

**PUBLICATION CONTRACT FOR
THE CALIFORNIA OFFICIAL REPORTS**

For the State of California:

Ronald M. George, Chief Justice of California

Kevin Shelley, Secretary of State

Bill Lockyer, Attorney General

James E. Herman, President of the State Bar

Edward W. Jessen, Reporter of Decisions

*For Matthew Bender & Company, Inc.,
a member of the LexisNexis Group*

Ann Fullenkamp, Senior Vice-President

GENERAL TERMS

Introduction

This contract is entered into between the State of California (hereafter the State) and Matthew Bender & Company, Inc., a member of the LexisNexis Group (hereafter Matthew Bender). Pursuant to the provisions of sections 68902-68905 of the California Government Code, the State is authorized to let a contract for publication of the Official Reports of the Opinions of the Supreme Court, the Courts of Appeal, and the Appellate Departments of the Superior Courts (hereafter Official Reports) for a term of not less than two nor more than seven years on the terms most advantageous to the State and to the public.

The advertisements required by section 68904 of the Government Code soliciting publication proposals for the Official Reports were made and the State thereafter determined, in accordance with section 68904 of the Government Code, that the proposal of Matthew Bender constituted the terms most advantageous to the State and to the public. The State and Matthew Bender mutually agree that Matthew Bender will publish and sell the Official Reports on the terms and conditions of this publication contract.

Constitutional provisions, statutes, rules, style manual, and proposal

California Constitution, article VI, section 14, Government Code sections 68902-68905, and California Rules of Court, rules 976-979, as all those provisions may from time to time be revised and amended, are incorporated by reference into this contract. The California Style Manual, Fourth Edition, as it may be revised, supplemented, amended or replaced by a new edition from time to time, is also incorporated by reference, as is Matthew Bender's publication proposal. In the event of a conflict between this contract and the publication proposal, this contract will prevail.

Commencement and duration of publication contract

The term of this publication contract is five years, commencing with opinions delivered to Matthew Bender on July 1, 2003, and terminating with opinions delivered on June 30, 2008, subject to one-year extensions exercisable at the sole option of the State for a total contract term of seven years or less. Matthew Bender will be given notice of the State's exercise of options for one-year extensions at least 90 days prior to the date the contract would otherwise terminate.

Place of performance

Editorial Production

The LexisNexis Colorado Springs, Colorado site will perform the editorial production work for the Official Reports publication contract.

Online computer publication

The online computer version of the Official Reports will be maintained at the LexisNexis Dayton, Ohio site.

Print production and distribution

Print production and distribution of the bound volumes of the Official Reports will take place at the Matthew Bender LexisNexis Charlottesville, Virginia site.

Print production and initial distribution of the advance pamphlets will be subcontracted to R.R. Donnelley, 1009 Sloan Street, Crawfordsville, Indiana 47933.

Offline computer versions production and customer service

The Matthew Bender Albany, New York site will be responsible for Official Reports CD-ROM and DVD production and customer service.

Marketing and Sales

Marketing and sales support of the Official Reports will be provided by the Matthew Bender San Francisco, California office.

Contract Administration

Matthew Bender Government Relations and Contracts, located in Charlottesville, Virginia will be responsible for contract administration.

For all work performed in California under this contract, Matthew Bender agrees to comply with all requirements of California law, including the California Fair Employment and Housing Act, and the Drug-Free Workplace Act of 1990, as those acts may from time to time be revised and amended.

Independent contractor; subcontractors and agents

In the performance of any work pursuant to this contract, Matthew Bender is an independent contractor. Matthew Bender must keep the Reporter of Decisions advised in writing of the names and addresses of all subcontractors or agents, including subcontractors or agents, if any, that would perform work under the disaster contingency plan.

Bond

Within five business days from the date the contract for publication of the Official Reports is executed, Matthew Bender must furnish a bond, satisfactory to the State, in the penal sum of \$10,000 for the faithful performance of the contract. Such bond must be submitted to the Reporter of Decisions.

Choice of law and venue

This contract must be interpreted in accordance with California law. Any dispute arising from this contract must be determined according to California law, and any legal action pertaining to this contract must be instituted in California.

Assignment; termination and abandonment

This contract must not be assigned in whole or in part without the written consent of the State. The consent of the State, however, is not required for changes of subcontractors or agents.

In the event Matthew Bender fails to perform this contract, or a substantial part thereof, the State may, in its sole judgment reasonably exercised, terminate the contract by presenting written notice to Matthew Bender. The notice must specify the basis for termination and the date on which termination will become effective. Upon termination, the State will retain all legal remedies available to it, including damages for increased expense on behalf of the State and public for the remaining term of the contract.

Copies of publications

For each Official Reports advance pamphlet and bound volume, Matthew Bender must provide the Reporter of Decisions, at Matthew Bender's expense, with up to 12 copies. Matthew Bender must also provide the Reporter of Decisions with up to 12 copies of, or access for up to 12 users, to any computer versions of the Official Reports. This material, or access, will be limited to the exclusive use of the Reporter of Decisions and staff, but the material will not be returned on termination of this contract.

