

STATE OF CALIFORNIA - DEPARTMENT OF GENERAL SERVICES

STANDARD AGREEMENT

STD 213 (Rev. 04/2020)

AGREEMENT NUMBER

26-27012

PURCHASING AUTHORITY NUMBER (If Applicable)

1. This Agreement is entered into between the Contracting Agency and the Contractor named below:

CONTRACTING AGENCY NAME

Department of Health Care Access and Information

CONTRACTOR NAME

California School Nurses Organization

2. The term of this Agreement is:

START DATE

August 18, 2026, or the date the Agreement is fully executed, whichever is later

THROUGH END DATE

June 30, 2027

3. The maximum amount of this Agreement is:

\$122,500.00

4. The parties agree to comply with the terms and conditions of the following exhibits, which are by this reference made a part of the Agreement.

Exhibits	Title	Pages
Exhibit A	Scope of Work	6
Exhibit B	Budget Detail & HCAI Payment Provisions	1
Exhibit C	General Contract Terms and Conditions	9
Exhibit D	Terms and Conditions Required by California Law	5
Exhibit E	Trademark Licensing	3

Items shown with an asterisk (), are hereby incorporated by reference and made part of this agreement as if attached hereto.**These documents can be viewed at <https://www.dgs.ca.gov/OLS/Resources>**IN WITNESS WHEREOF, THIS AGREEMENT HAS BEEN EXECUTED BY THE PARTIES HERETO.***CONTRACTOR**

CONTRACTOR NAME (if other than an individual, state whether a corporation, partnership, etc.)

California School Nurses Organization

CONTRACTOR BUSINESS ADDRESS

3511 Del Paso Rd, Suite 160, PMB 230

CITY

Sacramento

STATE

CA

ZIP

95835

PRINTED NAME OF PERSON SIGNING

Katie Nilsson

TITLE

CSNO State President

CONTRACTOR AUTHORIZED SIGNATURE

Katie NilssonDigitally signed by Katie Nilsson
Date: 2026.08.18 08:21:28 -07'00'

DATE SIGNED

STATE OF CALIFORNIA

CONTRACTING AGENCY NAME

Department of Health Care Access and Information

CONTRACTING AGENCY ADDRESS

2020 West El Camino Avenue

CITY

Sacramento

STATE

CA

ZIP

95833

PRINTED NAME OF PERSON SIGNING

Chantelle Parr

TITLE

Supervisor I

CONTRACTING AGENCY AUTHORIZED SIGNATURE

Chantelle Parr

DATE SIGNED

08/18/2026

CALIFORNIA DEPARTMENT OF GENERAL SERVICES APPROVAL

EXEMPTION (If Applicable)

TABLE OF CONTENTS

TABLE OF CONTENTS.....1

EXHIBIT A SCOPE OF WORK.....2

EXHIBIT B BUDGET DETAIL & HCAI PAYMENT PROVISIONS8

EXHIBIT C GENERAL CONTRACT TERMS AND CONDITIONS9

EXHIBIT D TERMS AND CONDITIONS REQUIRED BY CALIFORNIA LAW18

EXHIBIT E TRADEMARK LICENSING.....23

EXHIBIT A

SCOPE OF WORK

1. Background to the CalRx® School Albuterol Access Initiative

The California Department of Health Care Access and Information (“HCAI”) is committed to expanding equitable access to quality, affordable health care for all Californians—ensuring every community has the health workforce they need, safe and reliable health care facilities, and health information that can help make care more effective and affordable.

Under the authority of the California Affordable Drug Manufacturing Act of 2020¹, HCAI operates the CalRx® program, which empowers the California Health and Human Services Agency (“CalHHS”) and its departments, including HCAI, to form relationships that enhance patient access to affordable drugs.² The CalRx® program is a key driver of California’s commitment to addressing rising drug costs and promoting transparency in pharmaceutical pricing.

The California Budget Act of 2025 (as amended)³ reappropriated \$5 million to the CalRx® program to address emerging pharmaceutical needs. HCAI is utilizing these funds to enter into a partnership to develop and implement the CalRx® School Albuterol Access Initiative. The goal of this initiative is to create a centralized ordering system and provide an emergency stock supply of 90 mcg/actuation albuterol sulfate inhalation metered-dose inhalers (MDIs) and single-use disposable holding chambers/spacers to transitional kindergarten through grade 12 (TK–12) schools, school districts, county offices of education, and/or charter schools in California. The use of albuterol is crucial for managing asthma symptoms and respiratory emergencies. Asthma is one of the most common chronic conditions affecting youth under the age of 17 and access to albuterol MDIs, particularly with holding chambers/spacers, can prevent medical emergencies, reduce the need for hospitalization, and improve time spent in class.

In 2023, the California Education Code⁴ was updated to authorize TK–12 schools to provide an emergency stock supply of albuterol MDIs and single-use disposable holding chambers/spacers. To advance implementation, in 2025, the California Department of Public Health (CDPH) issued a statewide Albuterol Standing Order⁵ signed by the State Public Health Officer, authorizing TK–12 educational organizations to obtain no fewer than two 90 mcg/actuation albuterol MDIs and 25 disposable spacers per school site, per year. Albuterol is administered to persons who are suffering, or reasonably believed to be suffering, from respiratory distress by school nurses or trained personnel in compliance with the training standards set forth in 2025 by the State Superintendent of Instruction.⁶ To further support school implementation, the California School Nurses Organization has developed asthma and school albuterol guidelines and an online training module.

¹ Cal. Health and Safety Code sections 127690 to 127697.

² Cal. Health and Safety Code section 127692.

³ [Assembly Bill No. 102, Chapter 5](#), Item 4140-001-001, Section 2.00.

⁴ Cal. Education Code section 49414.7.

⁵ [Albuterol Standing Orders](#).

⁶ [Minimum Training Standards for the Administration of Stock Albuterol Inhalers](#).

2. Purpose of this Agreement

This Agreement is to govern a collaboration (“Collaboration”) between HCAI and the California School Nurses Organization (“Contractor”) to provide asthma and school albuterol guidelines and an online training module (hereinafter referred to as “Training Materials”) for one-time purchase by HCAI on behalf of each of California’s 1,000 TK–12 public school districts for their use. Contractor shall be responsible for managing a digital storefront for TK–12 public school districts to order the Training Materials at HCAI’s expense. Contractor shall also be responsible for managing a Learning Management System for TK–12 public school districts to access the self-paced online asthma and school albuterol training module and receive a certificate of completion.

