



REQUEST FOR BOARD ACTION

ITEM NO. 7

DATE OF MEETING: January 22, 2013

REQUESTED BY: Carolyn Moser, Health Director, Health Department

SHORT TITLE: Resolution Authorizing Purchase Order to Confidential Records Management, Inc for Scanning Medical Records: \$17,799

BACKGROUND In order to reduce storage space, the Health Department desires to contract with Confidential Records Management, Inc to scan 100 boxes of patient medical records. The Health Department requested quotes from various vendors. Confidential Records Management, Inc was chosen. The quote for the Medical Records Scanning is \$17,799, which will include preparing documents, imaging and indexing documents and CD/DVD of patients' data as well as disposal of documents scanned. Funding is available within the health department budget.

SPECIFIC ACTION REQUESTED: To consider a resolution authorizing a purchase order to Confidential Records Management, Inc in the amount of \$17,799 for Medical Records Scanning.

COUNTY MANAGER'S RECOMMENDATION

Respectfully recommend approval.



Initial

RESOLUTION

NOW, THEREFORE BE IT RESOLVED by the Pender County Board of Commissioners that:

the Board hereby authorizes a purchase order to Confidential Records Management, Inc in the amount of \$17,799 for a Scanning Medical Records. The Chairman/County Manager is authorized to execute any/all documents necessary to implement this resolution.

Account # 900051-404500	Contracted Services	\$2,966.50
Account # 900052-404500	Contracted Services	\$2,966.50
Account # 900053-404500	Contracted Services	\$2,966.50
Account # 900058-404500	Contracted Services	\$2,966.50
Account # 900061-404500	Contracted Services	\$2,966.50
Account # 900076-404500	Contracted Services	<u>\$2,966.50</u>
	Total	\$17,799.00

AMENDMENTS:

MOVED _____ SECONDED _____

APPROVED _____ DENIED _____ UNANIMOUS _____

YEA VOTES: Brown ___ McCoy ___ Tate ___ Ward ___ Williams ___

George R. Brown, Chairman 7/22/13
Date

ATTEST 7/22/13
Date



Confidential Records Management, Inc.

Records Management | Document Imaging | Secure Destruction

Data Protection | Training & Consultation | Vaulting Services

Corporate Office: PO Box 3495 New Bern, NC 28564 Toll Free: 1-866-490-4372 Telephone: 252-633-2417 Fax: 252-633-4372	Record & Data Management Center: 310 Staton Rd. Greenville, NC 27834 Toll Free: 1-888-622-4425 Telephone: 252-752-5200 Fax: 252-353-5468
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Client Information: Pender County Health Department 803 South Walker Street Burgaw, N.C. 28425 Telephone: 910-259-1207 Fax: 910-259-1258	Date: January 3, 2012 Proposal ID: 50435 *Proposal is valid for 60 days
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Confidential Records Management, Inc. Provides: <ul style="list-style-type: none">• Security and Fire Monitoring Systems• 24hr Video Surveillance• GPS Tracked Vehicles• Trained Professional & Bonded Staff• Records Available 24/7/365• Barcode Technology Manages Your Entire Inventory• AAA NAID Certified Document Destruction - Paper, Film, Media, Computer Hard Drives• Scan on Demand File Services• Document Imaging Services• Microfilm/Microfiche Conversion Services• Media Vault Services
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Confidential Records Management Inc.

Project Specific Detail - Attachment A

Confidential Records Management, Inc. appreciates the opportunity to present the following Scope of Work. This Scope of Work is based on customer need, and may be altered if mutually agreed upon by both the client and service provider. Below pricing is estimate based on an estimated volume and subject to change based on actual work completed.