For any Matthew Bender publication, including publications by other components of the LexisNexis Group, to which reference is regularly made in the Official Reports, either within opinions or in the publisher's editorial enhancement of the opinions, Matthew Bender must provide the Reporter of Decisions, at Matthew Bender's expense, with up to six copies. These copies will be for the exclusive use of the Reporter of Decisions and staff, and Matthew Bender may require the return of copies at its own expense on termination of this contract.

Matthew Bender must also provide the Reporter of Decisions and staff, at Matthew Bender's expense, with reasonable access to the LexisNexis online research service. This access is limited to the Reporter of Decisions and staff.

Delivery services

Matthew Bender must provide, at Matthew Bender's expense, for delivery and collection of manuscript and other materials required to fulfill editorial and manufacturing responsibilities described in this contract. The method for delivery and collection must provide for routine delivery not more than 24 hours after dispatch. The term "delivery" also includes transmission of manuscript, copy, and other materials by computer.

Inspections and meetings

The Reporter of Decisions, on behalf of the State, has a continuing right to inspect, at reasonable intervals, all premises used in performance of editorial and manufacturing obligations described in this contract. This right of inspection also includes the premises of subcontractors.

Matthew Bender is responsible for all reasonable expenses relating to any meeting or inspection pertaining to the Official Reports, including the reasonable transportation, lodging, and related travel expenses of State personnel necessary to the purpose of any meeting or inspection.

Disaster contingency plan

Editorial production

Editorial Production will normally be performed at the LexisNexis Colorado Springs facility. Should any event or circumstance cause a business interruption at this facility, editorial work will shift to the Matthew Bender Charlottesville, Virginia facility.

Print production

Advance pamphlets will normally be printed under a subcontract with R.R. Donnelley. Bound volumes will normally be printed at the Matthew Bender Charlottesville, Virginia facility. The Matthew Bender Charlottesville facility and the R.R. Donnelley Crawfordsville, Indiana site are each designated as the alternative site for the other should any event or circumstance cause a business interruption at either facility.

Offline computer versions

Offline computer versions of the Official Reports (i.e., CD-ROM and DVD) will normally be produced at the Matthew Bender Albany, New York facility. Matthew Bender also has a center for production of this material at the Charlottesville facility. Should any event or circumstance cause a business interruption at the Albany facility, production will shift to the Matthew Bender Charlottesville facility.

Online computer version

The online computer version of the Official Reports will be provided at the LexisNexis Computing Complex in Dayton, Ohio. The Official Reports will be subject to existing safeguards and redundancies for the LexisNexis Computing Complex to prevent against service disruptions, and the Official Reports will also be subject to existing business continuity plans and business recovery plans for the Computing Complex.

**GENERAL PUBLISHING DUTY; LICENSING
AND PROPRIETARY CONSIDERATIONS**

Material to be published

Decisions of the Supreme Court will be reported in the continuation of California Reports, Fourth Series. Decisions of the Courts of Appeal will be reported in the continuation of California Appellate Reports, Fourth Series. Decisions of the Appellate Divisions of the Superior Court must be reported with the decisions of the Courts of Appeal, but in a category identified as the "California Supplement."

Matthew Bender must publish in the Official Reports opinions and other material (e.g., court rules) only as directed by the Reporter of Decisions in accord with the California Rules of Court and publication practices of the Supreme Court.

Delivery of opinions and other material

The Reporter of Decisions will furnish to Matthew Bender, at Matthew Bender's expense, all opinions and other material required to fulfill Matthew Bender's obligations under this contract. Matthew Bender must rely, to the extent possible, on computer versions of opinions and other material furnished by the Reporter of Decisions. Computer versions of opinions from the Appellate Divisions of the Superior Court, however, may not be available.

The communications methods, data format, and other parameters for providing computer versions of opinions and other material to be published in the Official Reports will be prescribed by the Reporter of Decisions. Matthew Bender will be provided with reasonable advance notice of changes in how computer versions of opinions and other material will be provided.

Computer versions of opinions to be published in the Official Reports will be made available to Matthew Bender on the day opinions are filed, or on the date after filing that opinions are certified for publication.

Intellectual property rights; copyright and licenses

Opinion summaries, headnotes, tables, other editorial features, classification headings for headnotes, and related references and statements prepared by Matthew Bender may be copyrighted by Matthew Bender. If Matthew Bender declines to obtain a copyright on its own behalf, it must obtain a copyright on behalf of the California Supreme Court. All expenses of obtaining copyright, either on its own behalf or for the Supreme Court, will be the responsibility of Matthew Bender, and copies of all documents pertaining to copyright must be provided to the Reporter of Decisions.

No copyright or other proprietary right may be procured or claimed by Matthew Bender for the text of any opinion reported in the Official Reports.