3. State Contracting Exemption

This Agreement is executed pursuant to California Health and Safety Code Section 127692(b), which exempts the Agreement from certain requirements for state contracts. California Health and Safety Code section 127692(b) states, in pertinent part:

“[HCAI] may enter into exclusive or nonexclusive contracts on a bid or negotiated basis. Contracts entered into or amended pursuant to this section are exempt from Chapter 6 (commencing with Section 14825) of Part 5.5 of Division 3 of Title 2 of the Government Code and Part 2 (commencing with Section 10100) of Division 2 of the Public Contract Code and are exempt from the review or approval of any division of the Department of General Services.”

4. Period of Performance

- a) The term of this Agreement shall commence on August 14, 2026, or the date the Agreement is fully executed, whichever is later (the “Effective Date”) and shall continue until the close of business on June 30, 2027.
- b) Nothing in this Agreement prohibits the renewal or extension of this Agreement through an amendment that is executed pursuant to the terms of this Agreement.

5. Contract Representatives

The contract representatives (the “Representatives”) during the term of this Agreement shall be:

State Agency: HCAI	Contractor: California School Nurses Organization
Name: Emily Estus, MPP, MPH	Name: Katie Nilsson, MS, RN, PNC
Phone: [REDACTED]	Phone: [REDACTED]
Email: [REDACTED]	Email: [REDACTED]

The Representatives shall serve as the primary contact points between the Parties regarding the activities described in this Agreement. The Representatives shall facilitate the flow of information and otherwise promote communication and coordination between the Parties, providing a single point of communication within each Party’s respective organization, including facilitating review of communications and addressing disputes in a timely manner. Each Party may replace its Representative by written notice to the other Party without amending this Agreement.

Direct all inquiries concerning the terms and conditions of this Agreement to:

State Agency: HCAI	Contractor: California School Nurses Organization
Section: Legal Office	
Attention: James Yi Attorney IV	Attention: Sheri Coburn, EdD, MS, RN, RCSN Executive Director Consultant
Address: 2020 W El Camino Avenue, Suite 800 Sacramento, CA 95833	Address: 3511 Del Paso Rd., Suite 160, PMB 230 Sacramento, CA 95835
Phone: [REDACTED]	Phone: [REDACTED]
Email: [REDACTED]	Email: [REDACTED]

6. Definitions

The following definitions apply to this entire Agreement, unless stated otherwise in a specific part. Words used in this Agreement in the singular, where the context so permits, shall be deemed to include the plural and vice versa. The definitions of words in the singular herein shall apply to such words when used in the plural where the context so permits and vice versa.

- a) "Affiliate" means any entity managing, managed by, under common management with, controlling, controlled by, or under common control with the applicable Party.
- b) "Learning Management System" means an online platform where, upon ordering the Training Materials, Purchasers can register for and use the self-paced asthma and school albuterol training module and receive a certificate of completion.
- c) "Parties" means, collectively, Contractor and HCAI, each individually a "Party."
- d) "Purchaser" means California public TK–12 school districts.
- e) "Storefront" means a customer-facing interface of an online store where Purchasers can browse, search, and order Training Materials from Contractor.
- f) "Training Materials" means Contractor's asthma and school albuterol guidelines and online training module, which meet the requirements of California Education Code section 49414.7 and the minimum standards for training set by the State Superintendent of Public Instruction.
- g) "Validation of Purchaser" means the process by which Contractor verifies that an entity placing a Training Materials order for purchase by HCAI is a California public TK–12 school district, including cross-referencing with the California Department of Education's (CDE) school directory⁷ or other reasonably available sources.

⁷ [California School Directory](#).

7. Storefront

Contractor shall utilize its existing Storefront (as defined in Section 6 above) to facilitate the ordering of and access to Training Materials by Purchasers at HCAI's expense.

- a) Contractor shall utilize its existing subcontractor for the Storefront's e-commerce service provider and shall maintain all legally required licenses or permits to operate the Storefront.
- b) Contractor shall notify HCAI 60 days in advance if a change of subcontractor is required for the Storefront's e-commerce service provider and whether this will disrupt the ability of Purchasers to purchase Training Materials. Contractor shall be solely responsible for any costs as a result of the change.
- c) Contractor shall ensure that the Storefront is operational 24 hours per day, seven days per week with reasonable downtime for maintenance as needed. Contractor shall minimize the length of downtime as much as possible to avoid disruptions to Purchasers' ability to purchase Training Materials.
- d) Contractor shall provide a link to the Storefront to HCAI, and HCAI or other State of California agencies may place the link on any State website.
- e) Contractor shall provide demonstrations of the Storefront and presentations of the Training Materials ordering process to Purchasers as determined by HCAI.
- f) Contractor shall provide information on the Storefront to Purchasers regarding HCAI's payment for Training Materials on behalf of Purchasers as stated in this Agreement. The CalRx® logo and/or word marks may be used on the Storefront if HCAI specifically approves such use and Contractor shall comply with **Exhibit E** regarding the use of HCAI's trademarks.
- g) Contractor shall utilize the CDE school directory or other reasonably available sources to validate Purchaser's eligibility to order Training Materials (i.e., being a California public TK–12 school district) under this Agreement. HCAI shall provide assistance to help resolve any Purchaser eligibility questions if Contractor is unable to validate Purchaser's eligibility based on the current CDE school directory.
- h) In the event Contractor is unable to validate Purchaser's eligibility using the CDE school directory or other reasonably available sources, Contractor may request assistance from HCAI within two business days, and HCAI may coordinate with other state agencies to support such validation; provided, however, that Contractor shall not be in breach of this Agreement for any delays, errors, or inaccuracies resulting from its reasonable reliance on incomplete, outdated, or unavailable information from HCAI or its sources.
- i) Upon validation of Purchaser's eligibility and that there are available funds under this Agreement for the purchase, Contractor shall send order confirmations to Purchasers through the Storefront with instructions for how to download the asthma and school albuterol guidelines and how to register to access the online training module. Contractor shall process orders throughout the day, as received, during normal business hours to provide efficient service.
- j) Contractor shall provide a point of contact to Purchasers to resolve access issues. Contractor's point of contact shall respond to inquiries by Purchasers within two business days.

8. Learning Management System

Upon processing the Training Materials order, Contractor shall utilize its existing Learning Management System (as defined in Section 6 above) to register Purchasers to access the self-paced asthma and school albuterol training module and certificate of completion.