Scope of Work:

Responsibility of Client (Pender County)

- Pack and prep (all clips, staples removed and post it notes and loose papers taped in place) all boxes with break sheets (provided by CRMI) between each file
- Provide CRMI with a digital transmittal of all box contents (Lat Name, First name, Middle Initial, DOB, SS#)

Client Estimate:

Attachment A

	Quantity	Rate	Total
Scanning * (2,099 images per box x 100 boxes)	200,900	\$ 0.06	\$ 12,594.00
Index *(39 files per box X 5 fields x 100 boxes)	19,500	\$ 0.10	\$ 1,950.00
Prep * (1.5 hour per box x 100 boxes)	150	\$ 18.00	\$ 2,700.00
Estimated Total Imaging			\$ 17,244.00

	Quantity	Rate	Total
Media-DVD-Client Security	2	\$ 35.00	\$ 70.00
1.2c Boxes		\$ 2.10	
Transportation of Boxes to CRMI (pick-up)	100	\$ N/A	\$ 135.00
Document Destruction-1.2cf	100	\$ 3.50	\$ 350.00
TOTAL PROJECT ESTIMATE			\$ 17,799.00

By signing in the space provided below, I am acting as an authorized representative of the company listed on Proposal 50435 . I/we do elect for Confidential Records Management, Inc. to perform the Scope of Work listed on Attachment ... It is additionally understood that the pricing listed on this Attachment is an estimate and may vary based on actual work performed.

Pender County Health Department

Signature _____

Date _____

Print Name _____

Confidential Records Management - Document Imaging

Service Overview

Document Prep - This rate will be applied to the process of preparing documents to undergo the Document Imaging Process. This service includes but is not limited to: the removal of staples, paperclips, bull clips, and rubber bands. This service is billed in 15 min increments, Rates may be listed on per hour basis.

Service	Rate	Unit
Document Prep Rate	\$ 18.00	per hour

* client may elect to perform services. In the event that documents may need to be re-prepped, CRMI will apply the standard prep rate.

Standard Image Rate - This rate will apply per image to all letter and legal sized documents that undergo the imaging process. These documents will be scanned in bi-tonal/grey scale.

Service	Rate	Unit
Standard Image Rate	\$ 0.06	per image

Standard Indexing Rate - This rate applies per field per document. Client and CRMI will agree to a predefined set of field names and naming conventions in order to recall critical client information.

Automated Indexing Rate - This rate will be applied to any indexing values that may be automatically captured using OCR technology. CRMI will apply this technology where applicable in an effort to reduce client cost.

Service	Rate	Unit
Standard Indexing Rate	\$ 0.10	per Index field
Automated Indexing Rate	N/A	per Index field

Duplicate Media - Confidential Records Management, Inc. will provide the first CD/DVD of the client's data at no charge, additional copies may be purchased upon request.

Service	Rate	Unit
Duplicate CD	\$ 25.00	per cd
Duplicate DVD	\$ 35.00	per dvd

Confidential Records Management - Document Imaging

Imaging Services

The following services and rates are listed below should a client requires them. These services are listed in this document solely for client reference. Rates may apply to services that are not included in the client estimate.

Service	Rate	Unit
Standard Pickup/Delivery	\$ 45.00	per trip, 1-10 items
*Additional Items	\$ 1.00	per item
Email Secure Document	\$ 15.00	per document
Fax Document	\$ 13.00	per document
Off-Site Technical Support/Labor	\$ 55.00	per hour
Destroy 1.2 Container	\$ 3.25	per container
Destroy 2.4 Container	\$ 4.25	per container
Destroy 3.6 Container	\$ 6.25	per container

*Off-Site Labor Rate will be applied to any electronic work requested by the client.
This may include but is not limited work such as: rework of files, data manipulation, FTP of files, and data migration.

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TERMS OF PAYMENT

Monthly Invoicing will occur for services as described in this contract. Payments are due net 30 days of date of receipt of invoice. A monthly periodic rate of 1.5% percent (\$5.00 minimum) will be charged for invoices not paid within thirty (30) days of the invoice date, with a corresponding annual percentage rate of 18%.