No copyright or other proprietary right may be procured or claimed by Matthew Bender with respect to any element of any citation for any opinion reported in the Official Reports. This includes any method of intra-opinion designation (i.e., "point page" references). All elements of all Official Reports citations for California Reports (first series), California Reports, Second Series, California Reports, Third Series, California Reports, Fourth Series, California Appellate Reports (first series), California Appellate Reports, Second Series, California Appellate Reports, Third Series, and California Appellate Reports, Fourth Series, are in the public domain.

The State will grant Matthew Bender a royalty-free license during the term of this contract for use of all intellectual property rights to the Official Reports, including copyright, held by former publishers on opinion summaries, headnotes, tables, other editorial features, classification headings for headnotes, and related references and statements in California Reports (first series), California Reports, Second Series, California Reports, Third Series, California Reports, Fourth Series, California Appellate Reports (first series), California Appellate Reports, Second Series, California Appellate Reports, Third Series, and California Appellate Reports, Fourth Series. The State, however, will not be liable for any conduct by former publishers that impedes the State's issuance, or Matthew Bender's use of, this license. The substance of the license granted by the State will be as follows:

The State grants to Matthew Bender a royalty-free, perpetual license to use all intellectual property rights, including copyright, with respect to opinion summaries, headnotes, tables, other editorial features, classification headings for headnotes, and related references and statements in California Reports (First Series), California Reports, Second Series, California Reports, Third Series, California Reports, Fourth Series, California Appellate Reports (First Series), California Appellate Reports, Second Series, California Appellate Reports, Third Series, and California Appellate Reports, Fourth Series and to use the classification scheme for headings used in such reports in all materials prepared under this contract (the "State Licensed Materials"). The rights granted pursuant to this license include the right to exercise and authorize exercise of any and all of the rights of the owner of all copyrights in the State Licensed Materials, as more specifically set forth in 17 U.S.C. 106, in all media now known or hereafter developed. The license granted by the State is assignable and sub-licensable. During the term of this Official Reports publication contract this

license shall be the exclusive license granted by the State with respect to these rights in the State Licensed Materials.

For intellectual property rights acquired by former publishers prior to the effective date of the 1998 Official Reports publication contract, the State's grant of the above license is based on section XI of the final judgment entered by the United States District Court for the District of Columbia on March 7, 1997, in *United States et al., v. Thomson Corporation et al.* (Civil No. 96-1415 [PLF]). Section XI provides for transfer to the State of a "license, which shall be perpetual in term, sublicensable, assignable, and royalty-free, to the use of any intellectual property rights which [the incumbent publisher] holds pertaining to the headnotes, case notes, and/or case summaries in the product(s) at issue." Exhibit A.3 of the final judgment defines the Official Reports as among the "product(s) at issue." The license was conditioned on exercising an option provided by the final judgment to terminate the Official Reports publication contract in effect at that time, and that option was exercised.

For intellectual property rights acquired by the former publisher under the 1998 Official Reports publication contract, the State's grant of the above license is based on the 1998 contract provision granting the State a "royalty-free, perpetual license, which shall be sublicensable and assignable, for use of all intellectual property rights, including copyright," created during the contract's term.

Matthew Bender must grant the State a royalty-free, perpetual license, which will be sublicensable and assignable, for use of all intellectual property rights, including copyright, on opinion summaries, headnotes, classification headings for headnotes, and related references and statements created during the term of this contract. The substance of the license granted by Matthew Bender will be as follows:

Matthew Bender grants to the State a royalty-free, perpetual license to use all intellectual property rights, including copyright, with respect to opinion summaries, headnotes, tables, other editorial features, classification headings for headnotes, and related references and statements which are created by or on behalf of Matthew Bender in fulfillment of its obligations pursuant to this Official Reports publication contract (the "Publisher Licensed Materials"). The rights granted pursuant to this license shall include the right to exercise and authorize exercise of any and all of the rights of the owner of all copyrights in the Publisher Licensed Materials, as more specifically set forth in 17 U.S.C. 106, in all media now known or hereafter developed. The license granted by Matthew Bender shall be assignable and sub-licensable. (For sake of clarity, unless otherwise agreed, the Publisher Licensed Materials do not include any materials developed for the LexisNexis online services and lexis.com, such as LexisNexis headnotes and case summaries.)

Unless this contract is terminated, the State will limit use of the Publisher Licensed Materials to reasonable, noncommercial purposes. The State will reasonably limit portions of the Publisher Licensed Materials selected for use, and the State will provide Matthew Bender with reasonable advance notice of each intended use.

If the State terminates this contract, both the State and any successor publisher of the Official Reports must be held harmless for any infringement of Matthew Bender's intellectual property rights in the Official Reports, including copyright, relating to any sublicense or assignment of those rights made by the State in good faith to facilitate continued publication and availability of the Official Reports. The State and any successor publisher must be held harmless even if the termination of the contract by the State is ultimately found to be without cause.

