

SECOND AMENDMENT
TO
EMERGENCY MEDICAL SERVICES AGREEMENT

This Second Amendment to Emergency Medical Services Agreement (“**Second Amendment**”) dated as of June __, 2011 (“the **Effective Date**”), is made and entered into by and between the County of Santa Clara, a political subdivision of the State of California (the “**County**”) and Rural/Metro of California, Inc., a Delaware corporation (“**Rural/Metro**”).

RECITALS

- A. The County and Rural/Metro entered into that certain Emergency Medical Services Agreement dated December 14, 2010 (the “**Original EMS Contract**”) to provide Advanced Life Support First Response and Advanced Life Support Emergency Ambulance Services to the County for the County’s EOA.
- B. The County and Rural/Metro subsequently entered into that certain First Amendment to Emergency Medical Services Agreement dated as of June __ 2011 (“**First Amendment**”) to allow Rural/Metro access to the County’s servers for purposes of providing the Services.
- C. The County and Rural/Metro now desire to further modify the Original EMS Contract with regard to the lockbox account to facilitate compliance with applicable federal laws.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing, and of the conditions, terms, covenants and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the County and Rural/Metro hereby agree that the Original EMS Contract is amended, as of the Effective Date as follows:

- 1. Defined Terms. Capitalized terms used and not otherwise defined herein shall have the same meaning as set forth in the Original EMS Contract.
- 2. EMS Contract. The Original EMS Contract as amended by the First Amendment and this Second Amendment is hereafter referred to as the “EMS Contract”.
- 3. Bank Accounts. As of the Effective Date, Section 10.11 of the Original EMS Contract is amended and restated in its entirety to read as follows:

“10.11 Bank Accounts. Rural/Metro shall process revenues for Ambulance Services under this Agreement through the following accounts:

10.11.1 Revenue Collection Account. All monies collected by Rural/Metro from fees for Ambulance Service under this Agreement shall be deposited into an account with JP Morgan Chase (the “**Revenue Collection Account**”). Rural/Metro shall not deposit any monies into the Revenue



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Collection Account which do not pertain to Ambulance Service under this Agreement. The County shall have no security interest in the Revenue Collection Account. Notwithstanding the foregoing, Rural/Metro shall: (1) provide the County copies of all monthly bank statements for the Revenue Collection Account, electronic access to the Revenue Collection Account such that the County may review all deposits and withdrawals on a daily basis, and such additional financial information with respect to the Revenue Collection Account required by the County; (2) at the end of each business day, cause all monies on deposit in the Revenue Collection Account to be automatically withdrawn from the Revenue Collection Account and deposited into the Control Account (defined below); and (3) not withdraw any amounts on deposit in the Revenue Collection Account other than through the Sweep; and (4) not remove, cancel or otherwise terminate the Sweep function for the Revenue Collection Account throughout the term of this Agreement. Each automatic withdrawal from the Revenue Collection Account and deposit into the Control Account is defined as a "Sweep".

10.11.2 Control Account. Rural/Metro hereby grants the County a security interest in all monies deposited in the account governed by the three-party agreement between the County, JP Morgan Chase and Rural/Metro in the form attached hereto as Exhibit "Q" (the "**Control Account**") through the Sweep. Upon a material breach by Rural/Metro (which material breach shall not have been cured in accordance with Section 14.2 of this Agreement), the County (as a secured party with control over the Control Account) shall be entitled to take all proceeds on deposit and apply the same against damages sustained by the County as a result of such uncured material breach. Rural/Metro shall fund the cost of maintaining the Control Account. Upon the expiration of the term of this Agreement, or any extension thereof, all remaining funds in the Control Account shall belong to Rural/Metro and the County shall not have any interest in such funds.

10.11.3 Operational Accounts. Provided that the County has not exercised its rights to the proceeds in the Control Account under Section 10.11.2, Rural/Metro may withdraw all amounts on deposit in the Control Account at the end of each business day and deposit the proceeds into one or more Rural/Metro operating accounts. Rural/Metro shall provide monthly, quarterly and yearly financial reports to the County in such detail and form as the County shall specify, in its sole and absolute discretion, setting forth all costs and expenses incurred by Rural/Metro which are exclusively attributable to Rural/Metro's provision of the Ambulance Services under this Agreement. Rural/Metro shall not include costs or expenses which are attributable to services provided by Rural/Metro other than the Ambulance Services provided under this Agreement in such reports. Notwithstanding the foregoing, nothing herein is intended nor shall it be construed to modify the discretion of the Board of Supervisors under Section 10.4.1."