- a) Contractor shall utilize its existing subcontractor for the Learning Management System's e-learning service provider and shall maintain all legally required licenses or permits to operate the Learning Management System.
- b) Contractor shall notify HCAI 60 days in advance if a change of subcontractor is required for the Learning Management System's e-learning service provider and whether this will disrupt the ability of Purchasers to use Training Materials. Contractor shall be responsible for any additional fees as a result of the change.
- c) Contractor shall ensure that the Learning Management System is operational 24 hours per day, seven days per week with reasonable downtime for maintenance as needed. Contractor shall minimize the length of downtime as much as possible to avoid disruptions to Purchasers' ability to access the asthma and school albuterol training module.
- d) Contractor shall provide demonstrations of the Learning Management System and presentations of the registration process to Purchasers as determined by HCAI.

9. Price for Training Materials and Purchases by HCAI

- a) Under this Agreement, Contractor shall sell Training Materials at the price of **\$122.50**. Sales tax is not applicable to these purchases.
- b) HCAI shall pay for one order of Training Materials for each California TK–12 public school district who orders through the Storefront until the Agreement funds (as stated in **Exhibit B**) are expended.
- c) Purchasers shall immediately receive the Training Materials for download at time of order processing. Each order of Training Materials shall contain a digital copy of Contractor's asthma and school albuterol guidelines and online access to Contractor's self-paced training module and certificate of completion.
- d) Any number of Purchaser's personnel may access the Training Materials with no limitations on use within their TK–12 public school district.
- e) **Exhibit B** shall apply regarding invoicing to HCAI and payment from HCAI.

10. Reporting to HCAI

- a) Contractor shall meet with HCAI to provide an update on the Collaboration, share feedback from Purchasers, and discuss implementation challenges and successes.
- b) Contractor shall coordinate with HCAI to develop digital surveys and feedback forms for distribution to Purchasers to assess awareness and satisfaction, and solicit feedback and suggestions related to the Collaboration.
- c) Contractor shall report monthly to HCAI the number of Purchasers that ordered Training Materials and the number of certificates of completion issued to Purchaser's personnel under this Agreement during the previous month in a format agreed to by the Parties. This report shall be due to HCAI's contract representative no later than five calendar days after the end of the

prior month with certain limitations based on the data reports, capabilities, functionality, and metrics that are available within the Storefront and Learning Management System. Contractor shall share the reporting capabilities of the Storefront and Learning Management System with HCAI, and the Parties shall mutually agree upon a reporting format and dataset, subject to the limitations of the Storefront and Learning Management System. Changes to the format and dataset shall not require an amendment to this Agreement.

11. Updates to Training Materials Content

Contractor shall ensure that the content of the Training Materials is up to date with the requirements specified in California Education Code section 49414.7 and the minimum standards for training set by the State Superintendent of Public Instruction. Contractor shall update the Training Materials as needed to conform with any changes made to these minimum standards or statutory requirements.

12. Personal Information

Contractor shall collect, save, and use personal information only as needed to perform this Agreement, including billing and registration. Contractor shall not use or sell personal information collected in performing this Agreement for marketing or other commercial purposes.

EXHIBIT B
BUDGET DETAIL & HCAI PAYMENT PROVISIONS

1. Total Amount of Agreement

- a) The total amount of this Agreement shall not exceed **\$122,500.00**.

2. Contractor Invoices and Payments by HCAI

- a) Upon receipt and approval of Contractor's invoices for purchases pursuant to this Agreement, HCAI agrees to compensate Contractor for Training Materials to Purchasers in accordance with the price stated in **Exhibit A**.
- b) Invoices shall be electronically submitted monthly in arrears to the following email addresses: [REDACTED] and [REDACTED].
- c) Invoices shall be itemized by Purchaser.
- d) ALL invoices submitted by Contractor must identify this Agreement Number.
- e) ANY invoices submitted without the above required information MAY be returned to Contractor for further reprocessing.
- f) All payments by HCAI shall be paid by written warrant mailed to Contractor.
- g) When submitting invoices for payment, Contractor shall provide documentation of purchases.

2. Payment Timelines

Payments made pursuant to this Agreement shall be made in accordance with the State of California's Prompt Payment Act (Government Code sections 927 et seq.). The Act requires the State to pay properly submitted invoices not more than 45 days after receipt of an undisputed invoice.

EXHIBIT C
GENERAL CONTRACT TERMS AND CONDITIONS

1. Applicability of this General Contract Terms and Conditions

If there is an inconsistency or contradiction between this Exhibit C and the other exhibits of this Agreement, the terms and conditions in all other exhibits shall take precedence over the general contract terms and conditions in this Exhibit C.

2. Approval

This Agreement is of no force or effect until signed by the Parties. Contractor may not commence performance until the Agreement is fully executed by the Parties.

3. Entire Agreement

The Agreement contains the entire understanding of the Parties with respect to the subject matter of this Agreement. All express or implied agreements and understandings, either oral or written, with regard to the subject matter of this Agreement, are superseded by the terms of this Agreement. Neither Party is relying on any representation, promise, or warranty not expressly set forth in this Agreement.

4. Severability

If any one or more of the provisions contained in this Agreement is held invalid, illegal, or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions contained herein will not in any way be affected or impaired thereby, unless the absence of the invalidated provision(s) adversely affects the substantive rights of the Parties. The Parties will in such an instance use their best efforts to replace the invalid, illegal or unenforceable provision(s) with valid, legal, and enforceable provision(s) which, insofar as practical, implement the purposes of this Agreement.

5. Independent Contractor

Contractor, and the agents and employees of Contractor, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of HCAI or the State of California.

6. Governing Law

This Agreement shall be governed by and shall be interpreted in accordance with the laws of the State of California. The venue of any action brought with regard to this Agreement shall be the Superior Court of California, County of Sacramento. The United Nations Convention on Contracts for the International Sale of Goods shall not apply to this Agreement.

7. Compliance with Statutes and Regulations

Contractor warrants and certifies that in the performance of this Agreement, it will comply with all applicable statutes, rules, regulations and orders of the United States and the State of California and agrees to indemnify the State against any loss, cost, damage, or liability by reason of Contractor's violation of this provision.

