated portion of the communications facilities to the ESA for a period of up to twelve (12) months at no cost to the ESA. The ESA shall maintain and repair such equipment and facilities using the same standards as required of Contractor under this Contract. Contractor further agrees to make available to the ESA all means to contact its employees working in Contractor's El Paso County operations so that they may be retained on an emergency basis by the ESA for operating the System.

The ESA will negotiate a fair market price for the use of all ambulances and equipment with Contractor or its successor should the ESA retain the use of the equipment or facilities longer than twelve (12) months.

22. "LAME DUCK" PROVISIONS. Should Contractor be unsuccessful in being awarded a contract for the provision of subsequent ground emergency ambulance services upon the termination or expiration of this Contract, Contractor shall continue to provide services required under this Contract until a new contractor is selected and is performing such services. Under these circumstances, Contractor will serve as a "lame duck" contractor for a reasonable period of time. To assure continued performance consistent with the requirements of this Contract for such period, the following will apply:

- (i) Contractor will continue all services at the same level of effort and performance that were provided under this Contract prior to the beginning of a new contract award process.
- (ii) The ESA recognizes that if a new contractor prevails in a future award process, Contractor may reasonably begin to transition the performance of services to the new contractor. The ESA will not unreasonably withhold its approval of Contractor's orderly transition process, including reasonable plans to relocate staff, relocate equipment, etc., but only to the extent that such transitioning does not impair the performance of services during the period.
- (iii) During any future contract award process conducted by the ESA, Contractor will permit its non-management personnel to discuss with competing organizations issues related to employment, if Contractor is not a proposer. Contractor may, however, require that its non-management personnel refrain from providing information to a competing organization regarding Contractor's then current operations and Contractor may also prohibit its management personnel from communicating with representatives of competing organizations during such contract award process. However, once the ESA has made its decision regarding award, and in the event a new contractor is selected, Contractor will permit free discussion between its El Paso County based employees and the new contractor without restriction and without consequence to any employee.

23. END TERM PROVISIONS. Contractor shall have ninety (90) days after termination or expiration of this Contract in which to provide to the ESA all requested audited financial statements and all other documentation necessary to facilitate the close out of this Contract.

24. INDEMNIFICATION. Contractor shall indemnify, defend and hold harmless the ESA, the City of Colorado Springs, El Paso County and their officers, agents and employees from and against any and all loss, damages, injuries, claims, cause or causes of action, or any liability of any kind whatsoever resulting from, or arising out of or in connection with the services, equipment, materials and supplies provided by Contractor pursuant to this Contract.

Contractor will assume full responsibility for its own defense and the defense and indemnity of the ESA with respect to any claims for infringement of patents, copyrights or trademarks, or claims of unfair competition, that may arise from Contractor's performance of this Contract. The ESA may be represented by and actively participate through its own attorneys, with all such costs and reasonable attorneys fees to be paid by Contractor.

This indemnification obligation will survive the expiration or termination of this Contract.

25. APPROPRIATION OF FUNDS. Performance of the ESA's obligations under this Contract are expressly subject to appropriation of funds. All funds paid by Contractor to the ESA will be available to the ESA to meet its obligations under this Contract. In the event funds are not appropriated in whole or in part sufficient for performance of the ESA's obligations under this Contract, or appropriated funds may not be expended due to constitutional or local legal limitations, then the ESA may terminate this Contract without compensation to Contractor.

26. CONFIDENTIALITY OF RECORDS. Subject to federal and state confidentiality and privacy laws, Contractor will establish and maintain procedures and controls that are acceptable to the ESA, including the ESA's designated HIPAA officer, for the purpose of assuring that no information contained in its records or obtained from the ESA or from others used in carrying out its functions under this Contract will be used by or disclosed by Contractor, its agents, officers, or employees, except as required to perform duties under this Contract. Persons requesting such information should be referred to the ESA. Contractor will ensure that the ESA's representatives are properly authorized and are in all respects in compliance with HIPAA laws and regulations or otherwise satisfy a permitted use and disclosure as set out in 45 C.F.R. §164.512 of HIPAA.

27. PROHIBITED INTEREST / REFERRALS. No official, employee or agent of the ESA shall have any financial interest or benefit, direct or indirect, arising from the negotiation, execution or implementation of this Contract and any of its provisions, or any amendments thereto. No former official, former employee or former agent of the ESA who may become employed by the Contractor shall have any involvement with the performance of this Contract, nor shall such person, on behalf of the Contractor, have any communication with any ESA participants or ESA participating agencies relating to the Contract without the ESA's prior written consent. It is not the intent of either party to this Contract that any remuneration, benefit, or privilege provided for in this Contract shall influence or in any way be based on the referral or recommended referral by either party or the purchasing, leasing, or ordering of any services other than the specific services described in this Contract. Any payments specified in this Contract are consistent with what the parties reasonably believe to be a fair market value for the Services.

