MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING, is entered into this 19 day of May 2006, by and between the State of Illinois, acting through the Department of Human Services and hereinafter called the "State" and Healthcare Alternative Systems, Inc.,

WITNESSETH

WHEREAS, the State has the duty to provide for the health, safety, and welfare of its residents; and

WHEREAS, the Department of Human Services helps Illinois families achieve self-sufficiency, independence and health to the maximum extent possible and improves the quality of life of thousands of Illinois families by providing an array of comprehensive, coordinated services, and

WHEREAS, Healthcare Alternative Systems, Inc. is a nonprofit organization that has been providing alcohol and substance abuse and other behavioral health services for over 31 years to some of the most underserved individuals and families in Chicago, Illinois; and

WHEREAS, the parties shall enter into a grant or award agreement, to be effective for fiscal year 2007 and subject to compliance with all applicable State law and necessary certifications, on the basis of the following terms, among others:

The State will agree:

1. To provide $100,000 in State funding for the Healthcare Alternative Systems, Inc. which is intended to support a new Patient Management Information System (MIS).

Healthcare Alternative Systems, Inc. will agree:

2. To meet all duties and obligations imposed by state law respecting nonfederal-aid projects; and

3. To promptly pay all contractors engaged on projects undertaken pursuant to this Memorandum of Understanding.

The parties will mutually agree:

4. That, with respect to the State funding, project initiation will be the responsibility of Healthcare Alternative Systems, Inc. and to be coordinated with the State.
IN WITNESS WHEREOF, State and Healthcare Alternative Systems, Inc. have caused this Memorandum of Understanding to be executed by their authorized representatives on the 10th day of May 2006.

FOR HEALTHCARE ALTERNATIVE SYSTEMS, INC:

[Signature]
Marco E. Jaconne, MA, LPC, CSADC, CEAP
Executive Director
Healthcare Alternative Systems, Inc.

FOR THE STATE:

[Signature]
Carol L. Adams
Secretary
Department of Human Services