CRMI Accounts Receivable Department:
(252) 633-2417
Toll Free: 1-866-490-4372

Remit payments to:
CRMI Corporate Office
Accounts Receivable Dept.
P.O. Box 3495
New Bern, NC 28564

Confidential Records Management, Inc. (CRMI) is a professional member of:
PRISM International (Professional Records & Information Services Management)
AIIM (Association for Information and Image Management)
NAID (National Association for Information Destruction)
ARMA International (Association of Records Managers and Administrators)
NCHIMA (North Carolina Health Information Management Association)

Confidential Records Management, Inc. does not warrant the integrity of the data contained in client files and will be held harmless for any consequential damages that may arise as a result of faulty data within those files.

If the state and/or local governments decide to levy future taxes (i.e. sales tax) that must be paid by Confidential Records Management, Inc., then client agrees to pay such taxes. All such items will be itemized separately on each invoice.

Respectfully Submitted by: Holly Willis
House Account Manager
Date: January 3, 2013

ACCEPTANCE OF PROPOSAL 50435

Pender County Health Department

As a representative of the party listed above, I/we promise to pay for all cost associated with the services described in this proposal. Upon acceptance, this proposal becomes a legally binding contract between both parties. Payment shall be made according to the payment schedule outlined above.

The above Rates, specifications and conditions are satisfactory and hereby accepted. I/we certify that we are the legal representative(s) for the Client and therefore are authorized to complete the work as specified. **Payment will be made as outlined above.**

Accepted By: _____ Date : _____
Pender County Health Department

Accepted By: _____ Date : _____
CRMI Officer

Storage and Service Agreement

The undersigned Company Name (hereinafter called "Client"), in consideration of Confidential Records Management, Inc. (hereafter called "CRMI") having agreed to provide storage space and/or information management services in its facilities for a period of _____ years from _____ to _____ agrees to store magnetic tapes, films, microfilm, records, or documents for storage and related services subject to the following agreement, conditions, and regulations:

Primary Client Address & Contact:

Pender County Health Department

50435

Account Name:	AGREEMENT#	COMMENCEMENT DATE:
803 South Walker Street	Burgaw, N.C. 28425	
Address, Floor/Suite	City, State, Zip	
	910-259-1207	910-259-1258
Contact Name	Phone	Fax

SECTION 1. SERVICES

CRMI shall provide, and Client accepts and shall pay for the storage, handling and other services described in the attachment, upon the terms set forth herein and in the attached Rate Schedule.

SECTION 2. DECLARATION OF VALUE

2.1 DECLARED VALUE Client hereby declares the value of all records transported, stored, handled or otherwise serviced, now or hereafter, for its account (the "records") to be \$1.00 per storage unit or, in the case of imaging or indexing services \$1.00 per box. Client understands that CRMI's liability for damage to or loss of records is limited to the values declared in this Section 2.1 or 2.2 below. For purposes of this Agreement, a "storage unit" means any item which is deposited and labeled, including but not limited to a disk, tape, film, fiche, CD, DVD, paper file or data cassette.

2.2 EXCESS DECLARED VALUE Client may declare a higher value on any of its records ("Excess Declared Value"), not to exceed the actual value of such records, by written instrument and filed with CRMI, which clearly describes such records, including any identification numbers assigned by CRMI. For any records as to which Client states an Excess Declared Value, Client shall pay additional storage rates based on conditions and rates reasonably established by CRMI at the time of written declaration, subject to adjustment as set forth in Section 6. Unless otherwise specified on the attached Rate Schedule, Client confirms that it elects not to declare an Excess Declared Value.

2.3 INSURANCE CRMI does not specifically insure records against loss or damage, however caused. Client is encouraged to obtain whatever insurance it desires from third party insurers for such amount as Client deems appropriate.

SECTION 3. GENERAL

Client hereby agrees that it and its employees, agents and contractors, shall observe and comply with all procedures and rules of CRMI, and shall cooperate with the employees, agents and contractors of CRMI, as necessary to ensure the smooth operation of CRMI's business and the safety, care and management of the premises. Client agrees to be bound by the terms and conditions of this Agreement. Client has read all the provisions appearing on the face and the reverse side of this Storage and Service Agreement and acknowledges receipt of a copy of this Storage and Service Agreement and of the current Rate Schedule attached, which is an integral part of this Agreement.

