

**CERTIFICATE OF RESOLUTION
OF
ORANGE COUNTY LIBRARY SYSTEM**

I, Milinda A. Neusaenger, as the Secretary of the Board of Trustees of the Orange County Library System (the "Library"), hereby certify that the following actions and resolutions were adopted and approved by the Board of Trustees at a meeting held on October 21, 2004.:

WHEREAS, the Orange County Library Flexible Benefit Plan, as amended and restated effective as of January 1, 2003 (the "Flexible Benefit Plan"), was presented to the Board of Trustees on October 21, 2004; and

WHEREAS, the January 1, 2003 restatement of the Flexible Benefit Plan was executed by Bob Tessier on behalf of the Library; and

WHEREAS, the Orange County Library Medical Reimbursement Plan (the "Medical Reimbursement Plan") is a component of the Flexible Benefit Plan and is a group health plan within the meaning of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"); and

WHEREAS, HIPAA requires that the Medical Reimbursement Plan be amended to incorporate the applicable HIPAA privacy rules and adopt procedures and policies to ensure compliance with the HIPAA privacy rules, and that the Library, as sponsor of the Plan, appoint a HIPAA Privacy Officer and Privacy Liaison and make certain representations to the Plan in order to have access to health information needed to administer the Plan; and

WHEREAS, there has been presented to the Board a First Amendment to the Flexible Benefit Plan.

NOW, THEREFORE, BE IT RESOLVED, the Board hereby ratifies the adoption of the amended and restated Flexible Benefit Plan, effective as of January 1, 2003.

FURTHER RESOLVED, the Board authorizes and approves the First Amendment to the Flexible Benefit Plan effective immediately, in the form presented to the Board, and directs the appropriate employee of the Library to execute the First Amendment on behalf of the Library.

FURTHER RESOLVED, that the Library's Human Resources Manager be designated as the HIPAA Privacy Officer and the HIPAA Privacy Liaison, and is authorized to approve an appropriate HIPAA Policies and Procedures manual for the Flexible Benefit Plan.

FURTHER RESOLVED, that the Library hereby certifies to the Plan that the Plan has been amended to incorporate the following provisions, with which the Library agrees to comply:

1. The Library agrees not to use or further disclose any protected health information ("PHI") received from the Plan except as permitted or required by the Plan document or required by law.
2. The Library agrees to ensure that any agents or subcontractors to whom it discloses any PHI agree to the same restrictions and conditions that apply to the Library with respect to such information.
3. The Library agrees not to use or disclose PHI for employment-related actions and decisions.
4. The Library agrees not to use or disclose PHI in connection with any other benefit plan, program, or arrangement of the Library (except to the extent such other benefit plan program or arrangement is part of an organized health care arrangement of which the Plan also is a part).
5. The Library agrees to report to the Plan any use or disclosure of PHI that is inconsistent with the uses and disclosures specified in the Plan of which it becomes aware.
6. The Library agrees to give individuals access rights to PHI in its possession in accordance with the policies and procedures of the Plan.
7. The Library agrees to permit individuals to request amendment of their PHI in the Plan Sponsor's possession, and to make any necessary amendments, in accordance with the policies and procedures of the Plan.
8. The Library agrees to make information available to provide any necessary accounting of disclosures of PHI in accordance with the policies and procedures of the Plan.
9. The Library agrees to make its internal practices, books, and records relating to the use and disclosure of PHI from the Plan

available to the Secretary of Health and Human Services for purposes of determining the Plan's compliance with the Privacy Rule.

10. The Library agrees, if feasible, to return to the Plan or destroy any PHI from the Plan that it maintains in any form, and shall retain no copies of the PHI when the PHI is no longer needed for the purpose for which disclosure was originally made. If it is not feasible to return or destroy the PHI, the Library agrees that it shall further limit any uses and disclosures to those purposes that make the return or the destruction of the information not feasible.

11. The Library agrees to ensure that adequate separation between the Library and the Plan is established.

Date: _____

By: _____