8. Contractor's Power and Authority

Contractor warrants that it has full power and authority to grant the rights herein granted and will hold HCAI and the State of California harmless from and against any loss, cost, liability, and expense (including reasonable attorney fees) ("Losses") arising out of any breach of this warranty, except to the extent such Losses were caused due to the gross negligence or willful misconduct of HCAI and the State of California or the gross negligence or willful misconduct of its or their employees, officers, agents or contractors. Further, Contractor avers that it will not knowingly enter into any arrangement with any third party which might abridge any rights of HCAI or the State of California under this Agreement.

9. Assignment

This Agreement is not assignable by Contractor, either in whole or in part, without the prior written consent of HCAI which shall not be unreasonably withheld, conditioned, or delayed. For the purpose of this paragraph, HCAI will not unreasonably prohibit Contractor from freely assigning its right to payment, provided that Contractor remains responsible for its obligations hereunder.

10. Waiver of Rights

Any action or inaction by either Party or the failure of a Party on any occasion, to enforce any right or provision of this Agreement, shall not be construed to be a waiver by such Party of its rights hereunder and shall not prevent such Party from enforcing such provision or right on any future occasion. The rights and remedies of each Party herein are cumulative and are in addition to any other rights or remedies that each Party may have at law or in equity.

11. Substitutions

Substitution of goods may not be tendered without advance written consent of the State. Contractor shall not use any specification in lieu of those contained in this Agreement without written consent of the State.

12. Inspection, Acceptance and Rejection

- a) Contractor and its subcontractors, if any, will provide and maintain a quality assurance system acceptable to HCAI covering goods and services under this Agreement and will tender to the State or recipients of the goods only those goods that have been inspected and found to conform to this Agreement's requirements. Contractor will keep records evidencing inspections and their result and will make these records available to HCAI during the performance of this Agreement and for three (3) years after final payment. Contractor shall permit HCAI to review procedures, practices, processes, and related documents to determine the acceptability of

Contractor's quality assurance system or other business practices related to performance of this Agreement.

- b) All goods may be subject to inspection and testing by HCAI or its authorized representatives.
- c) During any on-site inspection, Contractor and its subcontractors, if any, shall provide all reasonable facilities for the safety and convenience of inspectors at no additional cost to HCAI. Contractor shall furnish to inspectors all information and data as may be reasonably required to perform their inspection.
- d) All goods to be delivered hereunder may be subject to final inspection, testing, and acceptance by HCAI at the destination, notwithstanding any payment or inspection at the source.
- e) HCAI shall give written notice of rejection of goods delivered or services performed hereunder within a reasonable time after receipt of such goods or performance of such services. Such notice of rejection will state the reasons in which the goods do not substantially conform to HCAI's specifications. If HCAI does not provide such notice of rejection within thirty (30) days of delivery, unless otherwise specified in the Scope of Work, such goods and services will be deemed to have been accepted. Acceptance by HCAI will be final and irreversible, except as it relates to latent defects, fraud, and gross mistakes amounting to fraud. Acceptance shall not be construed to waive any warranty rights that HCAI might have at law or by express reservation in this Agreement with respect to any nonconformity.

13. Samples

- a) Samples of items may be required by HCAI for inspection and specification testing and must be furnished free of expense to HCAI. The samples furnished must be identical in all respects to the Training Materials specified in this Agreement.
- b) Samples, if not destroyed by tests, may, upon request made at the time the sample is furnished, be returned at Contractor's expense.

14. Warranty

Unless otherwise specified, the warranties contained in this Agreement begin after acceptance of the Training Materials has occurred.

- a) Contractor warrants that goods and services furnished hereunder will conform to the requirements of this Agreement (including all descriptions, specifications, and drawings made a part hereof), and such goods will be merchantable, fit for their intended purposes, free from all defects in materials and workmanship and to the extent not manufactured pursuant to detailed designs furnished by HCAI, free from defects in design. HCAI's approval of designs or specifications furnished by Contractor shall not relieve Contractor of its obligations under this warranty.
- b) All warranties, including special warranties specified elsewhere herein, shall inure to HCAI, the State of California, their successors, assigns, customer agencies and users of the goods or services.

- c) All documentation provided by Contractor to HCAI in connection with entry into this Agreement is true, accurate, and complete in all material respects, and there has been no material adverse change in such documentation.

15. Termination for Non-Appropriation of Funds

- a) If the term of this Agreement extends into fiscal years subsequent to that in which it is approved, such continuation of this Agreement is contingent on the appropriation of funds for such purpose by the Legislature. If funds to effect such continued payment are not appropriated or reappropriated, Contractor agrees to relieve the State of any further obligation under this Agreement.
- b) HCAI shall notify Contractor within five (5) business days of HCAI becoming aware that funds will not be appropriated or will be reappropriated which would affect HCAI's ability to pay for Training Materials.

16. Termination for Convenience

- a) Upon the provision of at least thirty (30) days advance written notice to the Contractor, HCAI may terminate performance of work under this Agreement for its convenience in whole or, from time to time, in part, if HCAI determines that a termination is in the interest of the State of California. HCAI shall terminate by delivering to Contractor a Notice of Termination specifying the extent of termination and the effective date thereof.

17. Termination for Default

- a) Upon reasonable advance written notice to Contractor, HCAI may, subject to the Force Majeure paragraph contained herein, by written notice of default to Contractor, terminate this Agreement in whole or in part if Contractor materially breaches this Agreement, including, but not limited to, the following:
 - i. Failing to deliver Training Materials as required by this Agreement, or to perform any services required by this Agreement within the time specified in this Agreement or any amendment thereto; or
 - ii. Materially fails to perform any provision of this Agreement.
- b) HCAI's right to terminate this Agreement under subparagraphs (a) above, may be exercised if Contractor does not cure such failure within a reasonable timeframe as stated in the cure notice issued by HCAI.
- c) HCAI shall pay this Agreement's price for completed goods delivered and accepted. HCAI may withhold from these amounts any sum the buyer determines to be necessary to protect the State against loss because of outstanding liens or claims of former lien holders.
- d) If, after termination, it is determined that Contractor was not in default, or that the default was excusable, the rights and obligations of the Parties shall be the same as if the termination had been issued for the convenience of HCAI.

- e) The rights and remedies of each Party in this clause are in addition to any other rights and remedies provided by law or under this Agreement.