SECTION 4. TERM AND RENEWAL

The Initial term of this Agreement shall run from the Commencement Date set forth above until the second anniversary of the Commencement Date (the "Initial Term"). After the Initial Term, the term shall be automatically extended and renewed for successive periods of two years each (a "Renewal Term") unless at least 60 days prior to the then current expiration date either party gives notice to the other of termination.

SECTION 5. STORAGE AND OTHER SERVICES

CRMI shall store Client's records and provide transportation, retrieval, handling, destruction and other services for the records electronic and/or physical, pursuant to the terms of this Storage and Service Agreement. All records transported, stored, handled or otherwise serviced by CRMI under this Storage and Service Agreement shall be referred to as the "Records". Services available are those listed on the attached Rate Schedule. CRMI may engage independent contractors to perform some of the services provided for in this Storage and Service Agreement. CRMI's liability for the acts of such independent contractor shall not be greater than its liability would have been if the services were performed by employees of CRMI. CRMI reserves the right to re-box any items received that are not in condition suitable for rack storage at current rates per Exhibit "A".

SECTION 6. CHARGES

During the Initial Term, Client shall pay for services according to the Rate Schedule attached to this Storage and Service Agreement, including the Minimum Monthly Fee. Thereafter, CRMI may adjust some or all of the fees and charges (whether for storage, transportation or other services), effective as of the first day of any Renewal Term, with at least 90 days notice to Client. The Minimum Monthly Fee will be updated to reflect current inventory upon each anniversary without notice to Client. Unpaid accounts are subject to a late payment charge of the lesser of 1.5% per month or the maximum rate permitted by law.

SECTION 7. LIMITATION OF LIABILITY

7.1 GENERAL CRMI shall be liable to Client under this Agreement only for loss of or damage to records caused solely by the failure of CRMI to exercise such care as a reasonably careful person would exercise under like circumstances, and CRMI shall not be liable for any loss or damage which could not have been avoided by the exercise of such care. CRMI's liability shall be limited to the lesser of (i) the amount specified under Section 2.1 or Section 2.2 of this Agreement or (ii) the actual value of the records.

CRMI shall not be liable for any other damage sustained by Client on account of the services provided under this Agreement, including but not limited to normal wear and tear on containers or other storage media. CRMI shall not be liable for incidental, consequential, special or punitive damages, however caused and regardless of whether an action is brought in tort, contract or other theory. Client's sole remedy for damages from loss or wear and tear of containers or other storage media supplied by CRMI while used to store records at CRMI shall be replacement by CRMI of the containers or other media without any consideration for or value whatsoever given to the any data or information which may be stored on/in such media/record. CRMI's liability respecting services other than storage and related activities shall not exceed the charge paid by Client for a specific project or, if the loss relates to service of a continuous nature, the aggregate fees paid by Client for such services rendered during the six-month period immediately preceding Client's claim of loss.

7.2 IMAGING & INDEXING SERVICES. In addition to other limitations of liability set forth in this Agreement; the following apply to imaging and indexing services: (i) Client recognizes that the quality of any image or content data depends upon the quality of the original record to be scanned or indexed. CRMI shall have no responsibility if the digital image is of poor quality because of the poor quality of the original record or if the content inventory is inaccurate because of inaccurate information on the original record (ii) CRMI, in absence of gross negligence or willful misconduct, shall have no responsibility for the integrity or completeness of the records returned to client after imaging or indexing. (iii) Client understands that software and hardware for imaging or indexing of records can become obsolete. CRMI makes no representations or warranties (1) with regard to the longevity of the media upon which images or indices are placed or (2) that images or indices can be recovered by means of any software or hardware other than existing software and hardware specified by Client at the time of the commencement of imaging or indexing services as being that currently used by Client (iv) CRMI's sole responsibility with regard to the condition of records to be imaged or indexed shall be to return the documents in substantially the same condition as the records were delivered to CRMI. (v) CRMI shall have no responsibility for any error in providing services hereunder unless Client shall notify CRMI of such error within 90 days after CRMI's delivery of the record, image, classification or index as to which the error is claimed. Client's sole remedy in such event shall be CRMI's correction of the error within a reasonable time after such notification by Client (not to exceed the longer of 30 business days or the time the original project required), provided that Client shall return the original or a copy of any record necessary for CRMI to perform any remedial action.