Official Reports subscription lists

The former publisher is contractually obligated "to provide copies to the State, or to a successor publisher designated by the State, of all Official Reports subscription lists. The copies of subscription lists shall include all relevant information reasonably needed by a successor publisher to fulfill subscription obligations. This includes, but is not limited to, the names and addresses of subscribers, types and categories of subscriptions for each subscriber, and subscription cost information." The State will exercise reasonable diligence in enforcing this obligation to provide subscription lists, but the State assumes no responsibility for the currentness, accuracy, or form of subscription list information provided by the former publisher, nor will the State be responsible for any failure by the former publisher to provide the information.

Matthew Bender must provide copies to the State of all Official Reports subscription lists on termination of this contract. The copies must include all relevant information reasonably needed by a successor publisher to fulfill subscription obligations for the print version of the Official Reports and any computer version utilizing a subscription list. The required information includes, but is not limited to, the names and addresses of subscribers, types and categories of subscriptions for each subscriber, and subscription cost information.

Marketing and advertising of Official Reports

Matthew Bender must make the extraordinary efforts detailed in its publication proposal to market and advertise the Official Reports during the term of this contract, including the extraordinary efforts to increase subscription lists described therein.

Matthew Bender must report bimonthly in writing to the Reporter of Decisions on current marketing and advertising efforts, and on the effectiveness of marketing and advertising efforts in general. Each report must include information as to the number of Official Reports subscribers for the print version, and correlative information (e.g., rates of use and revenue implications) for computer versions of the Official Reports. These reports must be made by employees of Matthew Bender with management responsibility for marketing and advertising the Official Reports. These reports will be confidential and only provided as necessary to justices of the California Supreme Court, contracting parties for the State, or an advisory committee convened on behalf of those contracting parties.

If the Reporter of Decisions, on behalf of the State, determines that Matthew Bender's marketing and advertising do not conform to the requirements of this contract, or do not reflect good faith, fair dealing, and cooperation, Matthew Bender will be advised in writing and given a reasonable opportunity to correct the deficiencies before the contract is terminated by the State on that basis.

No advertisements may be published in the bound volumes of the Official Reports. Advertising may, however, be published on the back cover of the Official Reports advance pamphlets with advance written approval of the Reporter of Decisions.

REQUIREMENTS AND STANDARDS FOR EDITORIAL WORK

Staffing and cost

All editorial work specified in this contract must be done at Matthew Bender's expense.

The foundation of Matthew Bender's editorial process will be integrating work required by this contract into the current workflow for preparing California opinions for the LexisNexis online research service. This editorial process, which also serves as the infrastructure for print publication, will result in continuous, sequential updating of opinions on the LexisNexis online research service as work required by this contract is completed. Summaries and headnotes prepared for the Official Reports will be available on the LexisNexis online research service in tandem with proprietary LexisNexis summaries and headnotes for each opinion. California opinions may be added to LexisNexis as many as three times each judicial day. Opinions will normally be available on the LexisNexis online services within 24 hours of receipt.

Content editors will compile, verify and style the contents of each opinion, including title, party designations, trial court and date information, and justice and attorney identification. These editors will add parallel or alternate citations as required by this contract or the Reporter of Decisions, verify the styling of all citations of authority, and verify quoted matter for accuracy and styling. In addition, content editors will inspect opinions for compliance with partial publication instructions, citations to superseded opinions, and lapses in providing protective nondisclosure. Corrections, changes, or enhancements to opinions will only be made as specified in this contract or authorized by the Reporter of Decisions.

Legal editors will perform "derivative analysis" of opinions, including drafting summaries and headnotes; opinions will then be returned to content editors for additional checking and verification. Opinions thus compiled will constitute the master document for print publication purposes. While performing "derivative analysis," legal editors will also review the content and format of each opinion for compliance with partial publication rules, accuracy of style, and literary mechanics. These editorial enhancements will normally be completed and reflected on

the LexisNexis online research services within 24-48 hours after opinions have been made available to Matthew Bender.

Editors will review documents with summary and headnotes for California citation style and mechanics, verification of wording, spelling, capitalization, punctuation, and citation style of quoted material, modifications and corrections as requested by the Reporter of Decisions. These enhancements will normally be completed and reflected on the LexisNexis online research service within 72-96 hours after opinions have been made available to Matthew Bender.

Editors will also review composed pages of all advance pamphlets and bound volumes for front matter, folios, running heads, justification, word division, style mechanics, placement of tables, opinions and other content as supplied by the Reporter of Decisions.

Cooperation with Reporter of Decisions

Matthew Bender must cooperate with the Reporter of Decisions to the maximum extent reasonably possible in performing the editorial work required by this contract. Matthew Bender's processes and procedures for performing editorial work must be compatible with those of the Reporter of Decisions. Satisfactory performance of editorial work will require the extraordinary diligence, initiative, and discretion by Matthew Bender's staff described in their proposal, and it will require extensive day-to-day communication with, and deference to, the Reporter of Decisions and staff. Matthew Bender will establish a secure Web site on a Matthew Bender or LexisNexis server that will facilitate cooperation and communication between Matthew Bender staff and the Reporter of Decisions and staff. The Web site will be established and operated at no charge to the State.