18. Force Majeure

- a) Except for defaults of subcontractors at any tier, Contractor shall not be liable for any excess costs if the failure to perform this Agreement arises from causes beyond the control and without the fault or negligence of Contractor. Examples of such causes include, but are not limited to:
 - i. Acts of God or of the public enemy, and
 - ii. Acts of the federal or state government in either its sovereign or contractual capacity.
- b) If the failure to perform is caused by the default of a subcontractor at any tier, and if the cause of the default is beyond the control of both Contractor and subcontractor, and without the fault or negligence of either, Contractor shall not be liable for any excess costs for failure to perform.

19. Indemnification

- a) Contractor agrees to indemnify, defend, and save harmless HCAI, the State of California, its officers, agents and employees from any loss, cost, liability, or expense (including reasonable attorney fees) ("Losses"):
 - i. accruing or resulting to any and all of its contractors, subcontractors, suppliers, laborers and any other person, firm, or corporation furnishing or supplying work, services, materials or supplies in connection with the performance of this Agreement;
 - ii. accruing or resulting to any person, firm or corporation which may be injured or damaged by Contractor in the performance of this Agreement;
 - iii. accruing or resulting to any person, firm or corporation from the use, re-sale, or distribution of Contractor's Training Materials, including, but not limited to, liability claims from consumers;
 - iv. by reason of Contractor's violation of provision 7, "Compliance with Statutes and Regulations," above;
 - v. arising out of any breach of Contractor's warranty under provision 8, "Contractor's Power and Authority," above; and
 - vi. liability of any nature or kind, including costs and expenses, for infringement or use of any copyrighted or uncopyrighted composition, secret process, patented or unpatented invention, article or appliance furnished or used in connection with this Agreement.
- A. Contractor shall have no liability to the HCAI or the State of California under this subpart (vi) with respect to any claim of patent, copyright, or trade secret infringement which is based upon the utilization of Training Materials furnished hereunder by Contractor; or the modification by HCAI or the State of California of the Training Materials furnished under this Agreement.

- b) Contractor, at its own expense, shall defend any action brought against HCAI or to the State of California to the extent that such action is based upon losses, damages, costs, expenses, claims, or liability covered by (a) above. Contractor shall pay those costs and damages finally awarded against HCAI or the State of California in any such action. Such defense and payment shall be conditioned on the following:
 - i. That Contractor shall be notified within a reasonable time in writing by HCAI/State of any notice of such claim; and,
 - ii. Contractor will have sole control of the defense of any action on such claims and all negotiations for its settlement or compromise; provided that (A) when principles of government or public law are involved, when litigation might create precedent affecting future HCAI or State of California operations or liability, or when involvement of HCAI/State is otherwise mandated by law, HCAI/State of California may participate in such action at its own expense with respect to attorneys' fees and costs (but not liability); (B) HCAI/State will have the right to approve or disapprove any settlement or compromise, which approval will not unreasonably be withheld or delayed; and (C) HCAI/State will reasonably cooperate in the defense and in any related settlement negotiations.

20. Training Materials Subject to Intellectual Property, Patent, Copyright, or Similar Claims

- a) Should Contractor's Training Materials furnished under this Agreement, or the operation thereof, become, or in Contractor's opinion are likely to become, the subject of a claim of infringement of a United States patent or copyright, HCAI shall permit Contractor at its option and expense either to procure for HCAI/State the right to continue using the Training Materials, or to replace or modify the same so that they become non-infringing.
- b) If none of the options in (a) can reasonably be taken, or if the use of such Training Materials by HCAI/State shall be prevented by injunction, Contractor agrees to take back such Training Materials and make every reasonable effort to assist HCAI/State in procuring substitute Training Materials.
- c) If, in the sole opinion of HCAI, the return of such infringing Training Materials makes the retention under this Agreement impractical, HCAI shall then have the option of terminating this Agreement, or applicable portions thereof, without penalty or termination charge. Contractor agrees to take back such Training Materials and refund any sums HCAI has paid Contractor less any reasonable amount for use or damage.

21. Limitation of Liability

SUBJECT TO AND WITHOUT LIMITING THE INDEMNIFICATION OBLIGATIONS UNDER THIS AGREEMENT, NO PARTY SHALL BE LIABLE TO THE OTHER PARTY UNDER THIS AGREEMENT OR ANY WARRANTY, NEGLIGENCE, TORT, STRICT LIABILITY OR OTHER LEGAL OR EQUITABLE THEORY FOR ANY SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE, MULTIPLIED, OR CONSEQUENTIAL DAMAGES OR FOR LOST PROFITS (EVEN IF DEEMED DIRECT DAMAGES) ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT.

22. Taxes

Unless otherwise required by law, the State of California, including HCAI, is exempt from federal excise taxes. The State will pay for any applicable State of California or local sales or use taxes on the services rendered or goods supplied to the State pursuant to this Agreement.

23. Amendment

Unless specifically stated otherwise in this Agreement, no amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the Parties, and approved as required. No oral understanding or agreement not incorporated in this Agreement is binding on any of the Parties.

24. Publicity

Neither Party shall issue any press release concerning this Agreement or the subject matter hereof, nor will either Party use the other Party's name, trademarks, or logos in any advertising, press release, websites, or promotional materials, except with the prior written consent of the other Party.

25. Dispute Process

- a) The Parties shall deal in good faith and attempt to resolve potential disputes informally. If the dispute persists, Contractor shall submit to the HCAI Chief Deputy Director or designee a written demand for a final decision regarding the disposition of any dispute between the Parties arising under, related to or involving this Agreement. Contractor's written demand shall be fully supported by factual information, and if such demand involves a cost adjustment to this Agreement, Contractor shall include with the demand a written statement signed by an authorized person indicating that the demand is made in good faith, that the supporting data are accurate and complete and that the amount requested accurately reflects the adjustment for which Contractor believes the State is liable.
- b) Within ten (10) business days of receipt of Contractor's written demand, the HCAI Chief Deputy Director shall meet with Contractor's and HCAI's Contract Representatives for purposes of resolving the dispute. The decision of the HCAI Chief Deputy Director shall be final.
- c) Pending the final resolution of any dispute arising under, related to or involving this Agreement, Contractor agrees to diligently proceed with the performance of this Agreement, including the delivery of Products or providing of services in accordance with HCAI's instructions. Contractor's failure to diligently proceed in accordance with HCAI's instructions shall be considered a material breach of this Agreement.
- d) Any final decision of HCAI shall be expressly identified as such, shall be in writing, and shall be signed by the HCAI Chief Deputy Director or designee. If HCAI fails to render a final decision within ninety (90) calendar days after receipt of Contractor's demand, it shall be deemed a final decision adverse to Contractor's contentions. HCAI's final decision shall be conclusive and binding regarding the dispute unless Contractor commences an action in a court of competent jurisdiction to contest such decision within ninety (90) days following the date of the final decision or one (1) year following the accrual of the cause of action, whichever is later.