SECTION 8. ACCESS TO RECORDS

CRMI shall accept requests for records only from persons whom Client has identified on the Authorized Personnel List. Additional authorized representatives may be designated or removed by Client by written notice to CRMI. Access to CRMI's premises, including its loading docks (the "Premises") shall be solely by permission of and pursuant to conditions required of CRMI. CRMI shall have no liability to Client by granting access to any records to any person authorized under this Section, unless CRMI receives prior notice revoking the authorization. Client shall indemnify and hold harmless CRMI against claims and liability for any and all damage caused by, and any injury to, any of Client's agents, employees, or contractors while on the Premises.

SECTION 9. RETRIEVAL OF RECORDS

CRMI shall have a reasonable period of time to carry out Client's requests. Time periods on the Rate Schedule are estimates only. CRMI does not offer regular service on holidays designated by CRMI. Special service on such holidays can be arranged by Client on advance notice to CRMI.

SECTION 10. STORAGE AND TRANSPORTATION

Although some ancillary transportation may be furnished in connection with the delivery and pick up of records and other services, CRMI is not and shall not be deemed a contract or common carrier, and the limitations on liability and claims procedure in this Agreement shall apply to any such ancillary transportation services.

SECTION 11. CLAIMS PROCEDURES

All claims by Client under this Agreement must be made in writing to CRMI. Any action to enforce a claim, whether by way of litigation, arbitration or otherwise, is waived unless instituted within 120 days from the date of making such claim.

SECTION 12. PAYMENT OF CHARGES

Client shall pay CRMI monthly for the term of this contract for the storage, electronic and/or physical, and for the services as defined in and at the Rate to be agreed upon as set forth in Exhibit "A" attached for which may from time to time be performed by CRMI at the request of the Client, such charges are due and payable upon receipt of Invoice. If Client is delinquent in the payment of three or more Invoices in any consecutive twelve month period, CRMI may require advance payment by wire transfer or certified or cashiers check prior to the performance of any further services. Should collection efforts be necessary, the Client agrees to pay attorney fees and court costs pertaining to the collection.

SECTION 13. TERMINATION

Prepayment of all accrued charges plus charges for access and permanent withdrawal plus the Minimum Monthly Fees for the remainder, if any, of the term of this Agreement is required if substantially all of the records are withdrawn from storage or upon termination of this Agreement, whether during a term or upon expiration or nonrenewal of a term. On termination or expiration of this Agreement, Client shall promptly return any property belonging to CRMI (such as keys, containers, etc.), and subject to the payment in full of all fees and charges, CRMI shall remove and deliver all records and other property in CRMI's possession or Premises, at Client's expense, to Client at Client's last known address. In the event of termination of this Agreement other than because of nonrenewal, all access, delivery and removal charges upon termination will be at CRMI's maximum fees allowed by CRMI's then published rates notwithstanding any other provision of this Agreement. CRMI may charge its then published rates for records or other property which have not been removed prior to the date of termination or expiration.

SECTION 14. LIEN

In order to secure any and all obligations of Client to CRMI (whether for storage of records or otherwise), Client hereby grants CRMI a security interest in, and CRMI shall have a general lien against Client upon, any and all records and proceeds of records pursuant to the Uniform Commercial Code of North Carolina, as it may be amended from time to time (the "Code"), and may enforce the lien as permitted bylaw. This Section 14 shall not prevent CRMI from exercising any other remedies it may have, nor shall enforcement of the lien provided for in this Section 14 bar CRMI's right to recover so much of its claim as is not paid from the proceeds of a foreclosure sale.