28. NO SECURITY INTEREST IN CONTRACT ASSETS. Contractor agrees that it will not allow any liens or registered security interests to be placed against the assets used in the performance of this Contract.

29. FIREARMS. No firearms (including concealed weapons) shall be used by Contractor in the provision of services contemplated by this Contract. No Contractor or Subcontractor personnel while on duty in the performance of this Contract shall carry a firearm within the Service Area. A violation of this provision will cause the violator to be subject to police and legal action and will constitute a default under this Contract.

30. EQUAL EMPLOYMENT OPPORTUNITY MATTERS. Contractor shall follow applicable affirmative action guidelines and laws, regulations and rules in order to assure that employees and applicants applying for employment with Contractor will not be discriminated against because of race, color, religion, sex, sexual

orientation or national origin. Contractor shall comply with the Americans with Disabilities Act (ADA) and similar state and local laws and will not discriminate against disabled persons in accordance with applicable laws, regulations and rules.

31. NON-DISCRIMINATION. Contractor will not discriminate against any employee or applicant for employment because of race, color, sex, national origin, religion, age, handicap or veteran status. Contractor will, where appropriate or required, take affirmative action to ensure that applicants and employees are treated without regard to their race, color, sex, or national origin.

32. DRUG FREE WORKPLACE.

A. Contractor shall, within 30 days after the Effective Date of this Contract:

- (1) Publish a statement notifying its employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in Contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition;
- (2) Establish an ongoing drug-free awareness program to inform such employees about –
 - (i) The dangers of drug abuse in the workplace,
 - (ii) Contractor's policy of maintaining a drug free workplace,
 - (iii) Any available drug counseling, rehabilitation, and employee assistance programs, and
 - (iv) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.
- (3) Provide all employees engaged in performance of this Contract with a copy of the statement required by paragraph 1 of this section.
- (4) Notify such employees in writing in the statement required by paragraph 1 of this section that, as a condition of continued employment on this Contract, the employee will –
 - (i) Abide by the terms of the statement
 - (ii) Notify the employer in writing of the employee's conviction under a criminal drug statute for a violation occurring in the workplace no later than 5 days after such conviction.
- (5) Notify the ESA in writing within 10 days after receiving notice under Paragraph 4 (ii) of this section, from an employee of otherwise receiving actual notice of such conviction. The notice shall include the position title of the employee;
- (6) Within 30 days after receiving notice under Paragraph 4 (ii) of this section of a conviction, take one of the following actions with respect to any employee who is convicted of a drug abuse violation occurring in the workplace:
 - (i) Taking appropriate personnel action against such employee, up to and including termination; or
 - (ii) require such employee to satisfactorily participate in a drug abuse assistance or rehabilitation program approved for such purposes by a federal, state, or local health, law enforcement, or other appropriate agency; and
- (7) Make a good faith effort to maintain a drug-free workplace through implementation of paragraphs 1 through 6 of this section.

B. The Contractor shall implement the following random drug testing program in accordance with the rules set forth by the United States Department of Transportation as federal requirements for a Drug Free Work Place:

- (1) All field crew-members and safety sensitive employees shall be eligible for selection for controlled substance and alcohol testing on an unannounced and random basis.
- (2) The Contractor shall conduct a number of Controlled substance tests equal to at least 50% field employee population and alcohol tests equal to 10% field employee population each calendar year, allocated reasonably over a 12 month period.
- (3) The selection of employees to be tested shall be done by a scientifically valid method, such as computer generated selection, and each employee shall have an equal chance of being tested each time the selection is made.
- (4) Once the employee has been notified that he/she has been selected for testing, he/she must be available for testing at a Contractor approved collection facility for immediate testing.
- (5) Reports of the Random testing component of the Drug and Alcohol policy will be reviewed annually and made available to the ESA.

C. Contractor's drug free workplace policy shall also provide for pre-employment, reasonable suspicion and post-accident drug and alcohol testing in accordance with its established drug and alcohol testing policy. As allowed by applicable law, the data received from such testing (with confidential or private information redacted) shall be made available to an ESA representative for audit and compliance purposes.

D. In addition to other remedies available to the ESA, Contractor's failure to comply with the requirements of this section will constitute a default under this Contract.