4. Exhibit Q. As of the Effective Date, Exhibit "Q" attached hereto and incorporated herein by reference is added to the Original EMS Contract.

5. Remedies. As of the Effective Date, Section 14.3 of the Original EMS Contract is amended and restated in its entirety to read as follows:

“14.3 Remedies. If circumstances constituting a material breach as set forth above are determined to exist, and Rural/Metro fails to cure such breach pursuant to Section 14.2, the County shall have all rights and remedies available at law or in equity under the contract, including termination of the Agreement. The County may pursue one or more remedies, at any time; provided, however, that pursuing any remedy shall not be deemed an election of remedies by the County precluding the exercise of another remedy by the County. By way of example only, and not by way of limitation, the County shall have the right to: (1) recover all damages incurred by the County; (2) exercise its rights as a secured party with respect to the Collateral under Section 5.10; (3) exercise its rights as a secured party to all amounts on deposit in the Control Account under Section 10.11.3; (4) demand payment under the performance bond in accordance with Section 12.1; (5) exercise its rights under the Performance Guarantee (as defined in Section 15.14); and (6) exercise its rights under the letter of credit, concurrently or in any order or combination desired by the County.

14.3.1 If the County has provided Rural/Metro with a notice of breach and offered Rural/Metro the opportunity to cure the breach, the County may require Rural/Metro to pay additional liquidated damages in the amount of \$200,000 as a consequence of such uncured breach in addition to other rights and remedies the County may have.”

6. Letter of Credit. As of the Effective Date, a new Section 12.3 is added to the Original EMS Contract which shall read as follows:

“12.3 Letter of Credit. Rural/Metro shall provide the County a letter of credit in the amount of \$5 million in the form attached hereto as Exhibit “R”. The letter of credit shall be issued by JP Morgan Chase or such other financial institution reasonably acceptable to the County. The letter of credit shall be maintained by Rural/Metro in full force and effect during the entire period of performance under this Agreement. In the event Rural/Metro shall breach this Agreement, the County shall be entitled to exercise its rights under the letter of credit. Rural/Metro acknowledges that if the Issuer (as defined in the letter of credit) notifies the County that the letter of credit shall not be extended or renewed, and Rural/Metro does not provide a substitute letter of credit in a form acceptable to the County in its sole and absolute discretion within forty-five (45) days of such notice, Rural/Metro shall be deemed in breach of this Agreement and the County shall be entitled to draw upon the letter of credit.”

7. Exhibit R. As of the Effective Date, Exhibit “R” attached hereto and incorporated herein by reference is added to the Original EMS Contract.

8. Entire Agreement: Amendment. The EMS Contract constitutes the full and complete agreement and understanding between the parties hereto and shall supersede all prior communications, representations, understandings or agreements, if any, whether oral or written, concerning the subject matter contained in the EMS Contract. The EMS Contract may not be

amended, waived or discharged, in whole or in part, except by a written instrument executed by all of the parties hereto.


9. Force and Effect. Except as modified by this Second Amendment, the terms and provisions of the Original EMS Contract as amended by the First Amendment are hereby ratified and confirmed and are and shall remain in full force and effect. Should any inconsistency arise between this Second Amendment and the Original EMS Contract as amended by the First Amendment as to the specific matters which are the subject of this Second Amendment, the terms and conditions of this Second Amendment shall govern and prevail.

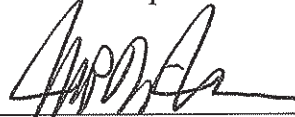
10. Attorneys' Fees. In the event either party initiates litigation to interpret or enforce the terms of this Second Amendment, the prevailing party shall be entitled to recover reasonable costs and expenses incurred in connection therewith including reasonable attorneys' fees, in addition to any other award.

IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment as of the Effective Date.

COUNTY OF SANTA CLARA

RURAL/METRO OF CALIFORNIA, INC.
A Delaware Corporation

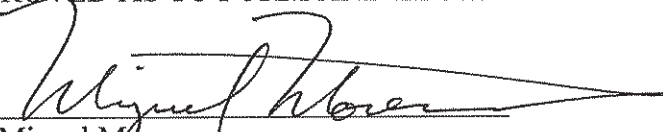
By: 
Name: David Cortese
Title: President, Board of Supervisors
Date: 6/21/11

By: 
Michael P. DiMino
President

ATTEST:


Maria Marinos
Clerk of the Board of Supervisors

APPROVED AS TO FORM AND LEGALITY:

By: 
Miguel Moreno
Deputy County Counsel

Approved

EXHIBIT Q



Blocked Account Control

Agreement ("Shifting Control") | JPMORGAN CHASE BANK, N.A.