26. Stop Work

- a) HCAI may, at any time, by written Stop Work Order to Contractor, require Contractor to stop all, or any part, of the work called for by this Agreement for a period up to ninety (90) days after the Stop Work Order is delivered to Contractor, and for any further period to which the Parties may agree. The Stop Work Order shall be specifically identified as such and shall indicate it is issued under this provision.
- b) Upon receipt of the Stop Work Order, Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the Stop Work Order during the period of work stoppage. Within a period of ninety (90) days after a Stop Work Order is delivered to Contractor, or within any extension of that period to which the Parties shall have agreed, the State shall either:
 - i. Cancel the Stop Work Order; or
 - ii. Terminate the work covered by the Stop Work Order as provided for in the termination for default or the termination for convenience clauses of this Agreement.
- c) If a Stop Work Order issued under this provision is canceled or the period of the Stop Work Order or any extension thereof expires, Contractor shall resume work. HCAI shall make an equitable adjustment in the delivery schedule, the price, or both, and this Agreement shall be modified, in writing, accordingly, if:
 - i. The Stop Work Order results in an increase in the time required for, or in Contractor's cost properly allocable to the performance of any part of this Agreement; and
 - ii. Contractor asserts its right to an equitable adjustment within 30 days after the end of the period of work stoppage; provided, that if HCAI decides the facts justify the action, HCAI may receive and act upon a proposal submitted at any time before final payment under this Agreement.
- d) If a Stop Work Order is not canceled and the work covered by the Stop Work Order is terminated in accordance with the provision entitled, "Termination for the Convenience of the State," HCAI shall allow reasonable costs resulting from the Stop Work Order in arriving at the termination settlement.
- e) HCAI shall not be liable to Contractor for loss of profits because of a Stop Work Order issued under this provision.

27. Covenant Against Gratuities

Contractor warrants that no gratuities (in the form of entertainment, gifts, or otherwise) were offered or given by Contractor, or any agent or representative of Contractor, to any officer or employee of HCAI or the State of California with a view toward securing this Agreement or securing favorable treatment with respect to any determinations concerning the performance of this Agreement. For breach or violation of this warranty, HCAI shall have the right to terminate this Agreement, either in whole or in part, and any loss or damage sustained by HCAI in procuring on the open market any

items which Contractor agreed to supply shall be borne and paid for by Contractor. The rights and remedies of the State provided in this provision shall not be exclusive and are in addition to any other rights and remedies provided by law or in equity.

28. Potential Subcontractors

This Agreement shall not create any contractual relationship between HCAI and any of Contractor's subcontractors, and the use of a subcontractor shall not relieve Contractor of its responsibilities and obligations under this Agreement. Contractor's obligation to pay its subcontractors is an independent obligation from HCAI's obligation to make payments to Contractor. As a result, HCAI shall have no obligation to pay or to enforce the payment of any moneys to any subcontractor.

29. Health and Safety Protocol at HCAI Property

Contractor personnel will be required to follow all applicable state and public health requirements and related State policies when in a State location.

30. Headings

The captions to the several sections in this Agreement are not a part of this Agreement, but are merely for convenience to assist in locating and reading the sections of this Agreement

31. Waiver Rule of Construction

Each Party has had the opportunity to consult with counsel in connection with the review, drafting and negotiation of this Agreement. Accordingly, the rule of construction that any ambiguity in this Agreement will be construed against the drafting Party will not apply.

32. Counterparts

This Agreement may be executed in two or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. Counterparts may be delivered via electronic mail, including Adobe™ Portable Document Format (PDF) or any electronic signature complying with the U.S. Federal ESIGN Act of 2000, and any counterpart so delivered will be deemed to be original signatures, will be valid and binding upon the Parties, and, upon delivery, will constitute due execution of this Agreement.

EXHIBIT D
TERMS AND CONDITIONS REQUIRED BY CALIFORNIA LAW

1. Examination and Audit (Cal. Gov. Code section 8546.7 and Cal. Code Regs., title 2, section 11116)
 - a) Contractor agrees that the State or their designated representative shall have the right to review and copy any records and supporting documentation pertaining to performance of this Agreement. Contractor agrees to maintain such records for possible audit for a minimum of three (3) years after final payment under this Agreement. Contractor agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees or others who might reasonably have information related to such records.
 - b) Contractor agrees to include a similar right of HCAI/State to audit records and interview staff in any subcontract related to performance of this Agreement.

2. Statement of Compliance with Nondiscrimination Program Requirements (Cal. Gov. Code section 12990 and Cal. Code Regs., title 2, section 11109)

By signing this Agreement, Contractor, under penalty of perjury, certifies that it has, unless exempted, complied with the nondiscrimination program requirements in California Code of Regulations, title 2, section 11102.

3. Nondiscrimination Clause (Cal. Code Regs., title 2, section 11105)
 - a) During the performance of this Agreement, Contractor and its subcontractors shall not unlawfully discriminate against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, reproductive health decision making, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status. Contractors and subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free of such discrimination.
 - b) Contractors and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (California Government Code sections 12900 *et seq.*) and the applicable regulations promulgated thereunder (California Code of Regulations, title 2, sections 11000 *et seq.*). The applicable regulations of the Civil Rights Council implementing Government Code section 12990, set forth in Subchapter 5 of Division 4.1 of Title 2 of the California Code of Regulations are incorporated into this Agreement by reference and made a part hereof as if set forth in full.
 - c) Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.
 - d) Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under this Agreement.

4. Americans with Disabilities Act

Contractor assures HCAI that it complies with the Americans with Disabilities Act of 1990. (42 U.S.C. sections 12101 et seq.)

5. Drug-Free Workplace Requirements (Cal. Gov. Code sections 8355 to 8357)

Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:

- a) Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.
- b) Establish a Drug-Free Awareness Program to inform employees about all of the following:
 - i. the dangers of drug abuse in the workplace;
 - ii. the Person's policy of maintaining a drug-free workplace;
 - iii. any available counseling, rehabilitation, and employee assistance programs; and,
 - iv. penalties that may be imposed upon employees for drug abuse violations.
- c) Every employee who works on the proposed Agreement will:
 - i. receive a copy of the company's drug-free workplace policy statement; and,
 - ii. agree to abide by the terms of the company's statement as a condition of employment on the Agreement.

Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both and Contractor may be ineligible for award of any future State agreements if the department determines that any of the following has occurred: Contractor has made false certification or violated the certification by failing to carry out the requirements as noted above.

6. Sweatfree Code of Conduct (Cal. Public Contract Code section 6108)

- a) Contractor declares under penalty of perjury that no apparel, garments or corresponding accessories, equipment, materials, or supplies furnished to HCAI or the State of California pursuant to this Agreement have been produced in whole or in part by sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor, or with the benefit of sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor. Contractor further declares under penalty of perjury that they adhere to the Sweatfree Code of Conduct as set forth on the California Department of Industrial Relations website located at <http://www.dir.ca.gov/>, and California Public Contract Code section 6108.

- b) Contractor agrees to cooperate fully in providing reasonable access to its records, documents, agents or employees, or premises if reasonably required by authorized officials of HCAI, the State, the Department of Industrial Relations, or the Department of Justice to determine Contractor's compliance with the requirements under (a).

7. Child Support Compliance Act (Cal. Public Contract Code section 7110)

Contractor acknowledges in accordance that:

- a) Contractor recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with Section 5200) of Part 5 of Division 9 of the California Family Code; and
- b) Contractor, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

8. Air or Water Pollution Violations (Cal. Gov. Code section 4477)

- a) HCAI cannot contract with any entity that is (i) in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district; (ii) subject to cease and desist order not subject to review issued pursuant to Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or (iii) finally determined to be in violation of provisions of federal law relating to air or water pollution.
- b) Contractor certifies that it is not an entity described in (a) above and is eligible to contract with HCAI pursuant to California Government Code section 4477. Should HCAI determine that it cannot contract with Contractor pursuant to section 4477, that shall be grounds for termination of this Agreement. HCAI shall provide Contractor advance written notice of such termination, allowing Contractor at least 30 calendar days to provide a written response. Termination shall be at the sole discretion of HCAI.

9. Civil Rights Law Certification (Cal. Public Contract Code section 2010)

Contractor certifies under penalty of perjury under the laws of the State of California that, at the time it submitted a bid or proposal to HCAI for this Agreement or otherwise proposed to enter into this Agreement with HCAI, all the following were true:

- a) Contractor was in compliance with the Unruh Civil Rights Act (California Civil Code section 51 and the Fair Employment and Housing Act (California Government Code section 12960, *et seq.*); and
- b) If Contractor has an internal policy against a sovereign nation or peoples recognized by the United States government, that such policies were not used in violation of the Unruh Civil Rights Act or the Fair Employment and Housing Act.

10. Iran Contracting Act of 2010 (Cal. Public Contract Code sections 2200, et seq.)

Unless exempted, entities that have engaged in certain investment activities in Iran are ineligible to contract with HCAI for goods or services of one million (\$1,000,000) or more. California law requires all entities seeking to contract with HCAI to make certain certifications about this.

Prior to executing this Agreement, Contractor was required to complete the "Iran Contracting Act Verification Form" to meet the requirements of the Iran Contracting Act of 2010. Among other remedies, should HCAI determine that Contractor submitted a false certification pursuant to this Act, that shall be grounds for termination of this Agreement. HCAI shall provide Contractor advance written notice of such termination, allowing Contractor at least 30 calendar days to provide a written response. Termination shall be at the sole discretion of HCAI or the California Department of General Services.

11. Payee Data Record (California State Administrative Manual section 8422.190)

Contractor must complete and file the form Std. 204, "Payee Data Record," with the State of California before any payments can be disbursed under this Agreement.

12. Russia Sanctions (Cal. Executive Order N-6-22)

Contractor shall comply with Executive Order N-6-22 (the EO) regarding Economic Sanctions against Russia and Russian entities and individuals. "Economic Sanctions" refers to sanctions imposed by the U.S. government in response to Russia's actions in Ukraine, as well as any sanctions imposed under state law. The EO directs state agencies to terminate contracts with, and to refrain from entering any new contracts with, individuals or entities that are determined to be a target of Economic Sanctions. Accordingly, should HCAI determine Contractor is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for termination of this Agreement. HCAI shall provide Contractor advance written notice of such termination, allowing Contractor at least 30 calendar days to provide a written response. Termination shall be at the sole discretion of HCAI.

13. GenAI Disclosure Obligations (Cal. Executive Order N-12-23)

- a) "Generative AI (GenAI)" means an artificial intelligence system that can generate derived synthetic content, including text, images, video, and audio that emulates the structure and characteristics of the system's training data. (Gov. Code § 11549.64.)
- b) Contractor shall immediately notify the State in writing if it: (1) intends to provide GenAI as a Deliverable to the State; or (2) intends to utilize GenAI, including GenAI from third parties, to complete all or a portion of any Deliverable that materially impacts: (i) functionality of the System, (ii) risk to the State, or (iii) Agreement performance. For avoidance of doubt, the term "materially impacts" as used in this section shall have the same meaning set forth in State Administrative Manual (SAM) 4986.2 Definitions for GenAI.
- c) Notification shall be provided to the State designee identified in this Agreement.

- d) At the direction of the State, Contractor shall discontinue the provision to the State of any previously unreported GenAI that results in a material impact to the functionality of the System, risk to the State, or Agreement performance, as determined by the State.
- e) If the use of previously undisclosed GenAI is approved by the State, then Contractor will update the Deliverable description, and the Parties will amend the Agreement accordingly, which may include incorporating the GenAI Special Provisions into the Agreement, at no additional cost to the State.
- f) The State, at its sole discretion, may consider Contractor's failure to disclose or discontinue the provision or use of GenAI as described above, to constitute a material breach of the Agreement when such failure results in a material impact to the functionality of the System, risk to the State, or Agreement performance. The State is entitled to seek any and all remedies available to it under law as a result of such breach, including but not limited to termination of the Agreement.

EXHIBIT E
TRADEMARK LICENSING

1. Purpose of this Exhibit

HCAI (“Licensor”) is the sole owner of the registered, pending, and common law trademarks and service marks as set forth here (the “Marks”):

HCAI’s Marks		
1	Word: “CalRx”	US Registration Number 7532261
2	Word: “CalRx”	US Registration Number 7292150
3	Word: “CalRx”	US Serial Number 99597009
4	Word: “CalRx”	US Serial Number 99822055
5	Logo: 	US Registration Number 7437664
6	Logo: 	US Registration Number 7539148
7	Logo: 	US Registration Number 8178722
8	Logo: 	US Serial Number 99822052

Pursuant to this Agreement, Contractor may obtain the right to use HCAI’s Marks under license from HCAI.