33. COMPLIANCE WITH IMMIGRATION AND CONTROL ACT. Pursuant to C.R.S. § 8-17.5-102, Contractor acknowledges, understands and agrees that:

- A. In the performance of any work or the provision of any services by Contractor under this Contract, Contractor shall not knowingly employ or contract with an illegal alien to perform work or provide services under this Contract; or
- B. Enter into a Contract with any Subcontractor that fails to certify to Contractor that the Subcontractor shall not knowingly employ or Contract with an illegal alien to perform work under this Contract or under a subcontract to this Contract;
- C. Contractor has verified or attempted to verify through participation in the basic pilot program that Contractor does not employ any illegal aliens and, if Contractor is not accepted into the basic pilot program prior to entering into a public contract for services, that Contractor shall apply to participate in the basic pilot program every three months until Contractor is accepted or the public contract for services has been completed, whichever is earlier. This provision shall not be required or effective in this Contract if the basic pilot program is discontinued. "Basic pilot program" means the basic pilot employment verification program created in Public Law 208, 104th Congress, as amended, and expanded in Public Law 156, 108th Congress, as amended, that is administered by the United States Department of Homeland Security.
- E. Contractor is expressly prohibited from using basic pilot program procedures to undertake pre-employment screening of job applicants while this Contract and any services under this Contract are being performed.
- F. If Contractor obtains actual knowledge that a subcontractor performing work under this Contract knowingly employs or contracts with an illegal alien, Contractor shall:
 - (1) Notify the Subcontractor and the ESA within three (3) days that Contractor has actual knowledge that the Subcontractor is employing or contracting with an illegal alien; and
 - (2) Terminate the subcontract with the Subcontractor if within three (3) days of receiving the notice the subcontractor does not stop employing or contracting with the illegal alien; except that Contractor shall not terminate this Contract with the Subcontractor if during such three (3) days the subcontractor provides information to establish that the Subcontractor has not knowingly employed or contracted with an illegal alien.
- F. Contractor shall comply with any reasonable request by the Colorado Department of Labor and Employment made in the course of an investigation that the department may undertake pursuant to the authority established in C.R.S. § 8-17.5-102.
- G. If Contractor violates or fails to comply with any provision of C.R.S. § 8-17-101, *et seq.*, such violation will constitute a default under this Contract, and the ESA may terminate this Contract. If this Contract is so terminated, Contractor shall be liable for any actual and consequential damages to the ESA.

34. PRODUCT ENDORSEMENT / ADVERTISING. Contractor (and any supplier, subcontractor, etc.) may not use the name of the ESA for any endorsement without the prior written consent of the ESA.

35. RELATIONSHIP OF THE PARTIES. Nothing in this Contract will be construed to create a relationship between the ESA and Contractor of employer and employee, principal and agent, partnership, joint venture, or any relationship other than that of independent parties contracting with each other solely for the purpose of carrying out the provisions of this Contract. Nothing in this Contract will create any rights or remedies in any third party. The Contract is solely for the benefit of the ESA and Contractor.

36. ASSIGNMENT / AFFILIATED RELATIONSHIPS. Contractor shall not assign or transfer any portion of this Contract without the prior written consent of the ESA. Any purported assignment or transfer without such consent will terminate this Contract at the option of the ESA, and will not convey any rights to the assignee/transferee.

Any significant change in Contractor's immediate parent ownership (American Medical Response, Inc.) will, for the purposes of this Contract, be considered a form of assignment or transfer that is prohibited under this Contract. The ESA may not unreasonably withhold its approval of a requested change in ownership so long as the transferee is of known financial and business integrity.

Except for ancillary services provided by Contractor's affiliates for billing and collection, legal, etc., Contractor may not enter into any agreement or arrangement of any kind for the direct or indirect performance of this Contract by an affiliate of Contractor without the prior written consent of the ESA. The parties' intention is for Contractor, and not an affiliated entity, to directly perform the Services described in this Contract. Upon request, Contractor shall provide the ESA with a list of affiliates of Contractor that provide ancillary services for this Contract.

37. TAXES. Contractor shall be responsible for complying with all federal, state and local tax laws, regulations and rules applicable to its performance of this Contract.

38. NON-EXCLUSION. Each party represents and certifies that neither it nor any practitioner who orders or provide Services on its behalf hereunder has been convicted of any conduct that constitutes grounds for mandatory exclusion as identified in 42 U.S.C. § 1320a-7(a). Each party further represents and certifies that it is not ineligible to participate in Federal health care programs or in any other state or federal government payment program. Each party agrees that if DHHS/OIG excludes it, or any of its practitioners or employees who order or provide Services, from participation in Federal health care programs, the party must notify the other party within five (5) days of knowledge of such fact, and the other party may immediately terminate this Agreement, unless the excluded party is a practitioner or employee who immediately discontinues ordering or providing Services hereunder.