V1.4_0410

AGREEMENT dated as of June [], 2011, by and among Rural/Metro of California, Inc. ("Company"), County of Santa Clara ("County") and JPMorgan Chase Bank, N.A. ("Depository").

The parties hereto refer to Account No. [REDACTED] in the name of Company maintained at Depository (the "Account") and hereby agree as follows:

1. Company and County notify Depository that by separate agreement Company has granted County a security interest in the Account and all funds on deposit from time to time therein. Depository acknowledges being so notified.
2. Prior to the Effective Time (as defined below) Depository shall honor all withdrawal, payment, transfer or other fund disposition or other instructions which the Company is entitled to give under the Account Documentation (as hereinafter defined) (collectively, "instructions") received from the Company (but not those from County) concerning the Account. On and after the Effective Time (and without Company's consent), Depository shall honor all instructions received from County (but not those from Company) concerning the Account and Company shall have no right or ability to access or withdraw or transfer funds from the Account.

For the purposes hereof, the "Effective Time" shall be the opening of business on the second business day next succeeding the business day on which a notice purporting to be signed by County in substantially the same form as Exhibit A, attached hereto, with a copy of this Agreement attached thereto (a "Shifting Control Notice"), is actually received by the unit of Depository to whom the notice is required hereunder to be addressed; provided, however, that if any such notice is so received after 12:00 noon, Eastern time, on any business day, the "Effective Time" shall be the opening of business on the third business day next succeeding the business day on which such receipt occurs; and, provided further, that a "business day" is any day other than a Saturday, Sunday or other day on which Depository is or is authorized or required by law to be closed.

Notwithstanding the foregoing: (i) all transactions involving or resulting in a transaction involving the Account duly commenced by Depository or any affiliate prior to the Effective Time and so consummated or processed thereafter shall be deemed not to constitute a violation of this Agreement; and (ii) Depository and/or any affiliate may (at its discretion and without any obligation to do so) (x) cease honoring Company's instructions and/or commence honoring solely County's instructions concerning the Account at any time or from time to time after it becomes aware that County has sent to it a Shifting Control Notice but prior to the Effective Time therefor (including without limitation halting, reversing or redirecting any transaction referred to in clause (i) above), or (y) deem a Shifting Control Notice to be received by it for purposes of the foregoing paragraph prior to the specified unit's actual receipt if otherwise actually received by Depository (or if such Shifting Control Notice does not comply with the form attached hereto as Exhibit A or does not attach an appropriate copy of this Agreement), with no liability whatsoever to Company or any other party for doing so.

3. This Agreement supplements, rather than replaces, Depository's deposit account agreement, terms and conditions and other standard documentation in effect from time to time with respect to the Account or services provided in connection with the Account (the "Account Documentation"), which Account Documentation will continue to apply to the Account and such services, and the respective rights, powers, duties, obligations, liabilities and responsibilities of the parties thereto and hereto, to the extent not expressly conflicting with the provisions of this Agreement (however, in the event of any such conflict, the provisions of this Agreement shall control). Prior to Issuing any instructions on or after the Effective Time, County shall provide Depository with such documentation as Depository may reasonably request to establish the identity and authority of the individuals Issuing instructions on behalf of County. County may request the Depository to provide other services (such as automatic daily transfers) with respect to the Account on or after the Effective Time; however, if such services are not authorized or otherwise covered under the Account Documentation, Depository's decision to provide any such services shall be made in its sole discretion (including without limitation being subject to Company and/or County executing such Account Documentation or other documentation as Depository may require in connection therewith).
4. (a) Depository agrees not to exercise or claim any right of offset, banker's lien or other like right against the Account for so long as this Agreement is in effect except with respect to (i) returned or charged-back items, reversals or cancellations of payment orders and other electronic fund transfers or other corrections or adjustments to the Account or transactions therein, (ii) overdrafts in the Account or (iii) Depository's charges, fees and expenses with respect to the Account or the services provided hereunder. (b) Upon the occurrence of any of the items referred to in clauses (i)-(iii), inclusive, of the preceding sentence (any such item, a "Returned Item"), Depository shall first attempt to obtain reimbursement therefore from the Account or the Company; however, if Depository fails to obtain any such reimbursement within 15 days after the occurrence of such Returned Item, then County shall reimburse Depository the amount of such Returned Item within 5 days after County's receipt of a written request therefor from Depository; provided that the County's aggregate obligations under this sentence shall be limited to the aggregate amount transferred from the Account on the instructions of the County pursuant to this Agreement.
5. Notwithstanding anything to the contrary in this Agreement: (i) Depository shall have only the duties and responsibilities with respect to the matters set forth herein as is expressly set forth in writing herein and shall not be deemed to be an agent, bailee or fiduciary for any party hereto; (ii) Depository shall be fully protected in acting or refraining from acting in good faith without investigation on any notice (including without limitation a Shifting Control Notice), instruction or request purportedly furnished to it by Company prior to the Effective Time or County in accordance with the terms hereof, in which case the parties hereto agree that Depository has no duty to make any further inquiry whatsoever; (iii) it is hereby acknowledged and agreed that Depository has no knowledge of (and is not required to know) the terms and provisions of the separate agreement referred to in paragraph 1 above or any other related documentation or whether any