If, at any time the Reporter of Decisions, on behalf of the State, determines that Matthew Bender's editorial work is unsatisfactory, Matthew Bender will be advised in writing and given a reasonable opportunity to correct any deficiencies before the contract is terminated by the State on that basis.

Postfiling verification, correction, styling, and proofreading

Matthew Bender must accurately report opinion text and only make changes to text as specified by this contract, or as otherwise directed by the Reporter of Decisions. Matthew Bender must identify and promptly refer to the Reporter of Decisions all discrepancies, anomalies, and inconsistencies in opinion text that are discernible from diligently performing editorial work required by this contract.

Matthew Bender must provide for thorough proofreading, copyreading, and correction of all opinions as soon as practicable after delivery by the Reporter of Decisions. The proofreading and copyreading must be done at a level of accuracy satisfactory to the Reporter of Decisions. Matthew Bender must verify the accuracy of all citations to authority in opinions, and the

accuracy of all quotations of authority in opinions (e.g., other opinions, statutes, rules, law reviews, and treatises).

All opinions must be conformed to style and standards as directed by the Reporter of Decisions. Style and standards are principally set forth in the California Style Manual, Fourth Edition. Matthew Bender's styling responsibilities include: (i) checking titles of opinions and designations of parties; (ii) checking and styling the counsel listing; (iii) checking and styling trial court information; (iv) checking and styling names of justices; (v) executing partial publication orders; (vi) executing orders of modification and clerical correction directives from the Reporter of Decisions; (vii) adding parallel case citations, where available, to the National Reporter System, state reports of other jurisdictions, specialized case reporters as specified or authorized by the Reporter of Decisions, and any other form of parallel citation specified or authorized by the Reporter of Decisions; (viii) creating opinion titles for citation purposes (i.e., "running head" titles); (ix) correctly styling all citations of authority in opinions; and, (x) correcting errors in spelling and grammar.

All opinions must be diligently inspected for: (i) improper disclosure of the identity of a witness or party; (ii) citation to unpublished and depublished opinions; (iii) citation of opinions in which review has been granted by the Supreme Court; (iv) any facial impropriety with respect to the certification of the opinion for publication or partial publication; (v) in partially published opinions, references in concurring, dissenting, or concurring and dissenting opinions to the unpublished portion of the majority or lead opinion; and, (vi) all multiple-opinion decisions in which the lead opinion is signed by less than a majority (i.e., less than four justices of the Supreme Court and less than two justices of the Court of Appeal). All such lapses must be promptly referred to the Reporter of Decisions.

Summaries and headnotes

Opinion summaries, headnotes, classification headings for headnotes, and related references must be added to all opinions reported in the Official Reports. All headnotes and summaries must have the level of editorial quality reflected in volumes 16 through 26 of California Reports, Fourth Series, and volumes 60 through 94 of California Appellate Reports, Fourth Series.

Subject to review and approval by the Reporter of Decisions, the style for summaries and headnotes may gradually be modified to be more concise with on single-subject headnotes.

Headnotes for the California Reports, Fourth Series, and California Appellate Reports, Fourth Series, may be classified to the California Digest, subject to the license described *ante*, pages 7 and 8.

To its headnotes, Matthew Bender must append references to such authorities as directed or approved by the Reporter of Decisions, but only in the amount and manner specified and approved by the Reporter of Decisions.

Postpublication revision and correction

The text of opinions and all editorial enhancements to opinions (e.g., tables, summaries, and headnotes) are subject to inspection, revision, and correction by the Reporter of Decisions. This includes the editing described by rule 976 (e), California Rules of Court. Any unsatisfactory work will, at the discretion of the Reporter of Decisions, be returned to Matthew Bender for prompt correction at no cost to the State and no additional cost to Official Reports subscribers.

Where errors of significance are detected after publication of Official Reports bound volumes, whether errors are caused by Matthew Bender, the appellate courts, the Reporter of Decisions, or a former publisher, the publisher must, at the discretion of the Reporter of Decisions and the publisher's own expense, (i) issue a "crack, peel, and affix" correcting material to subscribers, or (ii) for volumes printed by Matthew Bender, reprint and reissue the volume in its entirety. Matthew Bender must also promptly reflect such corrections in the computer versions of the Official Reports.

PRINT VERSION REQUIREMENTS

Pagination and size of volumes

Matthew Bender must continue to utilize the system of uniform pagination reflected in the current publication of advance pamphlets and bound volumes for the California Reports, Fourth Series, and the California Appellate Reports, Fourth Series. This means that volume and page designations for opinions in the advance pamphlets are retained for the bound volumes, notwithstanding that some opinions in the advance pamphlets will be deleted from the bound volumes in accord with the California Rules of Court, publication practices of the Supreme Court, and directions from the Reporter of Decisions.