39. NOTICE. Any notice to the parties required under this Contract shall be in writing delivered to the person designated below as Contract Coordinator at the indicated address unless otherwise designated in writing. Notices shall be personally delivered, sent by certified mail return receipt requested or sent for next day delivery by a nationally recognized next day courier service

FOR THE ESA		FOR CONTRACTOR	
Contact:	Chairman, ESA Board of Directors	Contact:	General Manager
Address:	30 S. Nevada Ave., Suite L05	Address:	2370 N. Powers Road
City/State:	Colorado Springs, CO	City/State:	Colorado Springs, CO
Zip:	80901	Zip:	80915
WITH MANDATORY COPY TO:		WITH MANDATORY COPY TO:	
Contact:	Jane Fredman	Contact:	Legal Department
Address:	Flynn Wright & Fredman, LLC	Address:	American Medical Response, Inc.
	111 South Tejon Street, Suite 202		6200 South Syracuse Way, Suite 200
	Colorado Springs, CO 80903		Greenwood Village, CO 80111

40. APPLICATION OF COLORADO LAW. This Contract, and the application and interpretation hereof, shall be governed exclusively by the laws of the State of Colorado. This Contract will also be governed by and interpreted in accordance with applicable ordinances, regulations, rules, written guidelines and written policies. Exclusive venue for any disputes or legal proceedings arising out of this Contract shall be in El Paso County, Colorado.

41. CAPTIONS. The captions used in this Contract will be for the convenience of the parties, will not constitute a part of this Contract and will not to be used to construe or interpret this Contract.

42. COUNTERPARTS / SEVERABILITY. This Contract will permit execution in one or more counterparts. If any term or provision of this Contract is found to be illegal or unenforceable by judgment or court order, then, notwithstanding such illegality or unenforceability, this Contract shall remain in full force and effect and such term or provision shall be deemed to be deleted.

43. CONTRACT MODIFICATION. Any amendments or modifications of the terms of this Contract shall be in writing and will be effective only after the approval and signing of the parties to this Contract.

44. CONTRACT CHANGES. The ESA may, at any time, order changes within the scope of this Contract without invalidating this Contract. In such event, equitable adjustment of Contract provisions may be authorized by the ESA. Such Contract changes must be in writing in accordance with paragraph 43 above. If such changes promulgated by the ESA create an adverse material financial impact upon Contractor, Contractor and the ESA agree to negotiate in good faith a revision to the fee structure accordingly.

45. INTEGRATION. This is a completely integrated Contract and contains the entire agreement of the parties. Any prior written or oral agreements which are different from the terms, conditions and provisions of this Contract shall be of no effect and shall not be binding upon either party.

46. CONFLICTING PROVISIONS. If a provision in any exhibit or addendum to this Contract conflict with any provision in this Contract, the provision of this Contract will control.

47. COOPERATION. The parties agree to cooperate with each other after execution of this Contract to prepare amendments, addenda and clarifications to effectuate the purpose and intent of this Contract.

48. ENTIRE AGREEMENT. This Contract, along with all exhibits, addenda, and attachments, constitutes the entire understanding of the ESA and Contractor with respect to the subject matter hereof, and supersedes all previous representations, written or oral.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

CONTRACT SIGNATURE PAGE

This Contract is executed in two (2) originals.

WHEREOF, THE PARTIES HAVE EXECUTED THIS CONTRACT AS OF THE EFFECTIVE DATE:

ESA:

EL PASO COUNTY EMERGENCY SERVICES AGENCY

By: [Signature]
Jim Reid, Chair

Attest: [Signature]
Secretary

Date: 12/3/08

CONTRACTOR:

AMERICAN MEDICAL RESPONSE OF COLORADO, INC.
a Delaware corporation

By: [Signature]
Mark Bruning, Executive Vice President

STATE OF COLORADO)
COUNTY OF Arapahoe) ss.

The foregoing GROUND EMERGENCY AMBULANCE SERVICES CONTRACT was acknowledged before me this 1st day of December 2008, by Mark Bruning as Executive Vice President of American Medical Response, Inc., a Delaware corporation.

Witness my hand and official seal.

My commission expires: 10/12/2012

(SEAL)

[Signature]
Notary Public

EXHIBITS

- A Request for Proposals
- B Contractor's Proposal (including all clarifications/modifications agreed upon by the ESA and Contractor in negotiations)
- C Fee and Payment Schedule
- D Insurance Schedule
- E Performance Security
- F Assessment Schedule