

September 4, 2008

Jacqueline Jagers, President
Jagers Enterprises, Inc.
5530 Bayside Drive
Orlando, FL 32819

Dear Ms. Jagers,

It has recently come to my attention that the City of Gainesville's drug testing has been diverted from Doctor's Laboratory, Inc to another lab provider. This has caused significant delays in our ability to receive drug testing results and has caused my staff considerable additional work sorting out the mess with our Medical Review Officer. This action is also in violation of the contract Jagers Enterprises, Inc has with the City of Gainesville, where your technical proposal states that "all diagnostic lab tests will be processed by Doctor's Laboratory, Valdosta Georgia".

While this appears to be a breach of contract, the City of Gainesville is electing to utilize the cancellation clause as described in the Section V – General Conditions B. 7. which allows the contract to be terminated without cause upon 30 days written notice to the other party.

Accept this letter as official notice that the City of Gainesville will be terminating the contract for Collection and Clinical Laboratory Services effective October, 4, 2008. The City expects Jagers Enterprises, Inc. to continue to provide the services up to the date of termination as specified in the contract currently in place.

Sincerely,



Steve Varvel
Risk Management Director

Cc: City of Gainesville Purchasing Division
City Attorney's Office