The average number of actual opinion pages included in each Official Reports bound volume must be 1,250. The term "actual opinion pages" includes associated classification headings, summaries, and headnotes.

Pagination of the advance pamphlets must be continuously monitored and adjusted by Matthew Bender to ensure that the specified average number of actual opinion pages per volume is satisfied over the course of each year of the contract. Matthew Bender must report the results of this monitoring and adjusting as requested by the Reporter of Decisions.

Advance pamphlets; review granted pamphlets

In general; specifications

Matthew Bender must publish advance reports of opinions of the California Supreme Court, Courts of Appeal, and Appellate Divisions of the Superior Court in combined advance pamphlets entitled "Advance Sheets of the California Official Reports."

Advance pamphlet material relating to the Supreme Court must appear in the first portion of the pamphlet. Matter relating to the other appellate courts must appear following the Supreme Court matter. Where opinions from two volumes of the California Reports, Fourth Series, and/or the California Appellate Reports, Fourth Series, are published in the same advance pamphlet, a distinguishing border must be printed on the outside of the pages of the opinions from the second volume to facilitate identification and ease of access.

Pagination, typographical style, paper quality, paper weight, and binding for the Official Reports advance pamphlets must conform to 2002 advance pamphlets Nos. 1 to 28.

Contents of advance pamphlets

Pages of the Official Reports advance pamphlets comprising Supreme Court material must contain: (i) title page; (ii) multivolume cumulative table of opinions; (iii) opinions of the Supreme Court with classification headings, summaries, and headnotes prepared by Matthew Bender; (iv) Supreme Court minutes; and, (v) other material that the Supreme Court or Reporter of Decisions may direct to be published, including additions or amendments to the California Rules of Court, local appellate court rules, appellate court internal operating policies and procedures, specified Supreme Court orders, and other policies, guidelines, standards, and rules.

Pages of the Official Reports advance pamphlets comprising material from other appellate courts must contain: (i) title page; (ii) multivolume cumulative table of opinions of the Courts of Appeal and Appellate Divisions of the Superior Courts; (iii) opinions of the Courts of Appeal and Appellate Divisions of the Superior Court certified for publication in whole or in part, with classification headings, summaries, and headnotes prepared by the publisher; (iv) cumulative subsequent history table and derivative tables; and, (v) such other materials as the Supreme Court or Reporter or Decisions may direct to be published.

Publication frequency

Official Reports advance pamphlets must be published every 10 days.

Lead-time requirements for advance pamphlets

Unless otherwise directed by the Reporter of Decisions, Matthew Bender must promptly prepare and publish opinions in the order received. Opinions are received when made available to the publisher as a computer file. Opinions available only as paper copies are received when the paper copy is delivered to the publisher.

If the State determines that opinions are not being published with reasonable promptness, Matthew Bender must be advised and given a reasonable opportunity to publish opinions more promptly before the contract is terminated by the State on that basis. Publication will not, under any circumstances, be considered prompt if Matthew Bender persistently allows more than 25 judicial days to pass between receipt of the most recent opinion in an advance pamphlet and publication of that pamphlet.

Advance pamphlet printing and distribution; penalty

R.R. Donnelley will print, bind and distribute the Official Reports advance pamphlets for Matthew Bender using CREO computer-to-plate image setters, 17 narrow web presses (Timson), and Muller Martini binding lines.

Substantially all subscribers must receive Official Reports advance pamphlets within four days of the scheduled date of publication.

Failure to publish and substantially complete distribution of Official Reports advance pamphlets to subscribers within five days of the scheduled date of publication will result in damages to the State and the public that would be difficult to accurately assess. Therefore, as liquidated damages, Matthew Bender must pay the State \$15,000 on each occasion of late publication or distribution. A delay solely attributable to the United States Postal Service will not cause assessment of the penalty.

Reprinting for tracking pamphlets

Matthew Bender must continue the current practice of reprinting for tracking. After the Supreme Court grants review, published Court of Appeal opinions are no longer regarded as published under rule 976 (d), California Rules of Court, but these opinions must nonetheless remain available in the Official Reports while review is pending. To accomplish this, two pamphlets will be issued each year, the first in January to cumulate and reprint all opinions for which review was granted and remains pending as of December 31 of the prior year. The second pamphlet each year will be issued in July. The July pamphlet will cumulate and reprint only opinions in which review was granted between January and June of the current year. Each edition of the pamphlet contains explanatory information and tables as directed by the Reporter of Decisions. Matthew Bender will not, however, be required to include in its review granted pamphlets any opinions reported in the advance pamphlets prior to the effective date of this contract.

Reprinting for tracking pamphlets must be treated as part of the subscription for Official Reports advance pamphlets and not priced or billed as a separate component of the Official Reports.

Bound volumes

General specifications

Pagination, typographical style, paper quality, paper weight, and binding for bound volumes of the Official Reports must conform to volumes 16 through 26 of California Reports, Fourth Series, and volumes 60 through 94 of California Appellate Reports, Fourth Series.