SECTION 15. OTHER REMEDIES

If any charge or claim of CRMI shall remain unpaid for a period of thirty-five (35) days or more from the date of Invoice, or if CRMI has given notice to Client that (i) CRMI, in good faith, anticipates that Client will not be able to meet its obligations under this Agreement or (ii) CRMI has become aware of the pending or completed dissolution or liquidation of Client, CRMI may refuse access to any records in its depository, and may cease to perform any retrieval, cataloging, handling or other services for Client. If any claim or charge of CRMI shall remain due and unpaid for a period of thirty-five (35) days or more or if, within fifteen (15) days after the notice pursuant to clause (i) or (ii) above, CRMI has not (x) received adequate assurances that Client will be able to meet its obligations hereunder or (y) executed a storage agreement with respect to the records stored or serviced hereunder, respectively, CRMI may, at its option, terminate this Agreement on five (5) days' notice to Client and may, at its option, (i) assert its rights as a warehouseman under the provisions of the North Carolina Commercial Code; (ii) after five (5) days' notice to Client, catalog the records and dispose of the records through public or private sale, or if in the estimation of CRMI the monetary value of the goods will not defray the cost of sale, dispose of the records by destruction or by the application of statutory abandonment processes; (iii) return all records to the address referred to in Section 21.5 of this Agreement, charging Client the maximum fee therefore allowed by CRMI's then published rates; and/or (iv) seek recovery under any other right allowed at law or in equity. While any claim or charge of CRMI remains unpaid for thirty-five (35) days or more, CRMI's liability for any loss of or damage to Client's records incurred during such period shall be that of a gratuitous bailee only. CRMI shall have no liability to any shareholder, partner, director, officer or employee of Client or any successor in interest to Client if CRMI, in pursuit of its remedies hereunder, returns the records to the address referred to in Section 21.5 of this Agreement.

SECTION 16. COURT ORDER

If by reason of any court order or process, CRMI is forbidden to allow, or is advised by counsel not to allow, any records to be viewed or taken by any person, CRMI may refuse access to such records until such court order or process is of no further force or effect, or until otherwise advised by counsel. In case CRMI, Client or anyone authorized to have custody of the records is subject to any court order or process requiring any records in its custody to be produced or open to examination, CRMI may assume the validity of the court order or process and shall be under no duty to resist or contest it. Client waives all claims for damages against CRMI, and agrees to indemnify and hold CRMI harmless for any losses, liability, damages or expense (including attorneys' fees) incurred in connection with the court order.

SECTION 17. RECORDS SUITABLE FOR STORAGE

Client represents and warrants that the records are not inherently dangerous, illegal, perishable, breakable, negotiable, of a character likely to injure the Premises, or of a character which maybe deemed "extra hazardous" by the Board of Fire Underwriters. CRMI reserves the right to refuse any records not meeting the requirements in the preceding sentence, and if the records have been placed on the Premises, CRMI may, at its option, (i) require Client, upon notice, to immediately remove any of the records from the premises, or (ii) deliver the records to Client at Client's last known address, at Client's expense. Upon failure of Client to remove the records upon CRMI's request, CRMI may destroy the records. Client agrees to indemnify and hold harmless CRMI against all claims and liabilities for any harm or damage CRMI or any other person may suffer by reason of such action on the part of CRMI.

SECTION 18. NO WARRANTIES

CRMI MAKES NO EXPRESS OR IMPLIED WARRANTIES WITH RESPECT TO ANY PRODUCT SOLD BY CRMI TO CLIENT, INCLUDING BUT NOT LIMITED TO IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE except as set forth within this document. CRMI hereby assigns to Client any manufacturer's warranty applicable to any product sold by CRMI pursuant to this Agreement.

