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MEMORANDUM OF UNDERSTANDING

COR MAX 05-2758

This Memorandum of Understanding ("MOU") is made this 11th day of January 2005, by and between MAXIMUS, Inc. an Virginia corporation, doing business in California as VIRGINIA MAXIMUS, INC. ("MAXIMUS"), and the City of Long Beach ("Agency"), pursuant to a minute order adopted by the City Council of the City of Long Beach at its meeting on July 5, 2005.

WHEREAS, the parties desire to cooperate to provide adequate work space for the preparation and presentation of the Health Care Options materials in support of MAXIMUS' Health Care Options Contract ("HCO Contract") with the State of California for health plan education and enrollment services;

Now, THEREFORE, in consideration of the mutual terms and conditions in this MOU, the parties agree as follows:

1. MAXIMUS Responsibilities. MAXIMUS shall provide the services set forth in the Statement of Work attached hereto as Exhibit 1 and incorporated by reference.

2. Agency Responsibilities. Agency agrees to provide the services set forth in the Statement of Work attached hereto as Exhibit 2 and incorporated by reference.

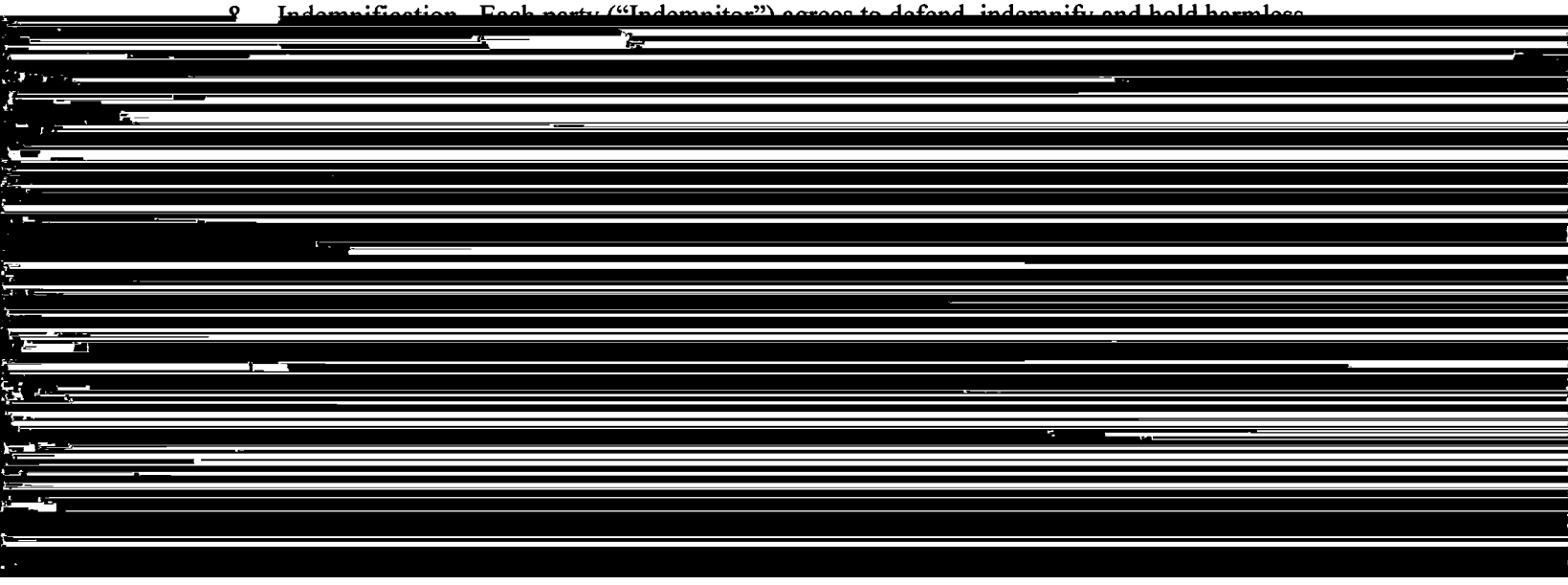
3. Compensation. The parties shall each provide services in-kind, and neither party shall be obligated to compensate the other party in any other manner.

4. Independent Contractors. This MOU shall not constitute an employment, joint venture, partnership, agency or similar arrangement, and nothing contained in it shall be construed as providing for the sharing of profits or losses arising from the efforts of either or both of the parties. Each party to this MOU shall act as an independent contractor, and neither party shall have the power to act for or bind the other party. Each party assumes sole responsibility for determining the manner and means of performance hereunder.

5. Term. This MOU shall begin on February 2, 2005 and shall end on October 1, 2005 unless earlier terminated as provided in section 6 below.

6. Termination. Either party shall have the right to terminate this MOU for any reason upon thirty (30) days prior notice to the other party. This MOU may also be terminated by MAXIMUS without prior notice if (i) the HCO Contract is terminated for any reason or (ii) the State of California directs MAXIMUS to terminate this MOU.

7. Confidentiality; Non-Solicitation. The parties acknowledge that they may have access to confidential information of the other party including, but not limited to, information concerning operations, customers, business and financial condition, as well as personal and health information of its clients and other information as to which a party has an obligation to maintain confidentiality (collectively referred to as "Proprietary Information"). The parties agree not to disclose, or to use or let others use, any Proprietary Information, whether or not designated confidential or proprietary, acquired in the course of this MOU. The parties agree that, during the term of this MOU and for a period of one year after the termination or expiration of this MOU, neither party will solicit for employment any employee of the other party who was involved in the performance of this MOU without the prior written consent of such party. However, nothing herein shall prohibit either party from employing an employee

of the other party who responds to a public employment advertisement or who applies for employment directly, without solicitation or inducement by the hiring party.

8. Indemnification. Each party ("Indemnitor") agrees to defend, indemnify and hold harmless