Contents of bound volumes

Bound volumes for the California Reports, Fourth Series, must contain the following: (i) list of contents inside the front cover; (ii) title page; (iii) rosters of judges of the Supreme Court, Courts of Appeal, and Superior Courts; (iv) table of cases; (v) opinions of the Supreme Court with classification headings, summaries, headnotes, and subsequent history entries, if any; (vi) memorials, if any; and, (vii) such other materials as the Supreme Court or the Reporter of Decisions may direct to be published.

Bound volumes for the California Appellate Reports, Fourth Series, must contain the equivalent of all items specified in the preceding paragraph, except that the included opinions must be those of the Courts of Appeal and the Appellate Divisions of the Superior Courts, and the roster of judges shall contain the judges of the Courts of Appeal and the Appellate Divisions of the Superior Courts.

Lead-time requirements for bound volumes

Matthew Bender must publish and deliver bound volumes of the Official Reports within 60 days after delivery of final opinion page manuscript by the Reporter of Decisions. The term "opinion page manuscript" refers to (i) page proofs of opinions in the advance pamphlets that have been edited and corrected by the Reporter of Decisions, or (ii) computer files of opinions in the advance pamphlets that have been edited and corrected by the Reporter of Decisions.

Bound volumes will be processed using either the Escher-grad or Konica ECRM image setter. Printing will be done on one of two web offset presses (King or Goss). The signatures will then be gathered on Muller Martini binding equipment and Smythe-sewn on one of 4 Freschia Sewing Machines. Cases will be made using 2 Kolbus casemakers and stamped. (3 foil stampers are used: Kolbus, C & P or Kluge). The bound volumes will be assembled on an automated Stahl casing-in line.

Bound volumes of the California Official Reports will be shipped through the United States Postal Service. The remainder of the inventory will be shipped and stored in a Matthew Bender warehouse facility in Conklin, New York.

Penalty for late publication of bound volumes

Failure of Matthew Bender to publish the bound volumes within 75 days from the date the Reporter of Decisions transmits opinion page manuscript will result in damages to the State and the public that would be difficult to accurately assess. Therefore, as liquidated damages, Matthew Bender must pay the State the amount of \$25,000 on each occasion of late publication.

Availability of back volumes; inventory requirements

Matthew Bender must make available a sufficient number of copies of each bound volume of the Official Reports to supply all demands for six years from the date of publication of each volume. Volumes supplied pursuant to this requirement must be sold at prices no greater than the then-current applicable price authorized under the contract for publication of the Official Reports in effect at that time.

Matthew Bender must make a reasonable effort to acquire the former publisher's Official Reports inventory and assume responsibility for selling volumes from that inventory that were published under prior Official Reports publication contracts.

**REQUIREMENTS FOR COMPUTER VERSION
OF OFFICIAL REPORTS**

In general

Opinions reported in computer versions of the Official Reports must, with reasonable promptness, conform to, incorporate, and reflect all editorial requirements and enhancements specified in this contract. Editorial work required by this contract will be integrated into the current workflow for preparing California opinions for the LexisNexis online research service (see pp. 10 and 11). If the State, however, determines that any computer version is not being provided with reasonable promptness, Matthew Bender must be advised and given a reasonable opportunity to provide the computer version more promptly before the contract is terminated by the State on that basis.

Retrospective coverage; official opinion text requirement

Computer versions of the Official Reports will provide retrospective coverage of California Reports, Fourth Series, California Reports, Third Series, California Reports, Second Series, California Reports (first series), California Appellate Reports, Fourth Series, California Appellate Reports, Third Series, California Appellate Reports, Second Series and California Appellate Reports (first series). Matthew Bender warrants that all computer versions of the Official Reports will provide official opinion text and pagination.

During the first year of this contract Matthew Bender will add Official Reports opinion summaries, headnotes, classification headings for headnotes, and related references and statements to computer versions of the Official Reports.

Official Reports on CD-ROM

The LexisNexis California State Cases CD-ROM will become the California Official Reports CD-ROM. This CD-ROM product is a five-disc set published bimonthly. Content is derived directly from the LexisNexis online research service. Folio Corporation supplies the search and retrieval software used on all LexisNexis CD-ROM products. Matthew Bender will release a Folio Views 4.3 platform in early April. The California Official Reports on CD-ROM will operate on this platform.

Official Reports on DVD

Matthew Bender will publish the Official Reports on DVD. The DVD version will compile all Official Reports opinions on a single disc. The DVD software will also be Folio Views 4.3.

E-mail advance pamphlet service

Matthew Bender will provide an e-mail advance pamphlet service at no charge to users. An "alert service" will "push" Official Reports advance pamphlet information to customers by e-mail, providing "headlines" of recent cases with links to the online version for the full text of opinions and enhancements.