SECTION 19. WARRANTY OF AUTHORITY

Client represents and warrants that it is the owner or legal custodian of the records that are the subject of this Agreement and that Client has full authority to deal with the records as anticipated by this Agreement. Client shall indemnify and hold CRMI harmless against any claims by third parties concerning the ownership, custody or disposition of any records which become the subject of this Agreement.

SECTION 20. ARBITRATION

CRMI may, at its option, require any disputes under this Agreement to be submitted to binding arbitration by written demand mailed to Client at its last known address at any time after Client has made a claim but not later than 30 days after service of summons is made on CRMI or Client respecting any claim. The arbitration shall be conducted before one arbitrator in North Carolina, in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The award of the arbitrator shall be binding on the parties, may include injunctive relief, and may be entered as a judgment in the county where the award is made. Client and CRMI shall share equally the costs of arbitration, unless otherwise determined by the arbitrator. While arbitration of a claim is pending, no other action shall be taken by Client or CRMI on account of such claim. The arbitrator may not vary, modify or disregard the provisions of this Agreement, including the declared value of the goods, the limitations on CRMI's liability, and the burden of proof.

SECTION 21. CONFIDENTIALITY

CRMI and its employees shall hold confidential all information obtained by it with respect to Client's records. CRMI shall exercise that degree of care in safeguarding deposits entrusted to it by client which a reasonable and careful company would exercise with respect to similar records of its own, provided however, that liability of CRMI to Client will be limited as set forth within this document.

SECTION 22. MISCELLANEOUS

22.1 ENTIRE AGREEMENT This Agreement (including exhibits and attachments) sets forth the entire understanding of the parties relating to the transactions it contemplates, and supersedes all prior understandings relating to them, whether written or oral. There are no obligations, commitments, representations or warranties relating to them except those expressly set forth in this Agreement.

22.2 AMENDMENT; WAIVER No amendment of, supplement to or waiver of any obligations under this Agreement will be enforceable or admissible unless set forth in a writing signed by both parties. No delay or failure to require performance of any provision of this Agreement shall constitute a waiver of that provision as to that or any other instance. Any waiver granted shall apply solely to the specific instance expressly stated.

22.3 ASSIGNMENT No rights or obligations of Client under this Agreement are assignable without the written consent of CRMI, which CRMI may withhold in its absolute discretion.

22.4 LITIGATION COSTS Except as provided in Section 20, if any legal action or other proceeding is commenced which is related to this Agreement, the losing party shall pay the prevailing party's actual attorneys' fees and expenses incurred in the preparation for, conduct of or appeal or enforcement of judgment from the proceeding. The phrase "prevailing party" shall mean the party who is determined in the proceeding to have prevailed or who prevails by dismissal, default or otherwise.

22.5 NOTICES All notices, requests, consents and demands under this Agreement shall be effective upon receipt when delivered in any manner that produces a writing to the respective parties at the addresses set forth elsewhere in this Agreement. Either party may change its address by written notice to the other in the manner set forth above.

22.6 GOVERNING LAW This Agreement shall be construed in accordance with, and governed by, the laws of the State of North Carolina applicable to contracts between North Carolina residents made and to be performed in North Carolina. The parties mutually acknowledge that they and their attorneys have participated in the preparation and negotiation of this Agreement. In cases of uncertainty, this Agreement shall be construed without regard to which of the parties caused the uncertainty to exist.

22.7 FORCE MAJEURE CRMI shall be excused from any liability to meet its obligations under this Agreement due to extraordinary circumstances beyond its reasonable control occasioned by war, riot, insurrection, civil commotion, labor strikes, lockouts or by fire, flood, earthquake, extreme weather or other act of God.

22.8 RETENTION OF CRMI FILES Client agrees that CRMI may destroy CRMI's records concerning this Agreement and the transactions thereunder (including without limitation indices, access, transportation and delivery records, and billing records) if such records are more than 10 years old, whether or not Client is still storing records with CRMI.

Pender County Health Department:

CONFIDENTIAL RECORDS MANGEMENT, INC.

SIGNATURE

Date

SIGNATURE

Date

PRINT NAME

PRINT NAME