This Exhibit states the limitations and requirements for Contractor to use HCAI’s Marks.

2. Grant of Rights

HCAI hereby grants to Contractor a nonexclusive, revocable, non-transferable, royalty-free license, during the term of this Agreement, to use HCAI’s Marks in the Territory solely as allowed under this Agreement to provide information on the Storefront to Purchasers regarding HCAI’s payment for Training Materials on behalf of Purchasers. Contractor may not grant any sublicense of any of HCAI’s Marks without Licensor’s prior written consent. Licensor retains the right to use Licensor’s Marks within and outside of the Territory.

3. Quality Control; Legal Compliance

- a) Contractor acknowledges that Contractor’s use of HCAI’s Marks pursuant to this Agreement must be in a manner that does not have a detrimental impact on HCAI’s reputation or the goodwill associated with HCAI’s business and HCAI’s Marks.

- b) Consistent with other provisions of this Agreement, Contractor shall provide a template of the Storefront or other materials to be used by Contractor along with any of HCAI's Marks for review and prior approval by HCAI, and HCAI shall have the right in its sole and absolute discretion to approve or reject same. In the event HCAI does not approve any such materials, they shall be deemed rejected and Contractor shall revise, improve and/or otherwise submit new materials that conform to the required quality level, and HCAI shall have the right to approve or reject same. Contractor shall not finalize, reproduce, distribute, display or otherwise use any such materials that have not been approved in writing by HCAI.

4. Mark Ownership and Protection

- a) Ownership. Contractor acknowledges and agrees that HCAI is, and HCAI, or its successors of interest, shall remain, the owner of HCAI's Marks. Contractor shall acquire no ownership interest in any of HCAI's Marks through this Agreement or otherwise. All goodwill generated by the use of HCAI's Marks by Contractor shall exclusively inure to the benefit of HCAI.
- b) Cooperation. The parties shall fully cooperate with each other in their efforts to maintain and enforce HCAI's rights in HCAI's Marks, provided that all costs and expenses incurred by Contractor (or, at Contractor's request, by HCAI) in fulfilling Contractor's obligations hereunder shall be borne by Contractor, unless otherwise agreed to in writing by the Parties. Contractor's obligation to cooperate under this provision means providing reasonable assistance to HCAI including, but not limited to, the provision of evidence, witnesses, and declarations at Contractor's expense.
- c) Registration of the Marks. Contractor shall not, on its behalf or on behalf of any other party, in any country or jurisdiction, register or attempt to register any of HCAI's Marks or any other service mark, trademark, or trade name which is identical or confusingly similar to any of HCAI's Marks without HCAI's prior written consent.
- d) Impairment of HCAI's Rights. Contractor shall not do, or permit to be done, any action or thing which will in any way impair HCAI's rights in and to HCAI's Marks.
- e) Contesting of HCAI's Rights. Contractor shall not contest or assist any other party in contesting the validity of HCAI's ownership of HCAI's Marks.
- f) Trademark Notices. Unless otherwise specified by HCAI, Contractor shall cause the designation of "®" to be placed adjacent to the versions of HCAI's Marks that are federally registered and "TM" or "SM" as appropriate, for any versions of HCAI's Marks that are not federally registered, in connection with each use or display of any of HCAI's Marks in connection with the CalRx® Albuterol Products in the U.S.

5. Infringements

- a) Infringements. In addition to the terms set forth in this Agreement, and in accordance with provisions relating to the prosecution, defense, and settlement of any action, suit, opposition, or other proceeding (collectively, "Proceedings") with respect to any actual or perceived infringement, dilution, tarnishment, unfair competition, or passing off by a third party of, or with respect to, HCAI's Marks (collectively, "Infringement"), HCAI shall have primary responsibility therefor. Contractor shall, upon request of HCAI, provide reasonable assistance including, but not limited to, the provision of evidence, witnesses, and declarations at Contractor's expense.

- b) Procedures. Pursuant to the terms set forth in this Agreement, Contractor shall promptly notify HCAI of any Infringement that comes to its attention. Contractor shall promptly (i) notify HCAI of any material developments with respect to a Proceeding; (ii) deliver to HCAI a copy of all pleadings, correspondence, and other material documents with respect to a Proceeding; and (iii) notify HCAI of any offers of settlement related to an Infringement which it receives or which it proposes to make.

6. Indemnification

- a) Indemnification by Contractor. Contractor shall indemnify and hold harmless HCAI and its successors, and assigns each of their affiliates, officers, directors, and employees from any and all liabilities, losses, damages, claims, costs and expenses, interest, awards, judgments and penalties (including reasonable attorneys' fees and expenses) actually suffered or incurred by it, actually arising out of or resulting from:
 - i. the failure or default by Contractor in performing any of Contractor's obligations as stated in this exhibit,
 - ii. any breach or inaccuracy of any of Contractor's representations and warranties under this exhibit, or
 - iii. any actual or alleged loss or damage arising out of the use of any of HCAI's Marks by Contractor.
- b) At its sole option, HCAI may require Contractor to defend HCAI against any claim hereunder using Contractor's own counsel that meets HCAI's reasonable approval.

7. Default and Termination

- a) In addition to HCAI's ability to terminate this Agreement in **Exhibit C**, Contractor shall be deemed to be in default under this Agreement, and HCAI may, at its option, immediately terminate this Agreement and all rights granted hereunder upon written notice to Contractor, if there is any attempted assignment or sublicensing of this Agreement or any interest therein by Contractor, contrary to the terms hereof.
- b) Obligations Upon Termination. Upon termination of this Agreement, all rights granted to Contractor regarding HCAI's Marks shall terminate, and Contractor shall immediately:
 - i. cease all use of HCAI's Marks in any form within 30 calendar days; and
 - ii. refrain from representing itself as HCAI's licensee with respect to HCAI's Marks.
- c) Deadline for Performance of Post-Termination Obligations. Contractor shall furnish HCAI with the information and materials, or other evidence satisfactory to HCAI of compliance with the obligations of Section 7(b) above, within 20 calendar days after termination of this Agreement.

8. Survival

Sections 4, 5, and 6, inclusive of this exhibit shall survive and remain enforceable after any termination or expiration of this Agreement.