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actions by County (including without limitation the sending of a Shifting Control Notice), Company or any other person or entity are permitted or a breach thereunder or consistent or inconsistent therewith, (iv) Depository shall not be liable to any party hereto or any other person for any action or failure to act under or in connection with this Agreement except to the extent such conduct constitutes its own willful misconduct or gross negligence (and to the maximum extent permitted by law, shall under no circumstances be liable for any incidental, indirect, special, consequential or punitive damages); and (v) Depository shall not be liable for losses or delays caused by force majeure, interruption or malfunction of computer, transmission or communications facilities, labor difficulties, court order or decree, the commencement of bankruptcy or other similar proceedings or other matters beyond Depository's reasonable control.

6. Company hereby agrees to indemnify, defend and save harmless Depository against any loss, liability or expense (including reasonable fees and disbursements of counsel who may be an employee of Depository) (collectively, "Covered Items") incurred in connection with this Agreement or the Account (except to the extent due to Depository's willful misconduct or gross negligence) or any interpleader proceeding relating thereto or incurred as a result of following Company's direction or instruction. If Depository is not indemnified by Company pursuant to the preceding sentence and Depository as a result thereof obtains a judgment against the Company which Depository is then unable to enforce through the exercise of reasonable diligence, the County shall indemnify, defend and save harmless Depository against any Covered Items incurred as a result of following County's wrongful direction or instruction in connection with this Agreement (except to the extent due to Depository's willful misconduct or gross negligence).
7. Depository may terminate this Agreement in its discretion upon the sending of at least thirty (30) days' advance written notice to the other parties hereto. County may terminate this Agreement in its discretion upon the sending of at least three (3) days advance written notice to the other parties hereto, provided that Depository may shorten or waive the requirement that County's notice be in advance and any such shortening or waiver shall be binding on all parties. Any other termination or any amendment or waiver of this Agreement shall be effected solely by an instrument in writing executed by all the parties hereto. The provisions of paragraphs 5 and 6 above shall survive any such termination.
8. Company shall compensate Depository for the opening and administration of the Account and services provided hereunder in accordance with Depository's fee schedules from time to time in effect. Payment will be effected by a direct debit to the Account.
9. This Agreement: (i) may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument; (ii) shall become effective when counterparts hereof have been signed by the parties hereto; and (iii) shall be governed by and construed in accordance with the laws of the State of California. All notices under this Agreement shall be in writing and sent (including via emailed pdf or similar file or facsimile transmission) to the parties hereto at their respective addresses, email addresses or fax numbers set forth below (or to such other address, email address or fax number as any such party shall designate in writing to the other parties from time to time).

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date first above written.