Public access to opinions

Matthew Bender or LexisNexis will host a Web site of California opinions that will be available to the public at no charge and linked to the California Courts Web Site. This Web site will include the official text of opinions from volume 1, California Reports (1850-1851), and volume 1, California Appellate Reports (1905), through all opinions reported pursuant to this contract. Opinions will be added to the Web site not later than the approximate time final versions of opinions prepared for the Official Reports bound volumes are available. Subject to approval by

the Reporter of Decisions, Matthew Bender may provide links to other information that may assist users of the Web site.

Customer support for computer versions

Customer support for the online version of the Official Reports will be provided by a trained customer support staff located in Dayton, Ohio. Customer support will be available 24 hours a day, seven days a week.

Assistance with questions about an invoice, account balance, or status of an account including use of online versions of the Official Reports will similarly be available 24 hours a day, seven days a week.

Customer service and assistance for subscribers to offline computer versions of the Official Reports (i.e., CD-ROM and DVD), including account and subscription queries, will be through a customer operations department located in Albany, New York. Service will be provided between 5:00 a.m. and 5:00 p.m. Pacific Time, Monday through Friday. Account and billing information will be available 24 hours a day, seven days a week through a Web-based service center. This service center will also provide information for print-based subscriptions.

Customer training and technical support will be available for subscribers to offline computer versions of the Official Reports 24 hours a day, seven days a week.

PRICE

Comprehensive statement of initial prices

Official Reports advance pamphlets, annual subscription: \$ 231.75.

Official Reports bound volumes, each volume: \$ 14.75.

CD-ROM computer version of Official Reports, annual single-user subscription for five-disc set: \$914.00.

The version of the Official Reports on the LexisNexis online research service will be the California case law component of the following:

California Primary Law Menu monthly subscription, single-user:
\$106.00. (California Primary Law contains unlimited access to California Supreme Court and Court of Appeal opinions, Deerings California Annotated Code, including the Constitution, Rules of Court Rules, and Advance Legislative Service, and California Shepards service.)

California Law Flat-Rate Library monthly subscription, single-user:
\$ 140.00. (California Library contains unlimited access to all California Primary Law components set forth above, and extensive legislative materials, administrative materials, ethics opinions, public records, jury instructions, legal publications, and California news.)

California Enhanced Flat-Rate Library monthly subscription, single-user:
\$ 204.00. (California Enhanced Library includes all of the California Primary Law and California Library Law components set forth above, and opinions United States Supreme Courts, Ninth Circuit Court of Appeals, and Bankruptcy Court, as well as federal legislative materials and Shepards service for the Ninth Circuit.)

Price adjustment

Prices charged for the print version of the Official Reports will be subject to annual adjustment, upward or downward, in accord with the United States Department of Labor, Bureau of Labor Statistics Producer Price Index for Technical, scientific and professional books, Series ID PCU2731#3. No change in price for the print version may be made without prior written consent by the Reporter of Decisions on behalf of the State.

Prices changes for computer versions of the Official reports will be at Matthew Bender's discretion, subject to the following. Matthew Bender warrants that rates and prices charged for computer versions of the Official Reports will at all times be comparable to rates and prices charged by Matthew Bender and LexisNexis for computer-based products, services, or databases similar to the Official Reports to similar customers under similar terms and conditions for similar quantities and mixes of products, services, or databases, but allowing for differences in response to differing competitive pressures in different jurisdictions. The State understands that changes in prices of LexisNexis online menus may reflect factors other than the price of the Official Reports.

All prices and adjustments to prices authorized by the terms of the Official Reports publication contract are subject to all applicable federal economic stabilization laws, orders, and regulations. Sales taxes imposed by law during the course of the publication for the Official Reports must be added to any applicable price.

Discretion to charge lower prices

The comprehensive statement of prices, as adjusted pursuant to this contract, does not prohibit Matthew Bender from voluntarily charging lower prices, provided that in doing so public sector subscribers are treated at least as favorably as private sector subscribers in like circumstances. The comprehensive statement of prices does not prohibit Matthew Bender from including the Official Reports in any cooperative purchasing plans or agreements with subscribers, nor does it prohibit including the Official Reports in promotional discounts or discounts resulting from “bundling” the Official Reports with other products or services.

Complimentary subscriptions

Matthew Bender will provide the Supreme Court and Courts of Appeal with 120 complimentary subscriptions to the print version of the Official Reports.

EXECUTION

This contract is 22 pages, including the cover page and signature page. To facilitate execution by the contracting parties for the State, there are five duplicate originals of this contract. Each original has been signed by one contracting party for the state and all five originals have been signed on behalf of Matthew Bender.

For the State of California

_____ Dated _____, 2003
Ronald M. George, Chief Justice

_____ Dated _____, 2003
Kevin Shelley, Secretary of State

_____ Dated _____, 2003
Bill Lockyer, Attorney General

_____ Dated _____, 2003
James E. Herman, State Bar President

_____ Dated _____, 2003
Edward W. Jessen, Reporter of Decisions

For Matthew Bender & Company, Inc., a member of the LexisNexis Group

_____ Dated _____, 2003
Ann Fullenkamp, Senior Vice President