RURAL/METRO OF CALIFORNIA, INC.				COUNTY OF SANTA CLARA			
By:		Date:		By:		Date:	
Name:		Title:		Name:		Title:	
Address for Notices:		Address for Notices:		Address for Notices:		Address for Notices:	
Fax No.:		Fax No.:		Fax No.:		Fax No.:	
Email Address:		Email Address:		Email Address:		Email Address:	
JPMORGAN CHASE BANK, N.A.							
By:		Date:					
Name:		Title:					
Address for other Notices: JPMorgan Chase Bank, N.A. Attn: Vikram Bharati 1999 Avenue of the Stars Los Angeles, CA 90067 Email: vikram.x.bharati@jpmorgan.com Fax No.: 310.860.7110				Address For Shifting Control and Termination Notices: JPMorgan Chase Bank, N.A. Global TS Contracts & Documentation Attn: Blocked Accounts 420 W Van Buren Street, 9th floor Suite IL1-0199 Chicago, IL 60606-3534 Email: blocked.account.contracts@jpmchase.com Fax No.: 312.954.3516			

Approved

Exhibit A | SHIFTING CONTROL NOTICE

Date: _____

JPMorgan Chase Bank, N.A.
Global TS Contracts & Documentation

Address: 420 W Van Buren Street, 9th Floor Suite IL1-0199
Chicago, IL 60606-3534

Attention: Blocked Accounts

Re: Blocked Account Control Agreement dated as of _____, _____ 20____, (the "Agreement") by and among _____ and JPMorgan Chase Bank, N.A.

relating to Account(s) _____

Ladies and Gentlemen:

This constitutes a Shifting Control Notice as referred to in paragraph 2 of the Agreement, a copy of which is attached hereto.

[NAME OF COUNTY]

By: _____ Date: _____

Name:

Title:

Approved

EXHIBIT R

IRREVOCABLE LETTER OF CREDIT

TO: Santa Clara Emergency
Medical Services Agency
Attn: EMS Director
976 Lenzen Avenue
Suite 1200
San Jose, CA 95126

Letter of Credit Number

Initial Expiration Date
June 30, 2012

DATE:

Dear Director:

This is an irrevocable Letter of Credit issued by _____ ("Issuer") in favor of the County of Santa Clara ("County") for the account of Rural/Metro of California, Inc. (the "Account Party").

This Letter of Credit is in an amount of United States Dollars. Upon County's presentation of a written dated and signed statement and sight draft signed by the County Executive of the County of Santa Clara, State of California, stating that the Account Party is in default of its obligations ("Obligations") under that certain EMS Medical Services Agreement between the Rural/Metro of California, Inc. (the "Account Party") and the County of Santa Clara ("County") dated December 14, 2010 (as the same may be amended from time to time), Issuer shall pay to County the amount claimed to be due, not to exceed Five Million Dollars (\$5,000,000.00) (the "Stated Amount"). Except as expressly stated herein, Issuer's obligation to pay is not subject to any agreement, requirement or qualification.

All drafts drawn on this Letter of Credit must be marked "Drawn on 'Issuer', Letter of Credit Number _____."

It is a condition of this Letter of Credit that it shall be deemed automatically extended without amendment for one year from the present or any future expiration date hereof, unless at least sixty (60) days prior to any such date Issuer notifies County in writing by certified mail or courier service at the above listed address, that Issuer elects not to consider this Letter of Credit extended for any such additional period. Upon receipt by County of such notice, County may draw hereunder by means of County's drafts on Issuer at sight accompanied by County's written statement reciting that: "by not extending this Letter of Credit or providing a substitute therefor prior to the expiration of this Letter of Credit, the Rural/Metro of California, Inc. (the "Account Party") is deemed in default of its Obligations and that the proceeds of County of Santa Clara's drafts will be retained and used by County to meet Account Party's Obligations". Partial drawings are permitted

Approved

under this Letter of Credit; provided, however, that partial drawings in the aggregate shall not exceed the Stated Amount.

In each case where Issuer has received a draft described above prior to 5:00 p.m. Pacific Time, on a Business Day, payment shall be made by 5:00 p.m. Pacific Time on the following Business Day. As used herein, "Business Day" means any day on which inter-bank payments can be effected through the use of the Fedwire system other than (i) a Saturday or Sunday, or (ii) a legal holiday on which banking institutions in the State of California are closed. Issuer may effect payment through use of the Fedwire system if County provides wiring instructions to Issuer.

Issuer covenants that all drafts drawn under and in compliance with the terms of this Letter of Credit will be honored if presented at Issuer's office on or before the Initial Expiration Date of this Letter of Credit, or any automatically extended date as set forth above.

This credit is subject to the Uniform Customs and Practice for Documentary Credits (2007 Revision) International Chamber of Commerce, Publication No. 600. As to matters not governed by the UCP, this Letter of Credit shall be governed by the internal laws of the State of California (without regard to conflicts of law provisions).

Sincerely,

[Issuer]

Approved